

# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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# *Opera Mundi* **EUROPE**

**A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET**

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## COMMENT

## A Letter from Paris

## THE WEEK THEY PASSED THE BUCK

It was not just the international markets that were overtaken by last week's monetary scramble: it seemed for all the world as if the best part of the Bonn diplomatic corps was transfixed, awaiting the inevitable revaluation of the deutschemark. Chancellor Kiesinger's clear-headedness throughout, and his unerring grasp of the situation, leading up to the carefully timed disclaimer on Friday of all revaluation plans ascribed to the government, bore witness to courage as laudable as that of former President de Gaulle, and his resolute "non" to franc devaluation last November, when there was a similar sense of inevitability about a change in parity.

The more commendable is Kiesinger's consistent action for the fact that throughout the pressure was on, from both the United States and Britain, for an uprating of mark parity. Remember too that the German leaders have at times shown an almost disconcerting solicitude - still that (worthy enough) concern to put the past behind? - to avoid any recrimination about their carelessness in observing the rules of international cooperation. But this time, those who preached mark revaluation in the name of cooperation between nations were really going rather too far. What higher principle can one possibly invoke, after all, to call upon a country - whose only offence has been to scotch inflation at home, by making industry "konkurrenzfähig" (competitive) and export-orientated - to practice self-deprivation, to sabotage its own export successes, and in so doing victimise its farming population and deliberately set the home economy on a deflationary course?

Again, while certain temporary benefits would accrue to the U.S. and British currencies from the revaluation of the deutschemark - and perhaps one or two other currencies in its wake - there is no telling what long-term damage the move could work, simply for the fresh doubt it would cast upon the stability of all currencies generally and the incitement it would give to speculators as a result, to gamble on the raising or lowering of parity in this or that currency. Perhaps we too easily forget that the smooth running of the world monetary system depends above all upon confidence in the stability of the major currencies, and that no manipulation, of whatever sort, can ever help to bolster this, as we have seen only too often. Perhaps, after reflection, even American and British leaders will be admitting - to themselves at least - that in turning a deaf ear to their counsel Chancellor Kiesinger was in fact doing them service, his tactics serving to strengthen the credibility of the dollar, and even of the pound.

There is perhaps more baloney talked about monetary matters than any other single topic. Yet again, in the past few days, we have heard all the old stories, even in the most respected journals, about the deutschemark being undervalued and the franc over-valued, and, inspired by these, similar arguments about any number of other

currencies. Surely it is nonsense to pretend that price discrepancies from one country to another stem solely from monetary disparities, and that to set the whole house in order we need nothing more than a general reshuffling of parities.

Let the people who defend this sort of thinking apply their minds to what would happen as a result: if all countries, in consultation, went in periodically for this sort of monetary reshuffle, to the end of closing price gaps between each other, then in next to no time the whole pattern of free competition would be utterly falsified. Indeed, it is this same free interplay that in the long run serves to iron out discrepancies: under pressure from the "challenge", those who are producing at too high a cost find themselves compelled to improve productivity and put the damper on those inflationary home trends that are pushing up manufacturing costs. Equally, those countries that are producing too much "on the cheap" (although surely such a concept in economics cannot be allowed) must eventually find production and exports booming so much that in the end overheating must begin to tell, and so slow things down accordingly, until in due course export capacity is adequately reduced.

This is what we term "imported inflation", and it was to guard against this in the future - and there is now much less inflation in Germany than in neighbouring countries - that Professor Karl Schiller, West German Economics Minister, decided to espouse the cause of deutschemark revaluation, and that his appointees attempted to pressure Paris into simultaneous franc devaluation. This seems to betoken a strange inconsistency with Schiller's known dedication to the European cause, a failure to appreciate that, now customs barriers within the E.E.C. have been demolished, there is a vital need for the Six to devote themselves wholeheartedly to the task of tailoring their economies to one another (and bracing themselves against the brief shocks that this exposure will bring with it), rather than attempt to frustrate the process by the contrivance of non-tariff "stimuli" or "restraints" in the guise of periodical monetary adjustment measures.

Another point: what bone have we really to pick with the speculators, who have converted their funds - mostly Euro-dollars - into some \$3,000 million worth of deutschemarks? Their sin was to try to "make a quick buck", their action being triggered off by official statements in Bonn itself, that led them to believe that deutschemark parity was bound to be altered. However trying the ramifications of a crisis of this sort may be, at least those who help to raise the tidal wave play according to the rules, and if their speculation turns sour on them, they know that the loss of the gamble - the sudden cold wind - is all part of the game. Of course, certain of them may try to hold out, to bank on the idea that sooner or later realignment of the major currencies is bound to come, and so retain their deutsche-mark holdings - but this could well prove an extremely expensive exercise, because of the exorbitant interest charged on the cash they have raised, especially if it has come from the Eurodollar market.

This brings us to a vital factor in the situation: it is the very existence of this vast Eurodollar market that has tended to heighten recent monetary crises. It is estimated that there is now some \$25,000 million of such capital floating around the world,

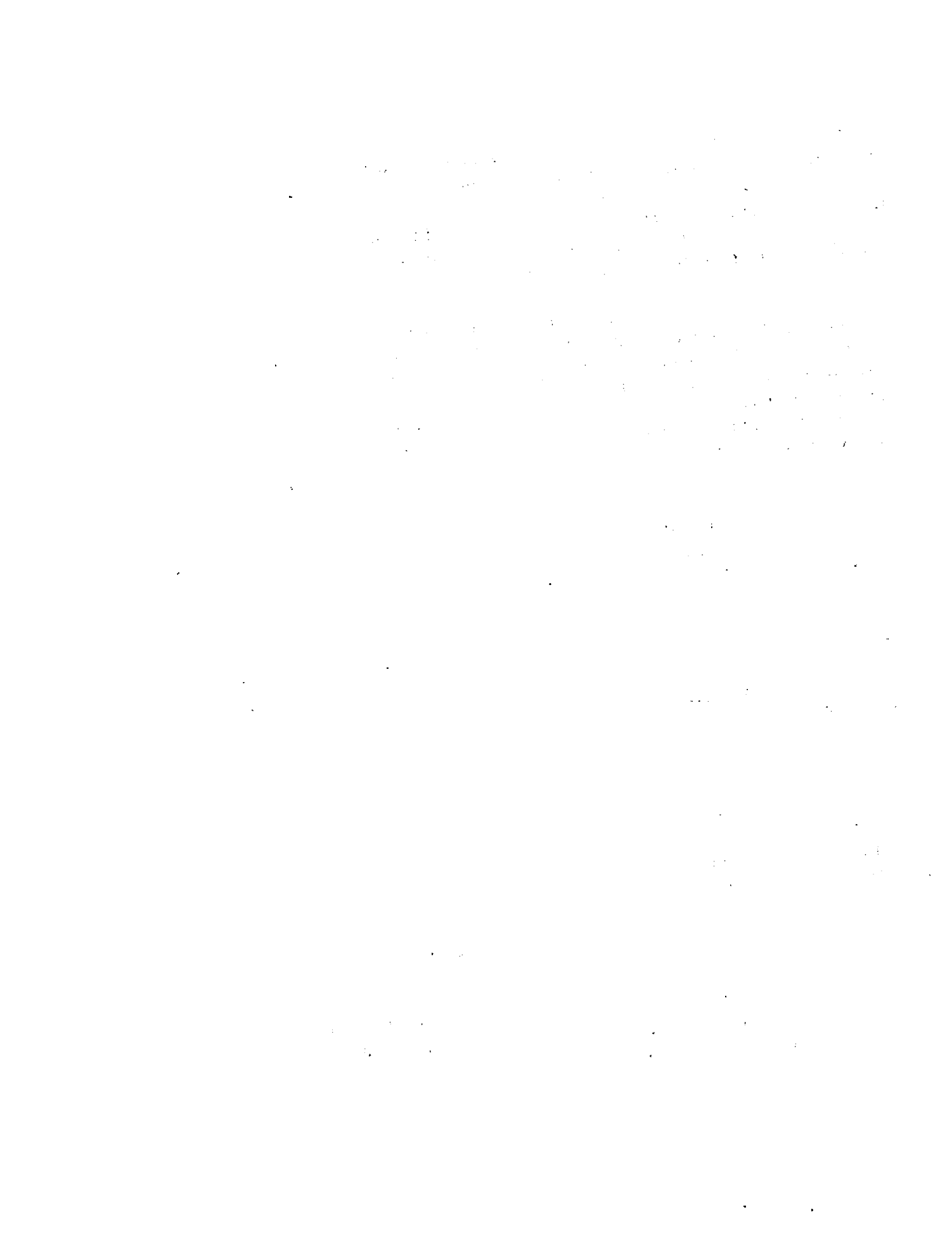
available at fairly short notice and in hefty sums: a telex or telephone call between two points on the finance map suffices to secure a transfer or one of the various types of dollar loan issued in Europe. With so much grist to the mill, one is never short of \$2,000 or 3,000 million to throw into the quest for an easy killing. This is the way the market works, of course, and we should never allow the potential of this built-in facility to lead us into any general hostility towards the Eurodollar market as such.

For some ten years past (see Viewpoint, No 509), but at an ever-increasing level of activity, this market has played a vital role in the quasi-automatic adjustment of liquidity around the world. It was largely because of it that the lack of liquidity, so long dreaded, failed in the end to become apparent, and all international conferences of monetary experts have duly recognised this. One could even say that if the Eurodollar market had not existed, we should have had to invent one, and even the central banks, who at first looked askance at its steady establishment, are now more than aware of its tremendous functional value.

However, once we have admitted that this pool of floating capital exists, then it behoves us to take steps to avoid setting off any untoward or violent displacement of it. The fact is that the top financial circles in various countries - including government leaders, be they American, British, French or German - are prone to dropping statements that seem to hint very directly at some currency readjustment, either as "on the cards", or virtually agreed upon. The recent crisis was much precipitated by the utterances of Federal Finance Minister Franz-Josef Strauss: while opposed to a Dm-revaluation/franc devaluation deal along the lines suggested by Schiller, he nevertheless admitted to the possibility thereof, provided only that parity should be adjusted unilaterally, and that the revaluation be pegged in the 8-10% range.

Only when we get together to outlaw from the monetary system all meddling with parity, as a device for attempting to overcome our economic failures (i.e. by admitting that these should be solved by the traditional economic and fiscal means, or even through the medium of liquidity adjustments, but never through parity rates), will we succeed in removing from the speculator that occasional temptation, that "invitation to the dance" that parity change rumours bring. When that occurs, the speculators will just vanish from the monetary scene, looking to their old haunts or to fresh ones, without any need whatever for coercive measures to deter them.

Until then, we shall continue to drift from crisis to crisis. But we should not for this reason call the system itself in question, for it is merely our failure to remain consistent with its principles that betrays us.



## THE WEEK IN THE COMMUNITY

May 5 - May 11, 1969

## THE COMMON MARKET

The Mark Eternal

The speculators have had their fingers burnt again - but they could well yet "hit the jackpot". The decision by the West German government not to revalue the deutschemark, which had been expected by many domestic and foreign observers, will last, according to a government spokesman, "for eternity". The trouble with such statements is they tend to convince observers and speculators (see Comment) that the event in question will take place within the foreseeable future, which in this case is likely to be after the West German elections in the autumn.

The present crisis was caused largely by continuing doubts as to the stability of the international monetary machine, and was aggravated by the statements and speeches of the West German Finance Minister, Herr Franz-Josef Strauss, who seemed to indicate that despite the decision taken last November, a revaluation of the Dm - albeit as part of a multilateral change in parities - was on the cards. Coming after the uncertainty as to what might happen in France following the departure of General de Gaulle, this provoked the rush into the mark which took place during the fortnight up to last Friday. Although Bonn has decided not to revalue, the speculators are likely to hang on for some time yet, as the measures taken to recycle hot money, which were announced after the meeting of the governors of the Central Banks in Basle seem unlikely to be very effective. Furthermore, the measures which the West Germans promised after their decision last Friday, and which were made public on Tuesday have been described by the government spokesman as not being "extreme".

There are six main points in the German measures, the aim of which, apart from discouraging speculation, is also to control the signs of inflation which are appearing in West Germany. They include the continuance for an indefinite period of the special import-export taxes introduced last November, due to expire at the end of March, 1970; the tightening of the rules governing foreign-owned deposits in German banks, technical measures to make speculation more expensive, all the Federal government's surplus revenue to be put into a special reserve fund, and the Federal government to repurchase interest-free bonds issued during the 1967 recession. Surprisingly, however, it has been decided not to use powers to control the inflow of foreign funds as such into the country.

The comparative mildness of these measures is therefore likely to provoke further uncertainty, and the announcement of the poor British and French trade figures will probably encourage those who have their doubts as to how long the present parity

levels of either currency can be maintained, and will thus make the German mark a more attractive currency despite the efforts to the contrary.

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## MONETARY MATTERS

### Call for SDR Approach

Last week M. Raymond Barre, the Vice-President of the Commission explained his proposals for coordinating the economic policies of the Six and the establishment of a monetary mechanism for member countries in difficulty, to the European Parliament. M. Barre had to defend his proposals against the criticism that the setting up of automatic monetary assistance might create further problems for Community currencies, an argument put forward by German representatives. This indicates he may well face further problems from this quarter when the governments get down to discussing these proposals in further detail.

M. Barre also dealt with the question of implementing the S.D.R.'s or Special Drawing Rights: "It is of the utmost importance that the Community should be present as such, when this move is agreed, and that the Community should make a judicious use of the influence which it can wield if all the member countries use their voting power jointly. It is a question of agreeing on a reasonable solution as to the size of drawing rights. But there is also a need to ensure that the introduction of SDR's will result in a limitation on the growth of official dollar holdings, and thus terminate certain practices which do not help the international monetary system. If these conditions are observed then the SDR's will be able to fulfill their main purpose, which is to stop international liquidity being formed on an erratic basis, and make the formation of such liquidities dependent on agreed decisions, taking into account the effective needs of the international economy."

The situation faced by the French economy during the coming months was also dealt with by the Commission's vice-president. "France has at its disposal such a range of measures with which to back its currency, that the fate of the franc is not as uncertain as some would like to believe." He pointed out that France still had reserves of \$ 3.5 billion, with another \$ 1,000 million available from the IMF and could also make short-term drawings on other members of the Group of Ten. In spite of all the uncertainties which were facing the French economy, the country's progress was satisfactory as a result of the slowing down in industrial production, with price rises, and wages were following an acceptable pattern.

"A slowdown in economic growth is therefore likely during the summer and this should mean that the country's trading deficit will disappear before the end of the



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current year" said M. Barre. "If domestic demand is contained and if consumer savings can be further stimulated, the reappearance of economic conditions enabling the present parity of the franc to be maintained is likely."

With regard to West Germany, the Vice-President expressed some doubts over the interest rates which were raised in March and strengthened in April. He considered the West Germans had taken early action at a time when the deterioration in prices was hardly sufficient to warrant the use of a restrictive monetary policy. M. Barre who was speaking last Tuesday added "this may cause some further economic problems and have repercussions on the international monetary situation, where speculators are constantly awaiting an opportunity to gamble on a possible revaluation of the deutschemark."

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## COUNCIL OF MINISTERS

The practical effects of the Common Market for the ordinary consumer within the Six were strengthened this week, when during the one-day meeting of the Foreign Ministers in Luxembourg, it was agreed to allow nationals of member states to import from other states in the Community, goods up to a value of \$75 without paying duty. This measure, which will also include a small sum for goods imported by children, is expected to come into force as from July 1 this year in some countries, and on January 1, 1970 in the remainder.

The Ministers, who were meeting for the first time since General de Gaulle decided to withdraw from the political scene, heard their chairman, the Luxembourg Foreign Minister, M. Gaston Thorn pay formal tribute to the role played by the former French president. Some of them must be hoping that since his departure the Community will find life less difficult, but it seems certain that there will still be points of contention between the Six. One area where it is hoped progress may now be made is that involving the enlargement of the present Community to include the countries which have applied for membership, as well as a reopening of negotiation for links with those who would prefer association.

During the formal meeting held by the ministers and at the discussions outside the conference room, it became clear that with regard to enlargement it is a question of waiting till after the French presidential elections and the elections for the Bundestag. Nevertheless informal moves have already started, so that not too much time need be wasted later on, although the possibility of a general election in Britain could also alter the timetable. Herr Brandt, West German Foreign Minister, said that he considered the Six would make formal moves amongst themselves in the autumn on the enlargement

question and he thought that actual negotiations might possibly start before the end of 1969. But the present German government could not commit its successor. He continued to favour the idea of trade arrangements, as did the French Foreign Minister, M. Debre, who adopted a more moderate approach than usual. Both men have made proposals for trade arrangements with the candidates, but little progress has been made with either - and Dr. Luns pointed this out on Monday - as there is a clash over the exact structure of such an agreement, while the Commission is also unenthusiastic.

M. Debre set out the Gaullist case once again and warned the other countries of the dangers which enlargement might produce for the Community. He maintained that the internal strengthening of the EEC was essential before moves were made to widen the Six, and warned that France would want certain measures agreed first. These include the system for financing the common agricultural policy, once the transitional period is terminated, as well as more cooperation over monetary matters and fiscal harmonisation. Nevertheless the French Foreign Minister did indicate that in his opinion the rest of the Common Market countries had now adopted a more reasonable attitude towards enlargement.

One major topic upon which agreement was reached during Monday's meeting was when the transitional period should end. After some discussion, it was decided to stick to the set date, of December 31, 1969, and at the same time accept the proposals put forward by the Commission covering objectives which are due for completion before the end of the transitional period and those on which a start should be made before the start of 1970. The ministers also agreed that the mandate of the present Commission President, M. Jean Rey should be extended until July 1, 1970 along with those of the Commission, which will then be reduced from fourteen members to nine. The agreement on December 31 as the end of the transitional period may be modified later in the year for various sectors, and during the discussions, the Italian Foreign Minister, Signor Nenni - one of the strongest supporters of British entry - is understood to have hinted at the possibility of an Italian go-slow if negotiations are not started quickly.

One other matter for discussion was the renewal of the Yaounde Convention, which expires at the end of this month. Fresh negotiations with the eighteen African countries involved are due to start in Brussels on May 29, and the present agreement is likely to be extended as a temporary measure until January 1, 1970. The size of EEC financial aid is one of the main questions at stake as the African states have asked for some \$1,500 million over five years and the highest figure put forward so far - by France - has been \$1,100 million, which is probably too large for the other member states.

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## COMMISSION

An Independent Income

At the end of last week, the President of the EEC Commission, M. Jean Rey, said that the proposals covering the financing of the CAP- Common Agricultural Policy after the end of the transitional period had been agreed by the Commission and would now be put to the Council of Ministers. On Monday May 12th, the EEC Foreign Ministers, meeting in Luxembourg, decided that the transitional period would finish on December 31, 1969. The Commission's proposals envisage the creation of an "independent income" of "own resources" administered by Brussels, tied to an increase in the powers of the European Parliament to prevent any abuse by the Commission.

M. Rey said that the financing of the CAP would be based on Article 201 of the Rome Treaty. "The Commission shall study the conditions under which the financial contributions of Member States provided for in Article 200, may be replaced by other resources of the Community itself, in particular by revenue accruing from the common customs tariff when the latter has been definitely introduced . . . For this purpose the Commission shall submit proposals to the Council". The Council then decides on the Commission's proposals by a unanimous vote. The new measures set out by M. Rey take up the proposals made by Prof. Walter Hallstein, then Commission President, in 1955 for a "European" budget to finance the CAP. This resulted in the Community struggling through an eight-month crisis, largely because of Gaullist opposition to the introduction of a budgetary supranationality. What will happen this time is uncertain, and it is a question awaiting governmental reactions.

In this context a more detailed study of what happened in the 1965 crisis is worthwhile. The Hallstein Commission decided to put its cards plainly on the table, as it believed - and with some reason - that the French government was so keen on joint financing, that it would accept the major political concessions involved. The Commission considered that if its proposals went through, a good many problems facing the Six would have been suppressed, while progress towards economic unity would also have been boosted. By having a Community budget based on customs duties and levies on agricultural imports from non-member countries, this would have raised something in the order of \$ 3,500 million a year, well in excess of the CAP's needs. However it would have been impossible to allow civil servants, even high-ranking ones to administer such a large sum without further checks. The Commission therefore suggested a strengthening of the European Parliament's powers so that it could exercise a more democratic control over this revenue. This would have meant a considerable step forward along the road to supranationality; it would have resulted in a "European" authority, with a large independent source of income, sufficient to cover its own expenditure, and controlled by a European Parliament also independent of national governments. General de Gaulle refused to accept this idea, and in the eyes of the French government, Prof. Hallstein became the "guilty" party.

The payment to the Community of customs revenue and agricultural import levies would do away with the quarrels over the size of national contributions to

FEOGA, and it would eliminate the distortion which the different ports of the Community create by offering special terms to boost their share of trade. It would also help to resolve intra-Community tariff problems. But the main decisions, needed if any progress in this direction is to be made, concern the future of the European Parliament. In particular, the need for this to be based on universal suffrage is a question which should be tackled, as for example it seems odd that the French Communist party, which controls around 20% to 25% of the electorate is not represented in the Parliament.

As part of the 1966 compromise agreement over the financing of the CAP, it was accepted that until the end of the transitional period, only 90% of the levies would be paid into the FEOGA fund. This avoided the "own resources" question. However, regulation 25 required all the levies to be paid into the FEOGA fund once the transitional period is over. During the past few weeks, some - including members of the Commission - thought of proposing the retention of the present system for a further year in order to avoid a repetition on 1965. But the departure of General de Gaulle means that the future can be faced with more optimism.

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## TRADE

### Happy Days Ahead for Italian Fridges

The continued complaints within the Community that Italian domestic appliance manufacturers benefit from special conditions allowing them to undercut and thus "compete unfairly" with other producers in the EEC, mainly France and Belgium, led the Commission to investigate conditions in the Italian industry to see if this was so. Both France and Belgium have imposed safeguards to protect their industry, but the Commission's report makes it doubtful whether these can be maintained for much longer. The study which has been carried out reveals that although there may be some doubtful forms of aid to the Italian domestic appliance industry, its success in export markets is due largely to efficient production and marketing

The Commission is however taking action over the Italian Law 639, which allows export rebates for goods destined for Community markets, and it is also tackling the payment of rebates on exports to third countries, since this could affect trade within the Community. Repayments of turnover taxes are also under examination by the Commission. With regard to the evasion of fiscal or social security obligations, the Commission states that the Italian government has looked into the question but found no evidence to this effect.

The report deals at length with reasons for the strong competitive position of the Italian domestic appliance industry. It considers that this is due largely to

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the way firms are organised, to the length of production runs and the choice of products. The structures which have been adopted make it easier to reduce breakeven prices and introduce technical changes. Furthermore the industry was able from the start to sell to a rapidly expanding national market, enabling it to plan future production with further growth in mind.

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### Cut in French Discount Rate

Last Thursday it was announced that the special preferential interest rate to French exporters was being raised from 3% to 4%, bringing it to within 2% of the normal discount rate.

Exporters in France have benefitted from a lower rate since the crisis last summer, as the government has been attempting with some success to stimulate French exports. Although the EEC approved the principle of such aid on July 23 - and this was due in any case to expire on January 31, 1969 - it stated then that the preferential rate should not differ from the normal rate by more than 1.5% in the period between November 1, 1968 and the end of January this year. In fact, the difference has been 3%, 4% and 3%, before falling to 2% last Thursday. Since France did not comply with the Commission's request to conform with its Community obligations, the matter has been in the hands of the Court of Justice since January 31.

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ECSC

### Crude Steel in April

Figures recently released show that in April 1969, the Community produced some 8,878,000 metric tons of crude steel compared with 8,084,000 metric tons in April last year.

The breakdown for April 1969 is as follows: 3,576,000 tons in West Germany, 1,900,000 tons in France, 1,480,000 tons in Italy, 1,085,000 in Belgium, 455,000 tons in Luxembourg and 382,000 tons in the Netherlands.

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## REGIONAL POLICY

Parliament Receives Guidelines from Commission

Not that it was necessary, but the recent Council debate on the Commission's proposals for structural reform in agriculture set in strong relief the vital affinities between the overall EEC economy and regional policy within it . . . and farming is by no means the only sector in which structural reform will have to be tackled in the context of a concrete regional policy. Indeed, there are three types of structure within the Community, and all three are deeply affected by this: industrial, semi-industrial and agricultural areas. While the action needed within these three types of region varies considerably from one to another, there is no denying that the common policies, as cited in the Rome Treaty, and which have become a priority matter in the Community since the customs union became a fact, cannot be realised in the absence of any really purposeful regional policy.

The Commission is shortly to forward to the Council a memorandum on the main tenets of a common regional policy, and Commissioner Hans von der Groeben last week presented the main findings contained therein to the European Parliament in Strasbourg. Above all, he stressed that with various sectors and branches within the Community coming into open competition with rivals, on the one hand, and its having to make concessions to less developed countries to further their economic development on the other, there would be a fundamental conflict when it come to regional policy, the effect of which would be to crystallise the adaptation process at regional level, and to tax these regions with what would inevitably be a time of violent upheaval in terms of economic and social restructuring.

It falls in the first place of course to member states to bear the burden and responsibility for regional policy, with the Community only coming into the picture in a subsidiary role, chiefly concerning financial measures and promotion. However, if the Community wants to make progress towards tailoring its financial resources to the major projects now coming into view, it cannot long delay action on the coordination of regional policies within the area.

Topping the Commission's action programme in this sphere, therefore, comes coordination of the objectives and means used to implement regional policies, to which end the Executive suggests a series of measures, principally:

- 1) The joint formulation of development prospects and the reconciliation of national objectives and priorities.
- 2) The reconciliation of resources put to work by member states and, within the framework of the Treaties, by the Community's institutions, with the overriding economic and social objectives agreed, bearing in mind particular problems that stem from structural discrepancies between the various regions of the Community.

Seen in this light, of course, regional aid granted by the various member states is of critical importance, at least in terms of the scale it covers, for it is obvious that this scale will tend to grow even wider, with the need to create fresh jobs in industry, whether to absorb "labour fall-out" from declining sectors such as mining, or from farm modernisation or the productivity drive generally - also in the areas along the Community's Eastern frontiers.

As far as state aid is concerned, the Commission pinpointed a number of guiding principles within its first medium-term economic policy programme, but the following are some of the more stubborn problems that will be encountered:

- 1) The principle that regional aid granted to companies is inspired by the aim of atoning for the disadvantages they suffer for investing in an area of low economic development, disadvantages which it is virtually impossible to quantify according to objective criteria.
- 2) Regional advantages or disadvantages are frequently cancelled out by countervailing influences in national fiscal systems, which again it is difficult to schedule exactly.

The relevant departments in Brussels have this task in hand, but there can be no question that the following principles will have to be applied in the struggle against escalating sums of aid:

- a) Within member states, aid systems will have to have precisely the same stimulatory effect on regions having like conditions, i.e. agricultural, semi-industrial and industrialised areas. This first, broad distinction between region-types, however, must further be qualified by a study of the conditions prevailing in the regions, with regard to standard of living, employment and development potential, and in relation to the need for the economy to improve generally its town and country planning.
- b) All the harmonised aid systems should be periodically studied on a joint basis, to the end of reconciling the systems with the natural modification, in time, of the criteria upon which coordination is based.

The Commission plans also to take a direct hand in tackling problems to specific areas, in some cases by carrying out full regional surveys (e.g. in areas around common frontiers, such as the Aachen-Liege-Maastricht triangle).

It may also take an active part in the solution of certain problems of common interest, by drafting Community viewpoints on such questions as conurbation, or even more, the development of transport and communications infrastructures in major built-up areas.

Practical decisions that can be delayed no longer must come before the general farm restructuring plan can be implemented, support levels decided, FEOGA appropriations deployed in rational fashion, or the steel and coking coal sectors put to rights. For these, we must have a sound basis, the findings of surveys that must be made

in a number of regions characterising what is a very diversified situation in the Community at large, and which will enable us to assess to what extent national solutions are in keeping with the Community concept of a regional policy.

However, as Von der Groeben was at pains to stress during his speech to the European Parliament, a successful Community regional policy is essentially a practical venture: its general lines must be thrashed out in consultation with member states, and amplified according to sound theoretical practices, but above all, and right from the outset, they must be submitted to the acid test of reality, and modelled and structured according to its dictates.

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## FINANCE

A study recently published of European saving banks in 1968 show that deposits rose by 5.7% compared with 1967 and by 12.2% compared with 1966. The interest due on savings played a considerable in accounting for this increase. The months in which there are the most withdrawals and deposits are once again January and December, although for last year there was a drop during May and June, largely a result of the crisis in France.

EEC SAVINGS BANKS - Withdrawals and Deposits during 1968 (\$ million)							
	B	F	G	I	L	NL	EEC
Jan	25.0	163.5	360.1	104.3	1.0	17.4	671.3
Feb	5.6	89.5	310.1	67.2	0.2	14.0	486.6
Mar	- 1.4	137.8	157.6	43.1	0.1	5.6	342.8
April	2.9	82.9	123.2	51.4	-0.2	4.4	264.6
May	10.7		138.3)	50.9	0.4	21.3)	
June	8.0	-171.4	90.0)	39.8	0.6	15.9)	204.5
July	19.4	104.1	150.9	77.4	0.0	11.5	363.3
Aug	9.1	131.3	200.3	82.6	1.1	9.7	434.1
Sept	14.6	48.6	128.8	48.5	0.4	4.8	245.7
Oct	59.3	116.5	286.9	47.2	0.8	3.1	513.8
Nov	- 7.8	25.5	89.5	58.9	0.8	- 2.6	164.3
Dec	- 2.8	32.7	1.6	157.7	2.0	- 3.9	187.3
TOTAL	142.6	760.8	2,037.1	829.2	7.2	101.1	3,878.0

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## AGRICULTURE

No More Surplus Fruit Destruction

The Commission has made two sets of proposals aimed at dealing with the problems of the over-production and subsequent destruction of excess supplies of fruit within the Community. Basically, if the proposals are adopted it will mean that fruit withdrawn from the market during periods when large quantities are available, with the aim of re-establishing a balance between supply and demand, will no longer be destroyed. And support buying by the state and trade intervention bodies should be run on the same lines throughout the Six.

The first set of proposals are aimed at limiting supplies, especially of apples, pears and peaches. For these three, the Commission has suggested a series of what might be called drastic measures, which would start by trying to prevent any further extension of orchards within the Six: no further grants for additional plantings should be made available and the system of grants for grubbing - which exists in varying degrees - should be extended to the whole Community. Furthermore the Commission has recommended that there should be a permanent ban on the sale of low quality fresh apples, pears and peaches (EEC category 3), although the producers can continue to sell these to canning and processing concerns. For other fruit the position is less serious, and the ban on the sale of low-quality produce will only apply during crisis periods.

The second problem is the need to establish a uniform support system throughout the Community. Although EEC regulations provide some guidance, each member state can decide for itself as to how the market is supported. As one might expect, every state applies a different system, and this causes a number of problems, as there are supposed to be no barriers to trade between the Six. West Germany provides no support, while the French and Italians who sometimes make massive support purchases apply different price considerations. In Italy support purchases are only made when prices fall very low. In France where the operation is based mainly on producer organisations, support buying takes place at a higher level, on average 15% above the Italian level. It is therefore proposed that member states must intervene when a crisis level is reached, and that support conditions throughout the Community should be harmonised. In the proposals, the producers' organisations are given a bigger role, and all withdrawals of supplies decided upon by them should be backed financially by the state.

This however does not resolve the problem of what to do with these surpluses. Because of the public outcry there has been over the destruction of fruit, for it seems a great waste, the Commission has suggested that instead this surplus production should be made into fruit juice, jams or fruit concentrates - with the cost borne by the FEOGA - and then given away to hospitals, the armed services or prisoners. It remains to be seen whether the Ministers will agree to this approach, even though the cost is unlikely to be very great, especially when compared with the cost of support the dairy surpluses.

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Curtains for Cows

It now seems as though the Six will be able very soon to reach agreement on a formula for slaughtering premia for dairy cattle, this week's Agricultural Ministers meeting having made the first positive move towards progress on the farm structure issue, "debate fodder" for which is provided by Dr Mansholt's "Agriculture 1980" plan.

Apart from the Commission's lengthy proposals on farming reform, there are now another four alternative schemes to be considered: those of Germany, the Netherlands, and as of Monday last France and Belgium. All five schemes have in common the principle of thinning out the Community's dairy products capacity, but the four national plans diverge mainly when it comes to particular interests, some of them political rather than just economic. Thus the Germans make their assent to common farm finance regulations - at this stage anyway - dependent upon the agreement of measures to stop mounting farm surpluses in the Community. Similarly, the French are bargaining with the British membership dossier, saying that they will not countenance fresh moves on this score until the farm finance regulation has been clinched.

As far as ideas on the elimination of the Six's 350,000 ton-plus excess butter stocks are concerned, suggested measures range from Germany's Dm 400 - 600 per cow slaughtered (about \$100 to 150), to the Commission's \$300 or so, but it is more in the manner of the granting of premia than in their amount that differences between the national plans reside. Germany is criticised by the French for not including in its proposals allied taxes on vegetable fats, as an incentive to butter consumption, and the fact that it seems to have in mind severe restraints on milk production as such, rather than tackling the dairy products surpluses as such, for the role of dairying as a staple industry in some areas must be borne in mind, as must the fact that in other places milk is actually in short supply.

As regards the French plan, put forward by the minister M. Boulin, this as we have said takes in also disincentive measures for vegetable fat consumption, but it was at the May 12 meeting that the French suggested the immediate disbursement from FEOGA of \$ 30 million for slaughtering-out to commence. According to M. Boulin, these premia should be coupled with an undertaking on the part of each dairy voluntarily to limit its intake of local milk. The quota would be exceeded only for those farmers that had undertaken to terminate their contracts and cease dairy production in accordance with the restructuring plan. As farmers withdrew their supply contracts, the quotas of other farmers would be increased, it is hoped to the end of promoting the development of larger production units, as envisaged by Mansholt.

The Belgian plan, submitted on Monday by M. Charles Heger, the minister, takes up a point made recently by the Community's agricultural association COPA - the channelling-back of dried milk to the farm for calf feeding. COPA suggested that a subsidy be agreed for this purpose, and the Belgians have now suggested that in fact dairies should be directed to pay for only 95% of milk receipts in cash, with the remaining 5% of production returned powdered to the farm in the form of a gift for calf rearing: this

coupled with the run-down in production effected by slaughtering should serve to change the nature of dairy processing, and moreover its quantitative breakdown, sufficiently to eliminate surpluses.

It now looks as though further progress will hinge upon the political bargaining. There would appear to be some chance of the French and Germans coming to terms over their own particular differences: the surplus problem is so critical that they may well decide to battle out the FEOGA and British issues elsewhere. However, Italy could well be the difficult factor in the debate now. She is the only country (apart from Luxembourg) that has failed to come up with comments, constructive or otherwise, on the Mansholt proposals for butter surplus reduction - admittedly, she is less directly affected than other member states - but more to the point she seems now to be threatening virtual stonewalling at the agricultural Council unless the Five agree to progressive moves on common wine and tobacco policies, which to her are fairly important farming sectors. However, the outline plan of the slaughtering scheme has now been agreed in Council, and it is to be hoped that direct action will be able to ensue soon - if this fails to come about, Community butter storage capacity could fail within a few weeks, and surplus destruction of a kind to invite the most adverse publicity would then become inevitable.

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E. F. T. A.

### Apres Moi, No Deluge

On May 8 and 9, the Trade Ministers of the EFTA countries met in Geneva at one of their regular Council meetings, in a mood of confidence tempered with a degree of uncertainty. Confidence, because (see No 511, p.18) the Area's trade figures continue to show a healthy trend; uncertainty, because of the fear of putting a foot wrong, now that De Gaulle has left the scene, and that the general assumption is that France will now be more amenable to enlargement plans for the European Community. With these two factors dominating the meeting, the tone could hardly be other than cautious, and Mr. Hartling, the Danish Foreign Minister expressed, probably with the approval of all present, his country's concern that the work of the past ten years in EFTA should not be jeopardised in any precipitate moves on the part of any member to gain EEC entry. Accordingly, there is general agreement that the Eight should play it safe, and wait until after the French elections before making any approaches to Paris to sound out the possibilities for fresh initiatives.

That the major question - the commercial split in Europe - thus remains somewhat frozen, however, did not commit the Council to working in a near-vacuum. Among the lesser items on the agenda were "domestic" EFTA problems such as Britain's restrictions on butter and frozen fish imports (Denmark and Norway complaining), and Denmark's continuing dissatisfaction with the "raw deal" her agriculture gets under the present EFTA system.

Furthermore, rather than just "waiting to see", the ministers agreed to a motion tabled by Switzerland (Herr Schaffner, Economics Minister) concerning preparatory moves that can safely be made towards the unification of the two European trade blocs, regardless of whatever negotiations may ensue at a later date. These proposals include examination of such questions as harmonisation of company law, the pooling of data in the scientific and R & D spheres, and especially the participation of the Eight in this month's EEC-sponsored patents convention.

Beyond these valuable but very limited links, it is early yet to see what progress may be made before the year is out towards the approximation of EFTA and the EEC, although it was made clear at the meeting by Britain (her delegation headed by Mr. Crosland, President of the Board of Trade, and Mr. Fred Mulley, Minister of State at the Foreign Office) that she would be interested in participation in the wider European free trade area (as discussed after the Soames affair), but only as an interim step towards EEC membership. Full membership is sought also, of course, by Denmark and Norway, while Austria, Switzerland and Portugal are at present revising their applications for associate membership. In addition, of course, we have Ireland (not an EFTA member) applying for full EEC membership along with the other three, and Sweden's "letter" to the Communities concerning closer links.

## STUDIES AND TRENDS

"Commercial Clairvoyance" in Europe

## Part II - The Priorities Problem

Both states and large companies are now for the most part aware that the pursuit of expansion - indeed of survival - is closely bound up with development trends, not only in the near future, but also (especially, in fact) in the distant future. In order to sound this future and equip themselves with the means of coping with what it brings, certain of them have already taken to devising long-term projection methods, anticipating conditions ten or fifteen years hence. It was to this end that the American Honeywell formulated its PATTERN system, and that in France the authorities, in the guise of the C.P.E. - Centre de Prospective & d'Evaluation - came up with its "supporting graphs" method (see No 510).

This second system uses as its point of departure the application of logical criteria to the construction of a catalogue of all the moves that could be made to the end of achieving a predetermined objective, these moves going under the designation UOR - Unit Operations of Research. Once the list has been compiled, we are ready for the second stage, wherein we select from the catalogue those UORs that can best be pursued with existing means. The logic of this selection process is improved through taking every UOR at every level in the supporting graph, and giving it a designation, indicative of its value in terms of urgency, probable effectiveness, estimated cost etc... and this gives us a second graph, the "annotated graph".

Let us assume that at the level of possible requirements we have on the supporting graph cited the need to have a task force capable of being deployed quickly within a 500-mile range. At the lower level, we will be presented with two options: air transport or road transport. Still lower down the graph, we will find logically appended to, say, the truck, if that is the ferry medium selected, such things as bodywork, engine, suspension etc. Furthermore, there will be found, in common with both options, a single item - fuel (see relevance tree example at end).

But this is going too far: we have already descended too far down the graph, having passed the critical point where a decision on priorities has to be taken: we have first to weigh the pros and cons of the two transport media. The aeroplane is quicker, but more expensive; the truck, slower but cheaper. In either case we have both an advantage and a snag. This being so, it could well be, assuming that the terrain is not too difficult, that we will eventually settle for the truck - but at this stage we would avoid any hard and fast decision on ruling out aircraft altogether. In fact, it is no more the purpose of the annotated, than of the supporting graph, to precipitate these decisions, only to furnish more complete and accurate data for the decision-makers.

However, for the sake of illustration, assume that the truck has been

chosen: we then meet the obvious fact that at this stage there is absolutely no valid way of determining the relative importance of its component parts (engine, bodywork, suspension etc). Indeed, because each of these is in fact indispensable, we can simplify the exercise by the neat recourse of leaving them completely out of the annotated graph. This rationalisation is what the exponents of the system call "retention of the 'ors'" (truck or aeroplane) and "elimination of the 'ands'". Once this process has been brought to bear upon the data, we are left with an annotated graph that has but four levels:

A - Political and strategic options: This is strictly the preserve of defence policy makers, and never really enters the terms of reference of the implementers. It is at this level alone that are taken the fundamental decisions, and basic priorities established: the mainstays of deterrent potential (nuclear bombs, ground and air capability); action beyond home territory; foreign aid etc. It is once these objectives have been agreed, however, that we come on to such questions as transport, and the adaptability of forces perhaps for mobilisation equally effective in arctic and tropical climates. At the foot of our relevance tree, therefore, we should not be surprised to find such UORs as research into insulating garments (for arctic conditions) or development work on engine cooling systems (for tropical conditions) etc.

B - General Missions: This is where we come on the the sphere of tactics. The objectives defined at stage A logically call up a number of options. Thus for instance if the government in question has decided to give priority to providing an ally with the guarantee of military support from an airborne division at forty-eight hours' notice, then it follows that stress will be placed either, say, upon speed of aircraft (aerodynamics, form of propulsion etc), or upon the equipping of the forces made available. On this score, however, aeronautical experts are fairly generally agreed that there is little point in embarking upon development work, other than that now in hand or planned, to improve the speed performance of transport aircraft. At the same time, there is much that could be done, both now and in the future, to improve upon the standards adhered to in the equipping of paratroop divisions, and so in this instance, the bulk of the research effort would be directed towards this. In this way, we begin to see the great virtue of this type of projection and forecast: by bringing out the priorities we equally reveal the weak spots in our planning, and are thus able to effect immediate improvements where they are needed.

C - Special Tasks: Once we have established our objectives, then decided upon the mission to be accomplished (and in what priority order), we must for each project set about providing adequate means for its realisation. If at the top level in the graph we have placed on the priority list methods for detecting enemy aircraft, then we must apply the critical faculty to a whole series of possible media (radar, infra-red, observers, acoustic equipment, air cover etc), and choose on grounds of availability, effectiveness, cost etc, or a blend of these, which method we are to use.

Each of the feasible methods - all of them cited on the supporting graph - will be related to a series of criteria: air cover is costly, but effective in most atmospheric conditions; use of observers is simple and cheap, but can be fatal when we have low cloud; radar, though cheaper than air cover, is nevertheless somewhat subject to weather conditions;

infra-red is less costly still, but its scope and effectiveness are far more limited than radar.

D - Choice of Media: Here, both analysis and appraisal become more strictly technical. For instance, a radar installation may now or eventually prove to be of inadequate range for the task set it. We want to know right away whether it can be improved, how long this might take, and how much it would cost. We then call up the engineers and technicians, and we ask them whether, in five or ten years' time, they will be able to produce scanners having a peak loading of 5 kw. If they give us their assurance that this will be done, then we know we will be able at that time to detect enemy aircraft at far longer range. But the questions of time-lag and cost still remain unanswered, and so we find ourselves involved in an unending and ever-changing dialogue between the technical staff and the users.

It will be up to the technicians and what they say to provide the planners with the information needed to make a decision on whether radar in fact should take absolute priority over all other detection media. It could very well be that investment costs will prove so astronomical and the final outcome of all the research and development so dubious that the project will fall into the "white elephant" bracket, and thus drop well down the priority list. Should that happen, then despite its relative inadequacies, the infra-red system might well top the priority research list. Whichever way the decision goes, however, there will be no question that once it has been made, the medium that finds favour will attract the full backing of the government, in the form of aids, subsidies, research contracts with equipments producers and so on. On the annotated graph, we here arrive at the bottom of the tree, in the realm of UORs. We have now trimmed the problem down to size, but we have not solved it. Now we must work through the whole thing again, reappraise our findings, ensure that we have educed optimal results at each level, and then redefine more precisely our aims.

It is now perhaps that we find the greatest divergencies between the PATTERN and C.P.E. systems. The former in fact takes account from the very start of its analysis of various economic parameters or elements affecting the future of the nation in general, whereas C.P.E. leaves these aside until we reach this reappraisal phase. Moreover, PATTERN uses an infinitely more complex graphic representation scheme, specifying most meticulously every element at every level in an effort to quantify them exactly and so achieve a conclusive comparison of the relative merits and demerits of alternative elements, and hence make completely rational choices. Almost the reverse, the C.P.E. system works from the premise that it is impossible to determine in what particulars, still less to what extent, one element is preferable to another.

An expert in the field has provided us with a useful analogy, in comparing the two methods. In the cycling Tour de France, we have two criteria by which competitors are judged: the green jersey and the yellow jersey. To gain title to the green jersey, the cyclist has but to satisfy the judges that he came in first on such-and-such a stage: there is no question of time-keeping, still less of determining intervals between the arrival times of the first in, the second, the third and so on. Clumsy though the comparison is, however

this can be likened to the C.P.E. system. Conversely, for a competitor in the Tour to win the coveted yellow jersey (the winning of both is a day-to-day affair, throughout the Tour), it is very much a matter of stop-watch decision, for this is the trophy of the overall winner at any given stage. This is more akin to the working of the PATTERN system. In short, the French system judges each element by the rule of thumb, leaves it "pat" before going on to the next, while the American one attempts to take stock of the whole pattern of development and its inter-relationships at one fell swoop, weighing each element precisely.

That noted, however, it is fair to say that in spite of the varying degrees of strictness aimed at originally, both systems converge again in the aim to synthesise findings. The mechanics of either system may not be identical, but both have effectively the same function to perform. If at its own level in the graph or tree a UOR is classified as urgent, but is then incorporated into a system development deemed "priority", itself subsidiary to an "immediate" requirement that stems from a "most immediate" general mission, then it may very well follow that the UOR itself will be upgraded to "most immediate" classification. On the other hand, if it is to be integrated into a system, a requirement or a mission of only moderate importance, then it may well be squeezed out into the fringes of the priority list. But a third possibility is that a given UOR in its own right, at its own level, may be an obvious non-priority case, whereas once it is related to the system, need or mission of which it forms a part, this may be found to be of vital national importance, and it will then be given top priority rating.

With the C.P.E. method, this process brings us to the bottom of the annotated graph, such that once the non-priority or low-priority UORs have been eliminated, we are left with only 400 UORs, retained because they are the most fully annotated. The other 860 are still shown, but are not taken into account, for lack of fuller information. Thus there can be considerable deviations in the figures rendered, according to theories of origin and according to the attitudes of those preparing the graph. On the other hand, with the PATTERN system we may be left with thousands of elements, from which we have to select the priority items.

What of course we have also to consider is the impact that this or that line of research is going to have on the economic expansion of the country or its general interests, quite apart from the value attributed thereto by defence planning chiefs. The C.P.E. method brings this back in according to the concept of what it calls "economic coherence": in effect this means that we add to our purely military criteria for appraisal other yardsticks, reflecting the civil and economic aspects of the situation. This can be a critical factor, for while a UOR that takes top priority rating for reasons of defence policy is hardly likely to be rejected because it fails to serve the economic interests of the nation, there can often arise the situation where we have alternative, comparable elements, and with these their relative value as a boost to economic expansion can very often swing the decision. Moreover, where this occurs, the "economic interest" UOR may often accede to higher priority classification than another element of no economic interest.



It is well known that in some of the research contributing to U.S. space programmes, NASA bore very much in mind the matter of "technological fall-out" benefitting one or other purely civil industry. Clearly, research into propulsion units and liquid and solid fuels has a range of interest far beyond the defence sphere, reaching into universities and other institutions, motor manufacturing, telecommunications concerns etc. Under the PATTERN method, great stress is laid upon this "technological cross-fertilization", i.e. the know-how that can accrue to a number of sectors from research pursued in just one. The diversity of these sectors can be considerable: they will have this need, however, in common, and "spin-off" is the mechanism that meets it. A classic example of this was the almost immediate transformation, at the end of World War II, of the C 47 military transport aircraft into its civil equivalent, the famous DC 3 "workhorse".

Having been through all the motions, however, we must now pause for consideration, and indeed look right back to the beginning of the process, for the question must needs be asked: does not all this complex structure depend from the start, and at various interim stages, on a mere hypothesis, a subjective option - "objectives", liable to be warped by the pressure of local events or international affairs, the former foreseeable, the latter quite out of the blue?

(Overleaf, Illustration of relevance tree)

- To Be Continued -

# A SIMPLIFIED RELEVANCE TREE

A - National Objective

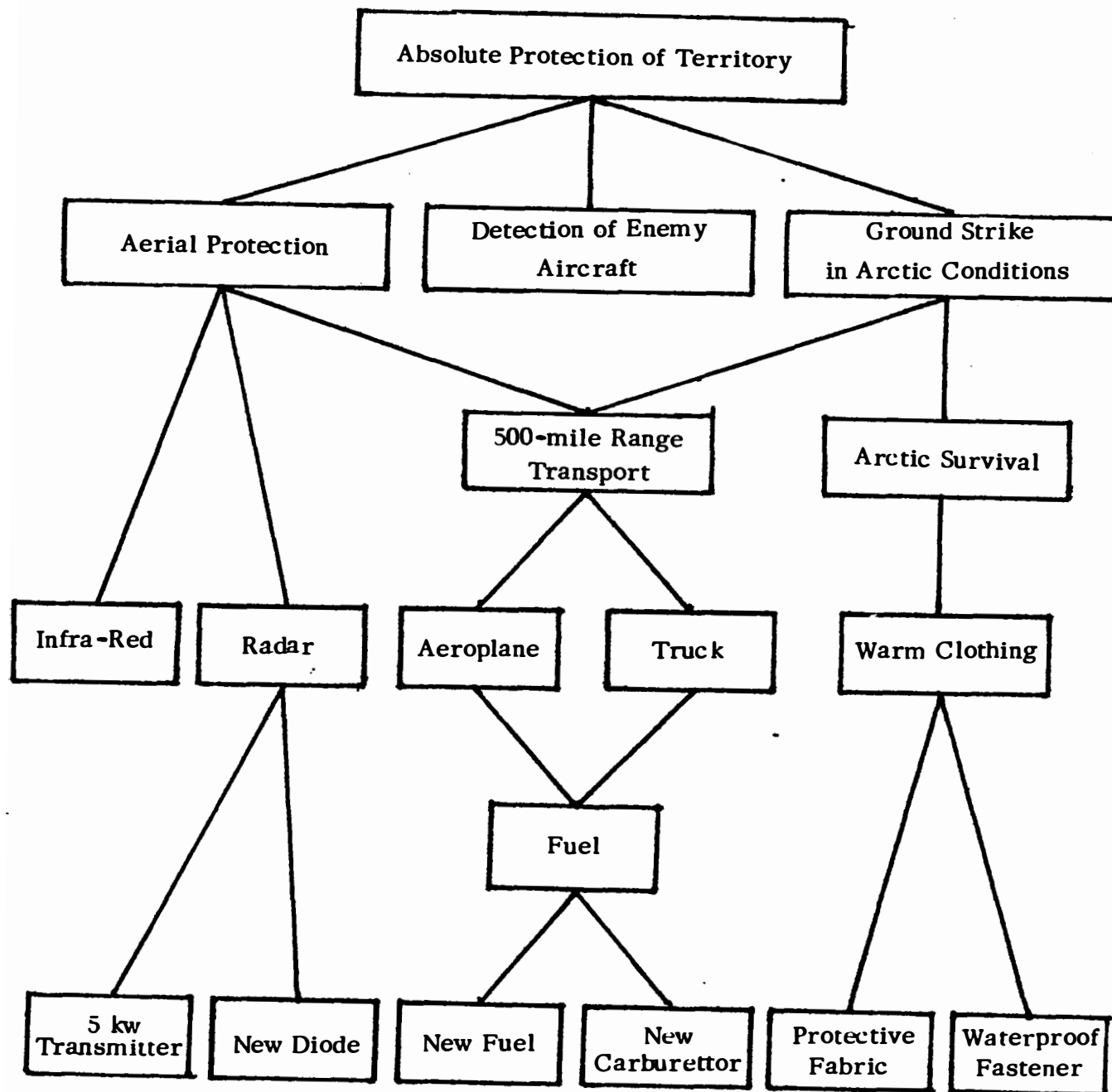
B - General Missions

C - Special Tasks

D - Media (or systems)

E - Sub-systems

F - U.O.R.s



May 15, 1969

May 15, 1969.

A

### EUROFLASH - HEADLINES

BELGIUM	GENERAL MILLS links 50-50 with DELHAIZE for restaurants chain	O
	British McALLEY business consultants form Bf 1.8 m subsidiary	S
BENELUX	CONTROL DATA forms subsidiary, plans EDP centre at Rijswijk	F
BRITAIN	JOHN LAING link with French DEGREMONT for water engineering	D
FRANCE	PIERREFITTE - Swiss FEBEX link for hydrophosphite venture	C
	AIR PRODUCTS Belgian subsidiary links with SHELL	E
	RANSOME & MARLES forms own subsidiary; SKF loses franchise	I
	CIMT LORRAINE (rolling stock) moots link with FRUEHAUF	L
	NESTLE, pending links with VITTEL, takes over ROUSTANG cheese	O
	UNILEVER takes over another dairy firm - ROUSSET (F 60 m.)	O
	MONTECATINI-EDISON link in PRECO raised for expansion	R
GERMANY	U.S. HARNISCHFEGER crosses holdings with ORENSTEIN-KOPPEL	H
	NORDDEUTSCHE AFFINERIE stake in OTAVI for S. African venture	K
	S.N.P.A. gains 30% in METZELER's plastic packing subsidiary	O
ITALY	FASCO group reorganises: PACHETTI goes into engineering etc.	N
LUXEMBOURG	AMERICAN EXPRESS forms investment trust to issue \$ 25 m.	N
	Third Japanese investment trust formed TOKYO VALOR	N
NETHERLANDS	YORKSHIRE DYEWARE & CHEMICAL forms first Dutch subsidiary	D
	UNILEVER wins sole world rights for HARRIET HUBBARD AYER	F
U.S.A.	Belgian BEKAERT to build 7,000 tpa tyre-wire plant in Georgia	I
	THOMSON-HOUSTON plant-building subsidiary SODETEG to set up	J

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Engineering & Metal	G	Tourism	U
Finance	L	Trade	V
Food & Drink	N	Transport	W
Insurance	P	Various	X
Nuclear Energy	P		
Oil, Gas & Petrochemicals	Q	Index to Main Companies Named	Y

ADVERTISING
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**\*\*** The New York advertising group THE INTERPUBLIC GROUP OF COMPANIES INC (see No 506) has raised to Bf 10 million the capital of its Brussels subsidiary McCANN-ERICKSON CO SA (formed in 1950 - president Mr. A. Hankard) to continue its expansion. The founder shares control with six of its New York subsidiaries: McCANN-ERICKSON INC, McCANN-ERICKSON CORP (INTERNATIONAL), BUSINESS SCIENCE RESEARCH GROUP, INFOPLAN INTERNATIONAL, C.C.N. INC and MARKET PLANNING INC.

BUILDING AND CIVIL ENGINEERING
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**\*\*** A concentration is about to take place in the Netherlands between the public works concerns NV INGENIEURSBUREAU VOOR BOUWNIJVERHEID - I.B.B., The Hague (see No 373) and AANNEMINGMIJ. DE CONDOR NV.

The first (1968 turnover nearly Fl 40m) is associated with the British group W.G.I. Ltd, Manchester (through its subsidiary West's Piling & Construction Co Ltd, Slough, Bucks.) in the Leyden company Westpaal NV (see No 485).

**\*\*** The Dutch firm VAN BAARSEN-EGAS NV, Tietjerksteradeel, has formed three concrete manufacturing and sales subsidiaries to which it has made over various assets. The Amsterdam civil engineering concern AANNEMINGSMIJ. E.B.A. NV holds a token shareholding in the new companies. These are DATOBETONINDUSTRIE NV (authorised capital Fl 700,000 - nearly 80% issued), DATOSS NV (Fl 500,000 - 40% issued) and DATOVLOEREN NV (Fl 500,000 - 20% issued), and all are based in Amsterdam.

**\*\*** The Amsterdam building and public works concern KON NED MIJ VOOR HAVENWERKEN NV, subsidiary since the end of 1968 (see No 475) of the Gouda group VERENGIDE BERIJVEN NEDERHORST NV (see No 508), has wound up its Belgian subsidiary STE HYDRAULICAS SA, Schaerbeek, Brussels (capital Bf 1.75m).

**\*\*** BETRIEBSFINANZTREUHAND (B.F.T.) GmbH, Cologne, and CAISSE CENTRALE D'HYPOTHEQUES & D'ASSURANCES - IMMO NV, St-Gilles, Brussels, have joined 50-50 in forming STE CENTRALE IMMOBILIERE - IMMOCENTRAL SA in St-Gilles with Bf 500,000 capital and a board consisting of MM. W. Hitzler of Hamburg; P. Kakies of Hamburg; Th. Gschwend of Steffisburg, Switzerland, and R. Brieven of St-Gilles.

**\*\*** LE BETON SA, Paris, which makes, uses and sells a wide range of concrete products, has gained 90% control of S.A.N.C.A. - STE D'APPLICATIONS NOUVELLES DU CIMENT ARME SA, Paris (capital F 2.58m.), the chair of which will now be taken over by its own president, M. Andre Gadiou.

CHEMICALS

**\*\*** The Dutch company UNITAS-SERVICE NV, Etten-Leur, has gained control of the manufacturer of household cleaning products and detergents, NV ZEEPFABRIEK DE KLOK v/h FA. J.L. VAN APELDOORN, Heerde, which employs some 120 persons.

Unitas-Service has a 25% interest in Alumet Etten NV, Etten-Leur (manufacture, processing and sale of aluminium products), which it has held since the latter's formation in August 1967.

**\*\*** STE DES HYPOPHOSPHITES PIERREFITTE -FEBEX-SOFIBEX SA has been formed as a joint subsidiary of the French firm PIERREFITTE-STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 504) and the Swiss concern LA FONTE ELECTRIQUE (FEBEX) SA, Bex, Vaud and will be responsible for the construction at Pierrefitte-Nestalas, Hautes-Pyrenees of a plant due to come on stream by the summer of 1969. This new company has been established as the result of a link-up between its two founders for the production of sodium hypophosphite (nickel coating reducing salt).

The Swiss founder (capital Sf 2m) has M. Marcel Bertolus, Paris as its president and he is also president of the ferrous alloys concern, Ets Charles Bertolus SA, Paris (plant at Bellegarde, Ain), which was taken over by the Ugine-Kuhlmann group, Paris during 1965 (see No 511).

**\*\*** The Turin RUMIANCA SpA group, the capital of which is currently being raised to Lire 59,198.88 million (see No 499) has strengthened the capital position of three Sardinian chemical subsidiaries scheduled for expansion: ACRISARDA SpA, Sassari (see No 317), has had its capital raised to Lire 2,750 million, while STERLENE SpA and QUIRNA-SOC PER L'INDUSTRIA CHIMICA & MINERARIA SpA (in which the ESSO STANDARD ITALIANA group once considered taking a stake - see No 409) have raised their backing by Lire 3,410 and 4,250 million respectively.

Sig Nino Rovelli's Milan group S.I.R. - STA ITALIANA RESINE SpA (see No 510) became linked a year ago with the Turin group (consolidated turnover for 1968, Lire 53,450m), in which it holds some 13% of the equity.

**\*\*** The Dutch cooperative COOPERATIEVE VERKOOP- & PRODUCTIEVERENIGING VAN AARDAPPELMEEL & DERIVATEN -AVEBE G.A., Veendam (see No 494) has formed a sales subsidiary in Amsterdam named AVEBE NEDERLAND NV, to handle its sales of glucose, dextrose and starch, in place of HANDELMIJ v/h BERNARD THEMANS NV, Almelo, which will nevertheless continue in business, representing Avebe for products used in the textiles, paper and card industries, and for its adhesives.

One of Avebe's more recent moves was made in association with the Belgian group GLUCOSERIES REUNIES SA, Alost (affiliated to the American group A.E. Staley Manufacturing Co, Decatur, Illinois), with which it cooperates closely, when they formed the Dusseldorf sales concern Avebe-G.R. Deutschland Stärke & Starkederivate GmbH.

**\*\*** The Dutch U-E CHEMICALS NV, Gouda, has formed U-E CHEMICALS (U.K.) LTD in London with £5,000 capital to administer its British interests, and the first directors of this will be Messrs Leslie Moss and Rudolf W. de Korte.

The Dutch firm is a member of the Rotterdam UNILEVER NV group (see this issue), through Kon Stearine-Kaarsenfabrieken "Gouda-Apollo" NV, Gouda, and "Lipoma" - Mij Tot Beheer van Aandeelen in Industriële Ondernemingen NV, Rotterdam, and it is established in West Germany with U-E Chemicals GmbH, Dusseldorf.

**\*\*** The British group THE YORKSHIRE DYEWARE & CHEMICAL CO LTD, Leeds (chemical products and colorant for the textile and leather industries - see No 471) has now formed its first Dutch subsidiary called YORKSHIRE CHEMICAL NEDERLAND NV, Rotterdam. With an authorised capital of F1 100,000 (20% issued), this will operate in the sales sector and is headed by Messrs Fourness, Fontany and de Gelder.

The group has a long-established West German manufacturing subsidiary Yorkshire Farben GmbH, Krefeld, and another in Spain, Yorkshire de Espana SA, Santa Perpetua de la Moguda.

**\*\*** The leading Common Market water purification and processing concern, the DEGREMONT SA group, Rueil-Malmaison, Haute-de-Seine (see No 502) has signed a manufacturing agreement with the British civil engineering firm JOHN LAING CONSTRUCTION LTD (a member of the JOHN LAING & SON LTD group - see No 456). A joint subsidiary called DEGREMONT LAING LTD, London (capital £200,000) has been formed to supply water purification plant and equipment.

Degremont, a member of the Ste Generale de Belgique group, Brussels has had its capital recently raised to F 32.5 million following the absorption of S.G.E.A. SA, Paris (see No 485). It has been affiliated since late 1967 to the Cie de Pont-a-Mousson SA group, Nancy and to Lyonnaise des Eaux & de l'Eclairage SA, Paris, and already has six subsidiaries in Europe as well as in Canada, the USA, Brazil, the Argentine and Japan. During 1968 the London group linked with the French groups Vallourec SA, through its subsidiary Entrepouse (see No 495) and Grands Travaux de Marseilles SA (see No 451) within the oil and gas pipeline firm, John Laing Ltd.

**\*\*** The Brussels group POUDRERIES REUNIES DE BELGIQUE SA (see No 509) is to simplify its structure by taking over two subsidiaries: 1) the explosives concern COOPPAL & CIE, POUDRERIE ROYALE DE WETTEREN & CIE SA, Wetteren and Kaulille, which it acquired in late 1967 (see No 428) and 2) the manufacturer of polyurethane foam, EUROFOAM SA, Wetteren (see No 493). This will raise the group's capital to Bf 571.54 million.

Poudrieres Reunies (turnover of Bf 1,500 million for the 1967-68 financial year) is affiliated to the Ste Generale de Belgique SA group (directly and through La Carbochimique SA, Brussels and U.F.I. - Union Financiere & Industrielle Liegeoise SA, Liege - see No 497) as well as to the Ste Centrale de Dynamite SA, Puteaux, Hauts-de-Seine (see No 511) and the Olin Mathieson & Chemical Corp group, New York (see No 511).

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**\*\*** The Munich concern SUD-CHEMIE AG (1968 turnover Dm 80m) has furthered its foreign expansion programme by purchasing a holding in the Mexican QUIMICA SUMEX SA, Ciudad de Mexico.

The German concern (capital Dm 20.25m) has also just taken 50% in forming at Puteaux, Hauts-de-Seine a concern named Ste Francaise de Bentonites & Derives Sarl (see No 511), wherein it is partnered by STE FRANCAISE DES GLYCERINES SA.

**\*\*** The Belgian company AIR PRODUCTS SA, Schaerbeek and Zelzate, Ghent (see No 451 - a member of the American group AIR PRODUCTS & CHEMICALS INC, Allentown, Pennsylvania - see No 490) has taken a 50% stake in STE SAVOISIENNE DE PRODUITS CRYOGENIQUES SA, Marseilles (formerly Ste de Gaz Industriels du Midi SA - see No 398). The other 50% is held by the Anglo-Dutch group ROYAL-DUTCH-SHELL through the London company SHELL TRANSPORT & TRADING CO LTD.

The Marseilles company was formed in 1964 when Ste de Gaz Industriels du Midi SA, Marseilles, which manufactured industrial gases, took over another firm in the same sector, Ste Savoisiennne de Produits Chimiques SA, Aiguebelle, Savoie. Its president is M. P.P.Rochette and with a capital of F 17 million, it has had a majority shareholding since late 1966 in Ste Francaise des Techniques Butterfield - S.F.T.B. SA, Firminy, Loire (see No 396).

CONSUMER GOODS
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**\*\*** The takeover bid by the Paris group CHAUSSURES ANDRE SA for the activities of the West German chain of shoe shops, SHUH-JANSON INH. DR. FRIEDRICH WERNER, Mannheim (see No 501), has been carried through by the sales company DR FRIEDRICH WERNER SHUHHANDELS GmbH, Mannheim, whose increase in capital from Dm 50,000 to Dm 5 million has been underwritten by the Paris group.

In September 1968 the latter was established in West Germany by the formation of ANDRE DEUTSCHLAND GmbH, Ludwigshafen (see No 492).

**\*\*** The West German manufacturer of porcelain ROSENTHAL AG, Selb (see No 500) has strengthened its Dutch interests with the formation of THOMAS BENELUX SA (capital Fl 10,000), through its first Dutch subsidiary ROSENTHAL-PORZELLAN BELGIE-NEDERLAND-LUXEMBOURG NV, Amsterdam.

The new company will sell porcelain made by Thomas Glas- & Porzellanwerke AG, which was formed like its sister company Rosenthal Glas- & Porzellanwerke AG by the group's recent re-organisation when Rosenthal became a holding company.

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**COSMETICS**

\*\* The Rotterdam group UNILEVER NV (see No 498) has bought the name and right to "Harriet Hubbard Ayer" beauty products sold throughout the American continent by HARRIET HUBBARD AYER INC, the subsidiary of the American firm STANDARD METALS CORP, Denver, Colorado. As a result the British, French and Dutch Harriet Hubbard Ayer subsidiaries, which Unilever acquired in 1947, will now have sole right to the name and will sell "Harriet Hubbard Ayer" products throughout the world either directly or through exclusive agents.

\*\* The French cosmetics firm, ROGER & GALLET SA, Paris (mainly eau de Cologne) intends to establish a London sales subsidiary.

With a capital of F 6 million, the French firm, which has a factory at Levallois-Perret, Hauts-de-Seine had a 1968 turnover of F 85 m. Abroad it was until now represented in the United States by Concentrate Manufacturing Co and Roger & Gallet Inc, New York. In France it is linked with the Italian firm, Anthea SpA, Arona in a joint Paris subsidiary, Anthea France SA.

**DATA PROCESSING**

\*\* The American group CONTROL DATA CORP, Minneapolis, Minnesota (see No 510) has strengthened its interests in the Benelux countries by forming another Brussels subsidiary called CONTROL DATA BELGIUM SA. It is also about to establish at Rijswijk a computer centre, which will come on stream in early 1970.

In the Netherlands the group's interests until now included the sales company Control Data Holland NV, Amsterdam, Electrofact NV, Amersfoort (peripherals - see No 467), which a few months ago acquired control of Fabriek Van Meetwektuigen Dr. H. De Wit NV, Hengelo (control and measuring instruments). It also controls the software supplier C.E.I.R. NV, The Hague, which was the former 51/49 joint subsidiary of the London company C.E.I.R. Ltd, (re-named Scientific Control Systems Ltd when it was taken over by the British Petroleum Co Ltd group) and the American concern C.E.I.R. Inc, Washington D.C., which itself has since become a subsidiary of Control Data Corp.

**ELECTRICAL ENGINEERING**

\*\* Milan member of the French L'AIR LIQUIDE SA group (see No 485), the S.I.O. group - SOC PER L'INDUSTRIA DELL'OSSIGENO & ALTRI GAS SpA (see No 323) has sold its minority stake in the Rome electric tubes and lamps manufacturing concern CLAUDE SA of Paris (see No 480), which itself in 1967 came under the control of the New York I.T.T. group - INTERNATIONAL TELEPHONE & TELEGRAPH CORP (see No 511).



**\*\*** USINES BELGES VYNCKIER FRERES SA, Ghent (electrical equipment - see No 238) has wound up its West German sales subsidiary (sanitary equipment - trade name "Vyncoluxe"), VYNCOLUXE PRESSSTOFF GmbH, Frechen, which was formed in March 1964 with a capital of Dm 20,000 (see No 263).

The Belgian company, which has a subsidiary in Belgium called Deutsche Vynckier GmbH, Bielefeld, employs around 2,500 persons. It is a member of the London group ENGLISH ELECTRIC CO LTD (see No 505), and has as other subsidiaries Ste Francaise Vynckier Freres SA, Lille, Vynckier (Nederland) NV, Amersfoort, and Vynckier-Congo Sarl, Congo-Kinshasa.

**\*\*** STE D'ETUDES ELECTROMECHANIQUES Sarl, Vanves, Hauts-de-Seine, which makes connectors, circuit-breakers, relays and small electric motors, has decided to form a distribution subsidiary in West Germany at Bulbaden under the name of DEUTSCHE SEEM GmbH.

The parent company has F 130,000 capital, and in 1968 (see No 490) took part in the formation of the economic interest group FRANCE-COMPOSANTS, designed to boost sales of French electric and electronic components in the East Bloc.

**\*\*** The German radiators, heat exchangers and thermostats concern BEHR-THOMSON DEHNSTOFFREGLER GmbH, Stuttgart-Feuerbach, has decided to set up a manufacturing subsidiary in France under the name of BEHR-FRANCE, Rouffach, Haut-Rhin.

The German firm (capital Dm 3m) is under the 60% control of the engineer Herr Manfred Behr, with the balance held by the American STANDARD-THOMSON CORP, Waltham, Massachusetts. This concern, which has some 600 people on its payroll, realising a turnover in excess of \$10 million, is linked in Britain with the Adwest Group Ltd, Reading, Berks (see No 331), within Western Thomson Controls Ltd, Reading:

ELECTRONICS
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**\*\*** The American electronics group HONEYWELL INC, Minneapolis, Minnesota (see No 510) intends to establish a Brussels subsidiary called HONEYWELL EUROPE INC SA, which will use personnel supplied by the Frankfurt subsidiary HONEYWELL GmbH. This will co-ordinate the group's sales, financial and administrative interests throughout Europe.

**\*\*** Further to the merger within SESCOSEM SA (see No 505) of STE EUROPEENNE DES SEMI-CONDUCTEURS-SESCO SA (wholly-owned subsidiary of CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA, Paris) and CIE GENERALE DES SEMI-CONDUCTEURS - COSEM SA (subsidiary of THOMSON - C.S.F. SA, Paris - see No 510), a move has been made to tailor the groups' organisations to the new format in Germany. The semiconductors sales concern SESCOSEM - HALBLEITER GmbH has therefore been formed at Landshut, Bavaria, with Dm 20,000 capital and M. Igor Dorochevsky

as manager. This is based on the premises of KESTAFIL GmbH (see No 427), subsidiary of Thomson - C.S.F., which in West Germany also controls Neuberger-Kondensatoren GmbH, Munich.

The Thomson-Houston group's other main interests in the Federal Republic comprise Thomson GmbH, Frankfurt; Koch & Sterzel KG, Essen (through Cie Generale de Radiologie SA, Paris); Demag-Thomson-Automation GmbH, Duisburg (in association with Demag AG of Duisburg) etc.

ENGINEERING AND METAL
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\*\* The West German concern SEITZ-WERKE GmbH KREUZNACHER MASCHINENFABRIK FILTER- & APPARATEBAU, Bad Kreuznach, has expanded its Paris subsidiary CIE FRANCAISE DE MATERIEL D'EMBOUTEILLAGE-COFRAM SA by raising its capital from F 62,000 to F 1.04 million.

The West German company, which employs some 2,000 persons, has two sister companies in Bad Kreuznach, Seitz-Asbest-Werke Theo & Geo Seitz Kreuznacher-Spezialfabrik für Filtermaterialien Aller Art and Seitz Automaten GmbH. Abroad it has affiliates in Milan (Seitz Italia SpA), Vienna (Theo Seitz KG), Madrid, Bath, New York etc.

\*\* Soon after making its Düsseldorf branch into an affiliate under the name HITACHI EUROPE GmbH (see No 497), the Tokyo engineering and electrical group HITACHI LTD has strengthened its interests in West Germany with the formation in Hamburg of HITACHI SALES EUROPA GmbH. With a capital of Dm 1.2 million, the new concern has Mr. Shoichi Kitagawa as manager.

\*\* S.A.M.E. TRATTORI F. LLI CASSANI S. Acc, Treviglio, Bergamo, (two and four wheel drive tractors for use in forestry and vineyards) has increased to F 1.2 million the capital of its French subsidiary STE D'APPLICATIONS DE MACHINES ENDO-THERMIQUES-SAME Sarl, Maisons-Alfort, in order to back its expansion. The latter has since changed its name to SAME FRANCE SA, and with Sig. G. Curzi as president is managed by Sig M. Motta.

The Italian concern, which is run by Sig Francesco Cassani, is also represented on the German market by a sales subsidiary Same-Traktoren-Vertrieb GmbH.

\*\* A reciprocal exchange of interests has been agreed between the West German manufacturer of engineering equipment ORENSTEIN KOPPEL & LUBECKER MASCHINENBAU AG, Berlin and Dortmund (see No 497) and the American concern HARNISCHFEGER CORP, Milwaukee, Wisconsin. The West German company, whose 1968 turnover amounted to Dm 340 million, has been a 25% affiliate since January 1960 of the holding company A.G. für Industrie & Verkehrswesen, Frankfurt. It has recently extended its international interests by strengthening the position of its subsidiary Orenstein-Koppel Ltd, which is owned on a 76/24 basis with the London company National Carbonising Co (see No 495). The American company, which has a subsidiary near Düsseldorf, Harnischfeger International Corp GmbH, employs some 6,000 persons and has an annual turnover of \$145 million. Its Italian licensee and associate company is the Milan concern Gentili Bricchi & Co.

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I

\*\* The British manufacturer of roller and ball bearings RANSOME & MARLES BEARING CO LTD, Newark, Notts (see No 508) is to be represented by its own French sales subsidiary called LES ROULEMENTS R. & M. FRANCE Sarl, Bourg-la-Reine (capital F 300,000), which will be managed by Mr. John Shellard.

Until now the British concern was represented in France by A.D.R. - Les Applications du Roulement SA, Paris (see No 344), a member of the Swedish S.K.F. group through its subsidiary S.K.F. - Cie d'Applications Mecaniques SA, Clamart, Hauts-de-Seine.

\*\* The Belgian wire drawing group BEKAERT SA, Zwevegem (formerly Trefileries Leon Bekaert Sprl - see No 484), which makes around 30% of its turnover - some Bf 8,000 million in 1968 - in Canada and the United States where it is represented by BEKAERT STEEL WIRE CORP, is to build a new factory in Georgia. This will be situated in Rome, and with an annual capacity of some 7,000 tons of steel tyre wire will start operations in 1970.

The Belgian group, which is a family-owned concern controlled by the Velge and Bekaert families (capital Bf 1623.6 m), employs over 10,000 persons in four main production centres in Belgium, at the head office and at Aalter, Woluwe-St-Pierre and Ingelmunster, which have an overall annual capacity exceeding 600,000 t.p.a. (see No 450). Its main foreign subsidiaries are Leon Bekaert SpA, Treviglio (formerly Fabbrica Italo-Belga Lane Acciaio-Fibla SpA); Beka France SA, Le Coteau, Loire; Bekaert France Sarl, Paris and Bourbourg, Nord; Bekaert Nederland NV, The Hague (formerly Handelsmij Leon Bekaert NV); Bekaert-Deutschland GmbH, Frankfurt (formerly Leon Bekaert Vertriebs GmbH) and Leon Bekaert (U.K.) Ltd, London.

\*\* The Swiss investment company SOGINVEST - SOC. FINANZIARIA GESTIONI INVESTIMENTI MOBILIARI & IMMOBILIARI SA, Lugano, has taken a 90% stake in the formation of S.I.R.N. - SOC. IMPIANTI RIPARAZIONI NAVALI SpA, Milan (capital Lire 49 m) with the remainder held by Sig Luigi Caenazzo, Trieste. The new company, which has Sig Alexandro Fabri, Genoa, as president, is run by a number of shipowners from Genoa and Triests and it will operate in the ship construction and repair sector.

\*\* The Dutch firm MAGNEET RIJWIELEN- & MOTORENFABRIEK NV, Weesp, has agreed to make over its bicycle manufacturing interests (40,000 units p.a.) to A. GAASTRA RIJWIELEN- & MOTORENFABRIEKEN BATAVUS NV, Heerenveen, and in this sector will only keep its sales interests and the import rights it holds for "Peugeot" mopeds.

Batavus, which will transfer the manufacture of these bicycles to its factory at Heerenveen (annual capacity 1,200 p.a.), is continuing to raise its production which is expected to reach around 200,000 bicycles p.a., in addition to the 50,000 motor cycles. In 1965 the company decided to merge (see No 316) with another firm in the same sector, NV Gazelle Rijwielfabrieken v/h Arentsen & Kölling, Düren (see No 476), but this project fell through.

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\*\* The French plant construction and supply company SODETEG - STE D'ETUDES TECHNIQUES GENERALES SA, Le Plessis-Robinson, Hauts-de-Seine, a subsidiary of the CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS-BRANDT SA group (see No 505), is about to form a subsidiary in New York. Sodeteg formed a subsidiary in Greece during February called Sodeteg Hellas SA, Athens, and another in South Africa, Sodeteg South Africa (Pty) Ltd, Johannesburg (see No 502).

\*\* The West German manufacturer of plastics working machinery BATTENFELD MASCHINENFABRIEKN GmbH, Meinerzhagen, Westphalia (injection moulding, extrusions) intends to gain control of the Dutch concern NV HAARLEMSE MACHINEFABRIEK & HANDELMIJ. DIESEL-HOLLAND, Haarlem (60 employees). The latter's main shareholders are NEDERLANDSE PARTICIPATIEMIJ. NV, Amsterdam (see No 496) and VADERLANDSCHE BEHEER MIJ. NV, Haarlem (see No 394).

The West German group has an annual turnover of around Dm 60 million and employs around 1,000 persons in its factories at head office, Feudingen, Gogarten, Rinteln, Overath, Scherl, Siegburg and Zülphich. Apart from other subsidiaries in West Germany, which include Mühlenthaler Werke AG, Dieringhausen, Rhineland, the group in which Herr Werner Battenfeld has a majority interest, is well established in other countries. These interests include Battenfeld France Sarl, Radon, Haute-Saone; Battenfeld Nederland NV; Maschinenbau- & Vertriebs GmbH, Köttingbrunn, Austria; Battenfeld-Espanola SA, Barcelona, as well as in the United States, Canada, Australia, Switzerland and Britain. In Brazil it has a stake in Ferbante SA, Sao Paulo, in association with the Essen company Ferrostaal, itself a member of the Haniel group through Gutehoffnungshütte Aktienverein, Nuremberg.

\*\* The Japanese group RICCAR SEWING MACHINE CO LTD, Tokyo, has cancelled the agreement linking it since 1966 (see No 427) with the West German concern KOCHS ADLER-NAHMASCHINEN WERKE AG, Bielefeld and has closed down the joint subsidiary which was formed as a result of this agreement, ADLER-RICCAR GmbH, Bielefeld. The Tokyo group's sales network in West Germany will now be backed by RICCAR EUROPA NAHMASCHINEN GmbH, which has been founded in Frankfurt with a capital of Dm 1.6 million and whose manager is Mr. Ryuchi Sawayama. The new company will centralise the distribution, storage and maintenance facilities and it will also open a sales office in Vienna.

\*\* The French State group REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 508) has signed an agreement - through its RENAULT MACHINES-OUTILS division - covering the supply of licences and technical assistance to the Yugoslav machine tool concern IVO LOLA RIBAR, Zeleznik. This will enable the latter to build and sell the French company's special machine tools.

Renault Machines-Outils recently signed a similar agreement (see No 501) with the Argentine company Berardi Argentina SA, Buenos Aires. Its other licensees include the Japanese concern Mitsui Seiki Kogyo Co Ltd (a member of the Mitsui & Co Ltd, Tokyo group), the India company Hindustan Machine Tools Ltd, Bangalore (see No 254), the Spanish concern Industrias Amutio SA, Valencia and the London company Vaughan Associates Ltd.

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K

\*\* The Frankfurt group METALLGESELLSCHAFT AG (see No 506), which had a 1968 consolidated turnover of Dm 3,300 million, is about to strengthen its stake in STOLBERGER ZINC AG FUR BERGBAU & HUTTENBETRIEB, Aachen (see No 447) by raising its shareholding from 45 to 75%. The latter company is engaged in the mining of mineral ores and zinc processing.

In late 1968 the group acquired at the cost of Dm 44 million the 25.1% stake held by the Berlin and Munich insurance group Allianz Versicherungs AG (see No 506) in the Frankfurt company Vereinigte Deutsche Metallwerke AG, Frankfurt (see No 495), in which it now has 86% control.

\*\* The Hamburg concern NORDDEUTSCHE AFFINERIE AG, which recently decided (see No 506) to form a company in Johannesburg called SOUTH AFRICAN ORE CORP LTD in association with OTAVI MINEN & EISENBAHN GESELLSCHAFT, Frankfurt, has now taken a 25% stake in the latter. The Hamburg company (capital Dm 105m) is a 20% affiliate of The British Metal Corp Ltd, London (a member of the Amalgamated Metal Corp group) and 40% stakes are held by both METALLGESELLSCHAFT AG, Frankfurt and DEGUSSA AG, Frankfurt (see No 506). Degussa recently made a tenfold increase to Bf 500 million in the capital of its Belgian subsidiary Degussa Antwerpen NV, Antwerp, which is constructing a herbicides factory.

\*\* The American company WILLIAM W. BOND JR. & ASSOCIATES INC, Memphis, Tennessee, has formed a subsidiary in Belgium called WILLIAM W. BOND JR. & ASSOCIATES INTERNATIONAL SA, Ixelles-Brussels (capital Bf 1m). This will draw up and supply plans and surveys for work to be carried out by industrial and business companies.

\*\* The Italian concern FACCO & CO Snc, Marsango-Campo San Martino, Padua, which specialises in cattle and poultry feeding equipment, has closed down one of its Swiss subsidiaries, D.R.FACCO GmbH, Thun, which was formed in March 1966 (see No 355).

The Italian company, which heads various companies in Europe (especially in France and the Netherlands) is about to form in Dusseldorf FACCO EINRICHTUNGEN FUR DIE GEFLUGELWIRTSCHAFT GmbH (see No 509).

\*\* The Swiss engineering group ATELIERS DES CHARMILLES SA (capital recently raised to Sf 18m - see No 503) has strengthened its Common Market links in the heating sector ("Cuenod" burners and circulators) by forming a sales subsidiary in Milan called CUENOD ITALIANA SpA (authorised capital Lire 150m), which is headed by Sig G. Barranco.

The Swiss group, which has a similar subsidiary in Belgium, Cuenod Belgium SA, Schaerbeek-Bruxelles, has a factory in Geneva and another in France at Annemasse, where it also controls Ste des Equipments Charmilles SA. It is represented in London by another subsidiary, Mag Engines Ltd, and also controls sales companies in Spain, the United States and Brazil.

\*\* The French firm CIE INDUSTRIELLE DE MATERIEL DE TRANSPORT (C.I.M.T. LORRAINE) SA, Neuilly, Hauts-de-Seine (rail equipment, trailers, road tankers and levelling machinery - see no 442) is holding talks with the American transport group FRUEHAUF CORP, Detroit (see No 404) with the aim of establishing closer links.

The French company has decided to close down its Belgian subsidiary LES ATELIERS DE QUIEVRAIN SA, Quievrain (see No 359) and M. Franc Viaud has been put in charge of this move.

\*\* The Milan machinery manufacturer CIA ITALIANA FORME ACCIAIO SpA (factory at Novate Milanese - see No 402) has formed a Paris sales subsidiary called CIFA FRANCE Sarl (capital F 100,000), which is managed by Mme. G. Ausenda. This will supply machinery and pneumatic equipment for the steel and chemical industries, especially for handling granulated and pulverised products. The founder, which is headed by Sig C.L. Boncambi as president, formed in 1962 - through the holding company Cayuga Trading Co AG, Vaduz, Liechtenstein - a subsidiary in Milan called Cia Italiana Forme Acciaio Macchine SpA, which represents a large number of foreign and mainly American manufacturers: these include Blaw-Knox Co, Pittsburgh; International Boiler Works, East Stroudsburg, Pennsylvania; Smith Engineering Works, Milwaukee; Ellicott Machine Co, Baltimore, Maryland, and Lapp Insulator Co Inc, Le Roy, New York.

\*\* The Italian concern ENRICO LONGINOTTI, Florence (machinery and equipment for finishing building materials) has extended its interests to Spain by forming a sales subsidiary called LONGINOTTI ESPANOLA SA (capital Pts 5m).

\*\* ALGECO-ALLIANCE & GESTION COMMERCIALE SA, Prisse, Saone-et-Loire (transport equipment leasing - see No 504) which is run by M. G. du Mesnil du Buisson has closed down its Milan subsidiary ALGECO ITALIANA SpA (formed in late 1963) and Signor G. Soncelli will be in charge of this move.

The French company's president, M. Paul Stehlin replaced M. Jean Thomachot in this post at the end of 1968. It is affiliated to a number of groups including Vereinigte Tanklager & Transportmittel GmbH (V.T.G.), Hamburg, Samuel Montagu Ltd, London and the Cie Financiere de Suez & de l'Union Parisienne SA, Paris. In France it heads the Cie Industrielle & Commerciale Algeco - C.I.C.A.L. SA, Macon and SOGEBE - Ste de Gestion de Biens d'Equipment SA, Paris and its subsidiary, Sogebe - Service SA (See No 437).

FINANCE
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\*\* The Liechtenstein holding company VIRICO AG, Schellenberg, has formed a finance and investment concern in Milan called VIRICO ITALIANA Sas (share capital Lire 20m), in which Sig Luigi Arnaboldi is the managing partner.

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M

\*\* DAPOL SA, a Luxembourg holding company belonging to CREGELUX - CREDIT GENERAL DU LUXEMBOURG SA (itself a member of the Ste Generale de Belgique SA group through Banque Generale du Luxembourg SA - see No 498), has taken a 50% stake in the formation of the new Paris company STE FINANCIERE DE LA TERRASSE-SOFITER SA (capital F 1.2m), whose president is M. Robert de Gunzbourg (a 15% shareholder). The new concern will be involved in company management as well as managing and trading in properties and other assets. Its other main shareholder is BANQUE DE L'UNION OCCIDENTALE SA, Paris (10% - see No 495), itself an affiliate of Cie Commerciale d'Investissements SA, Paris, as well as several foreign banking concerns including Gebr. Röchling Bank, Sarrebrücken and Banco Exterior de Espana SA, Madrid.

\*\* The West German merchant bank, BANKHAUS NICOLAI & CO KG, Hanover (see No 351) has taken a 50% stake in the capital (doubled to Dm 2m) of DEUTSCH-SCHWEIZERISCHE VERWALTUNGSBANK AG, Frankfurt which until now was under the direct control of Swiss interests involved in the BANK GUT, STREIFF AG, Zurich (formed in November 1965 with a capital of Sf 4m).

The Hanover bank also has a stake in Allgemeine Kapitalunion GmbH & Co KG, Frankfurt, "Fides" Versicherungs-Vermittlungs- & Vermögensverwaltungs GmbH, Hanover and Dessauer Werke Fur Zucker- & Chemische Industrie GmbH, Hanover.

\*\* A merger between three French companies headed by M. Alexis de Gunzbourg will strengthen the position of STE GENERALE FONCIERE SA, Paris, which is controlled by UNION DE PARTICIPATIONS SA, Paris (see No 490). Ste Generale Fonciere will increase its capital from F 21 to F 43 million and have funds of F75 million after having taken over CIE FINANCIERE LE LINORD SA, Paris (capital F 17m - net assets F 14.62m) and U.C.P.I. - UNION DE CONSTRUCTIONS & DE PLACEMENTS IMMOBILIERS SA, Paris (capital F 29.77m - net assets F 32.6m). As a result of these moves, Ste Generale Fonciere will now operate as a merchant bank holding company and property development concern.

\*\* B.N.P. - BANQUE NATIONAL DE PARIS SA (see No 510) has formed five new Paris portfolio management companies, each with a capital of F 100,000. These are STE CENTRALE D'ORGANISATION & DE PARTICIPATIONS SA, whose president M. Georges Diemert holds the same post in the new STE FRANCAISE D'ORGANISATION & DE PARTICIPATIONS SA; STE PARISIENNE D'ORGANISATION & DE PARTICIPATIONS SA (president M. Bernard Cloud); STE DE PROMOTION INDUSTRIELLE LORRAINE SA (president M. Jean-Henri Guillaumet) and STE ALSACIENNE D'ORGANISATION & DE PROMOTION SA (president M. Gilbert Minard).

\*\* The Amsterdam merchant bank FIRMA F. VAN LANSCHOT C.V. de 's-Hertogenbosch (see No 506) has formed a data processing subsidiary VAN LANSCHOT COMPUTERCENTRUM NV, 's-Hertogenbosch (authorised capital Fl 250,000 - 40% issued).

**\*\*** The New York group AMERICAN EXPRESS CO has formed a Luxembourg investment fund dealing mainly in American securities for non-American investors. Called AMERICAN EXPRESS INTERNATIONAL FUND SA, this has an initial capital of \$100,000, and the new fund will issue share certificates to a total value of \$25 million. Its financial side will be the responsibility of a company recently formed in London, AMERICAN EXPRESS INTERNATIONAL FUND SERVICES LTD (capital £100). The American group recently formed another subsidiary in Luxembourg called American Express Securities Luxembourg Sarl (see No 510)..

American Express also intends to establish two other investment funds:

1) American Express Special Fund; 2) an investment fund covering the Middle East in which the Kuwait company, Kuwait Investment Co will have a 55% stake .

**\*\*** The Milan company MANIFATTURA ITALIANA CARLO PACHETTI SpA (skin and Hide processing - see No 334), which is a member of the FASCO AG group, the holding company of the group headed by Sig Michele Sindona, Milan (see No 511) is going to diversify its interests in electro-mechanical equipment, agricultural machinery and services. As a result it will become a portfolio company with a capital of Lire4,000 million.

The first step in this move will be to take over two associate companies MICROFUSIONE ITALIANA SpA, Milan (capital Lire 1000m) and A.M.A. - ANONIMA MACCHINE AGRICOLE-COSTRUZIONI. MECCANICHE SpA, Tortona (formerly Gigerza & Chiesa - capital Lire 300m).

**\*\*** A Luxembourg investment fund dealing mainly in Japanese securities has been formed under the name of TOKYO VALOR SA (capital Lux F 640,000) with a management subsidiary called STE DE RACHAT TOKYO-VALOR SA (capital \$20,000). Its main competitors in Luxembourg are New Japan Trust SA, which is controlled by Von Ernst & Cie AG, Berne, and Japan Pacific Fund SA (see No 501).

The founders of the new concern are BANQUE DE L'UNION PARISIENNE - C.F. C.B. SA, Paris (48% - see No 503), the Geneva bank FERRIER LULLIN & CIE Sc (21.7% - see No 305), the London merchant bank ROBERT FLEMING CO LTD (18.7% - see No 506), with the remainder held by BANQUE INTERNATIONALE A LUXEMBOURG SA (see No 509).

FOOD AND DRINK
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**\*\*** The Anglo-Swiss company concerned with the administration of shares in the wines, spirits and other drinks sector, DUNCAN, GILBEY & MATHESON SA, Fribourg (formerly at Schwyz - see No 266), has formed a 75% subsidiary in Hendrik-Ido-Ambacht, the Netherlands, under its own name to manufacture and sell drinks. With an authorised capital of F1 50,000 (20% paid up), this has Mr. M. H. Gilbey as president, and the shareholder for the balance is the Dutch company J.H.HENKES' DISTILLEERDERIJ NV, Hendrik-Ido-Ambacht.



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\*\* The Swiss group NESTLE ALIMENTANA SA, Vevey, which is negotiating a stake in the STE GENERALE DES EAUX MINERALES DE VITTEL SA, Vittel, Vosges (see No 511) has at the same time acquired control of FROMAGERIES ROUSTANG SA, Loisey, Meuse (capital F2.7m). The latter, apart from a stake in SINTEC - Ste Interprofessionnelle d'Exploitation & de Controle SA (see No 485), has several foreign subsidiaries: French Cheeses Ltd, London (see No 261), Sodif Italiana Srl, Turin, Sodif GmbH, Frankfurt and Sodif SA, Lausanne .

The Swiss group which during 1968 acquired a 20% stake in Chambourcy SA, Clamart, Hauts-de-Seine (see No 507) had a 1968 consolidated turnover of Sf 8,840 million, and M. Jean Corthesy is to take over from M. Max Petitpierre as president in the near future .

\*\* The French dairy products group GERVAIS-DANONE SA (see No 501) is continuing to expand its stake in Italy and has opened both branches to and depots for its Turin subsidiary GERVAIS DANONE ITALIA SpA (capital Lire 90m) in Genoa, Milan, Bologna, Brescia, Rome, Florence, Arma di Taggia, Latisana and Vicenza .

\*\* The Anglo-Dutch group UNILEVER NV, Rotterdam (see also Chemicals and Cosmetics) intends to enlarge its French interests in the food sector (see No 477) by taking control of ETS ROUSSET SA (fresh milk, "Cremona" cheese and pasta) a family-owned concern which has a turnover of some F60 million p.a .

Unilever which in 1968 gained control of the dairy products concern La Roche Aux Fees SA, Nantes (capital F 8.19m) is also negotiating a distribution agreement with the Paris dairy products group, SAPIEM - Ste de Participations Dans L'Industrie Alimentaire SA (headed by M. Gustave Leven - see No 505) . During 1968 the latter held talks with the Genvrain group, Paris as to the possibility of a merger, but these came to nothing (see No 502).

\*\* The British distillery group TEACHER (DISTILLERS) LTD, Glasgow (see No 502) has strengthened its interests in West Germany with the formation in Hamburg of Wm TEACHER VERKAUFS GmbH (capital Dm 300,000 - managers Mr. Adam Bergius, Glasgow, and Herr Helmut Heinemann, Hamburg).

On the continent the British group has an interest (through Wm Teacher & Sons Ltd, Glasgow) in the Swiss sales company Wm Teacher Sales AG, Steinhausen .

\*\* CIE DES SALINS DU MIDI & DES SALINES DE L'EST SA, Paris (see No 511), which is still engaged on its reorganisation programme (see No 501), has absorbed its Paris subsidiary STE INDUSTRIELLE & COMMERCIALE DES SALINS DU MIDI Sarl (capital F 8.82m), which has thus brought home gross assets valued at F 16.43 million .

\*\* The American food group GENERAL MILLS INC, Minneapolis (see No 508) has joined 50-50 in Belgium (although the ramifications will spread to Luxembourg and N. France) with the branch-stores group ETS DELHAIZE FRERES & CIE "LE LION" SA, Molenbeek-St-Jean (see No 502) in forming a chain of quick-service restaurants . To implement the arrangement, FOOD SYSTEMS SA has been formed in Brussels .

**INSURANCE**

**\*\*** The French insurance group LA PROVIDENCE (headed by M. B. de la Bouillerie - see No 409) has formed a new company in Paris named LA PROVIDENCE I.A.R.D. SA with F 5 million capital. To this, the direct controlling companies, LA PROVIDENCE INCENDIE SA (capital F 15 m) and LA PROVIDENCE ACCIDENTS SA (F 18 m) will make over their respective policy administration activities, with a view to rationalising and expediting their systems and administration.

**\*\*** The Amsterdam insurance group DELTA VERZEKERINGSGROEP NV (see No 506) has formed a property subsidiary named ONROEREND GOED MIJ MERWEDE NV in Amsterdam with Fl 12 million authorised capital, almost 50% paid up, and to be administered by the property subsidiary MUNT Hof NV, Amsterdam. The new concern is under the direct 60-40 control of the Amsterdam subsidiaries, Hollandsche Societeit van Levensverzekeringen NV, and Amstleven, Amsterdamsche Mij van Levensverzekering NV.

**\*\*** Three insurance companies, all members of the RUDOLF A. OETKER group of Hamburg (see No 501), have underwritten the 100% capital increase to Bf 20 million requested by their joint Belgian subsidiary LIGUE DES PROPRIETAIRES-CONDOR-UNITAS SA, Etterbeek, to back its expansion. The three firms are CONDOR ALLGEMEINE VERSICHERUNGS AG (see No 498); CONDOR LEBENSVERSICHERUNGS AG and CONDOR TRANSPORT- & RUECKVERSICHERUNGS AG.

The first two Condor concerns named are further linked within the 40-60 subsidiary Condor Verwaltungs- & Finanz GmbH, Hamburg, while the third holds shares in the British investment company QUEVEDO INVESTMENTS LTD, London.

**NUCLEAR ENERGY**

**\*\*** CIE FRANCAISE DES MINES D'URANIUM SA, Paris (see No 472) has taken 40% in forming CIE DES MINES D'URANIUM DE BAKOUMA (URBA) SA in the Central African Republic with C.A.R. francs 2,200 million capital and M. Rene Fillon as president. This is to exploit a uranium deposit discovered at Bakouma by the C.E.A. - COMMISSARIAT A L'ENERGIE ATOMIQUE, which holds another 40%, with the balance left in the hands of the Central African state.

The founder itself has as its main shareholders the group STE MINIERE & METALLURGIQUE DE PENARROYA SA and LE NICKEL SA, both of the ROTHSCHILD SA group, which is currently reorganising its interests therein (see No 501). Also having major stakes are: UGINE-KUHLMANN SA (see No 499); CIE PECHINEY SA (see No 508); MINES DE KALI-SAINTE-THERESE SA (of the RIVAUD group - see No 501); MINES DE HUARON SA (of the CIE DE MOKTA SA group - see No 462) and the C.E.A. - Atomic Energy Commission itself.

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OIL, GAS & PETROCHEMICALS

\*\* ANIC SpA, Palermo (see No 499) the subsidiary of the Rome group E.N.I. - ENTE NAZIONALE IDROCARBURI has made over to the group's Zurich holding company, HYDROCARBONS INTERNATIONAL HOLDING CO (see No 509) its 14% stake in the New York subsidiary AGIP USA INC.

PAPER & PACKAGING

\*\* ALTEC SA, Ivry, Val-de-Marne (capital F 0.975 m - transparent packaging) is being taken over and absorbed by SOPITEC SA, Ivry to whom it will make over gross assets of F 12.96 million, including its plastic materials processing plant at Ivry and other production facilities at Vitry, Val-de-Marne and St-Andre-les-Vergers, Aube, as well as its "Altec", "Altiphane" and "Altisac" trade names. As a result of the move, Sopitec will change its name to ALTEC-SOPITEC SA (capital increased to F 1.645 m).

PHARMACEUTICALS

\*\* West German interests represented by Herr Bernd Lohmann, Ludingworth have backed the formation of the Dutch company TAD PHARMACEUTISCHE PRODUCTEN NEDERLAND NV (capital Fl 100,000 - 20% issued) in Driebrugge. This will trade in veterinary products and additives for animal feeds.

\*\* The Paris pharmaceuticals group LABORATOIRES DAUSSE SA (see No 504) is reorganising its interests and has had its subsidiary SYNTHELABO SA, Paris (see No 425) take over two affiliates LABORATOIRES INDUSTRIELS & SCIENTIFIQUES SODELIS SA, Paris (capital F 14,000 - gross assets F 559,000) and LABORATOIRES GABAIL SA (capital F 556,000 - gross assets F 2.26 m). As a result Synthelabo has raised its capital from F 500,000 to F 1.49 million.

PLASTICS

\*\* The French group S.N.P.A. - STE NATIONALE DES PETROLES D'AQUITAINE SA, Courbevoie, Hauts-de-Seine (see No 510) has signed an agreement with the West German rubber and plastics group METZELER AG, Munich, giving it a 30% stake in METZELER PLASTIC GmbH & CO KG, Kirchberg, until now the wholly-owned subsidiary of the German group. The Kirchberg firm, which makes polyethylene packaging film used by the food industry and polystyrene tiles - some 500 employees - has at the same time absorbed B.M. PACK, Jülich, a plastics processing firm in S.N.P.A. which held a minority stake.

In West Germany, the French group has a distribution subsidiary operating in the plastic materials sector called Aquitaine-Kunststoff GmbH, Düsseldorf. For its part the West German concern has several French subsidiaries including Metzeler-France Sarl,

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Nanterre, Hauts-de-Seine; Metzeler-Mousse SA, Bischwiller, Bas-Rhin; Bypor SA, Selestat, Bas-Rhin; and Sentux-Porexpan SA, Bayonne, Basses-Pyrenees, owned 80-20 with the local firm Sentuc SA.

PRINTING & PUBLISHING

\*\* The recently formed Haarlem company FLORAPRINT NV (capital Fl 500,000 - 40% issued) is the 80% subsidiary of the Liechtenstein concern INTERNATIONALE GRAFISCHE ANSTALT, which is represented on the board by Mr. W.J. Nieuwkoop, Haarlem. The new concern prints and sells labels, catalogues, notices and packets chiefly for the horticultural industry.

The remaining 20% is held by the founder's licensee for the Benelux countries, Henkes Holland NV, Haarlem, the subsidiary of the printing group, Nederlandse Dagbladunie NV, The Hague through J.H. Henkes Grafische Bedrijven NV, Haarlem.

\*\* The Dutch interests of the French music publishers and records group VOGUE PRODUCTIONS INTERNATIONALES PHONOGRAPHIQUES - VOGUE P.I.P. SA, Villetaneuse, Seine-St-Denis (see No 488) have been strengthened by a new subsidiary called VOGUE NEDERLAND NV, Haarlem. With an authorised capital of Fl 200,000 (20% issued) the new concern will produce and trade in records, under MM. Leon Cabat, Paris and Roger Meylemans, La Hulpe, Belgium. It is directly controlled by the Brussels subsidiary VOGUE PRODUCTIONS INTERNATIONALES PHONOGRAPHIQUES SA.

The French group already had a Dutch subsidiary, Vogue International Holland NV, Heemstede in which it is linked on an equal basis (through its subsidiaries Editions Vogue International SA and Editions Alpha Sarl) to the Dutch firm, Schaltone NV, Heemstede.

RUBBER

\*\* The Milan groups MONTECATINI-EDISON-MONTEDISON SpA (see No 510) and PIRELLI SpA (see No 498) have strengthened their direct and indirect joint French interests in the wall-, floor- and ceiling-coverings sector by increasing to F 3 million the capital of their Paris affiliate PRECO SA (see No 455) with the aim of backing its expansion.

This was formed in 1967 (see No 421) in conjunction with the Paris group, SOMMER SA (30% - see No 508) and DREYFUS & CIE Sarl (20%). Today Preco is controlled (30/10/10) by Linoleum SpA (joint subsidiary of the Milan groups), Pirelli France SA (subsidiary of Pirelli) and Montvilliers SA, Paris (of the Montecatini-Edison group).

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## SERVICES

\*\* The British management consultants McALLEY ASSOCIATES LTD, London, have formed a Belgian subsidiary called McALLEY & CO SA, Ixelles-Brussels (capital Bf 1.8 m), whose first directors are Messrs. Leo Goldschmidt.

\*\* H.B. MAYNARD & CO INC, Pittsburgh, Pennsylvania (industrial, financial, and commercial consultants - see No 448) have extended their interests to Belgium with the formation of a Brussels subsidiary called H.B. MAYNARD & CO SA (capital Bf 1 m) run by M. Laurenz van de Muyzenberg.

The founder shares control of the new concern with its subsidiaries in Scandinavia, A/B Svenska Mec, Gothenburg and H.B. Maynard & Co A/S, Copenhagen and Maynard Consultants AG, Zurich. It has a number of other European subsidiaries in London, Düsseldorf, Milan and Paris.

\*\* The ALEXANDRE BUGNON organisation which is based in Geneva and specialises in handling litigation in international patent and copyright disputes, and whose foreign interests are coordinated by BUGNON INTERNATIONAL SA (see No 492) has strengthened its position in Italy. It has opened branches in Milan and Bologna to its Rome subsidiary, Bugnon Srl, Rome, run by Signor G. Righetti.

## TEXTILES

\*\* The Dutch ready-made clothing group, which is based on BELEGGINGS, FINANCIERINGS- & ASSURANTIE BEMIDDELINGSMIJ. "BELFAMIJ" NV, Amsterdam, has formed a similar Belgian company called SABERMA NV (capital Bf 1 m), whose name has immediately been changed to FINSA NV, St-Josse-ten-Noode. The new company will also supply equipment, skins and leathers for the textile industry. Token shareholdings are held by three of Belfamij's affiliate companies, EERSTE NEDERLANDSE DAMES- & KINDERMANTELFABRIEK H. BERGHAUS NV, LOONCONFECTIEBEDRIJVEN LOCOBE NV and DAMESMODEBEDRIJVEN DAMO NV (all of which are based in Amsterdam).

The group's existing Belgian interests included Damesmode Ateliers H. Berghaus-Belgie NV, Genk, directly controlled by Beleggings- & Financieringsmij. Berghaus NV, Amsterdam, with token shareholdings held - apart from Belfamij and Eerst Nederlandsche - by companies in the Ned. Pelterijmij. Arctic NV group, Beleggings- & Administratie Cie Safety NV, Effecten Beleggingsmij. "Amsterdam" NV and Beleggingsmij. Koningsbergen NV (all of which are Amsterdam-based).

\*\* The French knitwear group VITOS-ETS. VITOUX SA, Troyes, Aube (see No 510) has simplified its structure by absorbing two subsidiaries VITOS-PRODUCTION SA, Troyes (capital F 1.23 m - gross assets F 2.14 m) and STE IMMOBILIERE DU 4 RUE GOETHE A PARIS SA (capital F 1.25 m - assets F 990,000).

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\*\* FULCORA BELGIQUE SA, Verviers (formerly European Pile SA, Ghent) has taken over APPRETS TIQUET-WERY Sprl, Dison, Liege, and re-named itself TIQUET-WERY SA, with the head office moved to Dison (capital raised to Bf 45 m).

Fulcora is controlled by Apprets Tiquet-Wery and was previously an interest of the French companies La Liniere Lilloise SA, Lomme, Nord, and Segard & Cie Sca, Tourcoing, and the Luxembourg companies Rafas - Ste de Recherche & d'Applications des Fibres Artificielles & Synthetiques SA and Piletex SA. In late 1968 it acquired in Tourcoing, Nord, the trading and natural and synthetic fibres manufacturing business interests of Fulcora SA (formerly Ets Furlanka SA) and then formed a Paris sales subsidiary Fulcora France Sarl (capital F 20,000), which deals in synthetic fibres and textiles for carpets, rugs, blankets, ready-made clothing and furnishings.

\*\* The West German manufacturer of knitwear, lingerie and elastic goods, NATURANA-MIEDERFABRIK CARL DÖLKER KG, Gomaringen, Reutlingen, has gained control of a similar firm in France, ETS. CH. BEAUVALLET & CIE SA, La Rochette, Seine-Maritime (capital F 1.4 m). The latter's board members now include Herren Hans and Gerhard Dölker and Erich Schaller, Gomaringen.

Since 1965 the German company has had a subsidiary in Spain, Naturana Iberica SA, Molins de Rey, Barcelona, which employs some 250 persons and whose capital was raised in 1968 to Pts 5 million.

\*\* The Paris company STE POUR L'EQUIPEMENT DE LA BLANCHISSERIE & DE LA TEINTURERIE FRANCAISES SA (affiliated to ATELIERS & CHANTIERS DE DUNKERQUE & BORDEAUX (FRANCE-GIRONDE) SA, Paris - itself a member of the SCHNEIDER SA group) has taken over STE POUR LE TRAITEMENT & L'AMELIORATION DES TISSUS SA, Paris (see No 292). The latter's main shareholder was UNION FINANCIERE & MINIERE SA, Paris (formerly Union des Mines - La Henin SA - see No 510) and it has made over to Ste pour le Traitement & l'Amelioration des Tissus, whose capital has been raised to F 3.75 million, (gross assets valued at F 610,000 including various "Texylon" brands and a special textile processing patent.)

\*\* The merger which was recently decided upon (see No 498) within the ETS. DE MENBUS SA, Deville-lez-Rouen, S.-Mme, textile group, has now resulted in UNION NORMANDE DE TISSAGES-UNITIS SA, Deville-lez-Rouen (capital F 252,000) being taken over by CUSTOMAGIC EUROPE SA, Paris. This is the joint subsidiary of the British company CUSTOMAGIC MANUFACTURING CO LTD, Manchester and the French concern D.M.R. SA, Comines, Nord, a member of the Menibus group. As a result, Customagic Europe, which has received assets worth F 1.008 million, has raised its capital to F 1.5 million.

\*\* The West German textile group GIRMES-WERKE AG, Oedt-Krefeld (see No 475) intends to strengthen its interests in the Netherlands where it already has a subsidiary, GIRMES-HOLLAND-PLUCHE NV, Amsterdam, by building a carpet and rug factory at Venray. The new venture will require an investment of around Fl 12 million and will provide some 150 jobs.

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\*\* The French company ETS. A. PAPAZIAN & FILS Sarl, Marseilles (wholesaling and retailing of textiles - capital F 150,000) has extended its interests to Italy and opened a sales office in Milan under Sig Maurizio Maffeis.

TOBACCO

\*\* The Belgian tobacco and cigarette manufacturer CIE INDEPENDANTE DES TABACS-CINTA SA, Schaerbeek-Brussels (see No 423) has raised its capital from Bf 133m to Bf 199.5m in order to finance its expansion. In 1968, the Ste de Financement Industriel, Commercial & Agricole-Sofical SA (a member of the Bastos group) sold its one-third interest in Cinta. The increase has been backed on a prorata basis by three direct and indirect subsidiaries of the Hambourg tobacco and cigarette group H.F. & PH. F. REEMTSMA GmbH & Co KG (see No 500) which controls Cinta: these are the MANUFACTURE ALSACIENNE DES TABACS SA, Strasbourg (itself under the direct control of BADISCHE TABAKMANUFAKTUR ROTH-HAENDEL GmbH, Lahr (see No 266) its subsidiary STE AUXILIAIRE STRABOURGEOISE DE PARTICIPATIONS INDUSTRIELLES - S.A.S.P.I. Sarl, as well as WALDORF ASTORIA INTERNATIONALE GmbH, Hambourg.

Reemtsma controls around 46% of the West German cigarette market through its Lahr subsidiary whose brands include "Ernte 23", "Peter Stuyvesant", "Juno", "Eckstein", "Waldorf", "Astor", "R-6", "Roth-Händle", "Pilot" and "Reval". Its foreign interests also cover Switzerland - through its Chur holding company Reeholda AG - where it has stakes in Kost & Co AG and Reemtsma Gigaretten AG, Pfäffikon, in association with the Swiss concern, Villiger Söhne SA, Pfäffikon-Reinach; in the Argentine it holds a 50% stake in the Manufactura De Tabacos Imparciales - S.A.I.C.A., Buenos Aires (factory at Goya, Corrientes); in Finland a share in Tubakkatehdas Fenja, Helsinki, in association with the Finnish firm P.C. Retting & Co; in Greece a stake in Sigaretta Waldorf-Astoria E.P.E., Piraeus in association with Papastratos Freres SA (see No 349); in Australia in Waldorf Astoria Cigarette (Pty) Ltd, Sydney in association with the Gallaher Ltd, Belfast subsidiary of the New York group, The American Tobacco Co.

TOURISM

\*\* The first European hotel company, C.I.G.A. - CIA ITALIANA DEI GRANDI ALBERGHI SpA, Venice (see No 455) is one of the founders (21%) along with the London company SAVOY HOTEL LTD, of HOTEL REPRESENTATIVE AG, Zurich (capital Sf 150,000 - president Mr. Walter Schnyder).

The Italian company, which is already linked with the British company as well as with STE DES GRANDS HOTELS ASSOCIES SA, Paris (see No 496) in the international hotel syndicate HOTEL REPRESENTATIVE INC, New York and Paris, runs luxury hotels in the main Italian tourist centres (more than 3,000 bedrooms).

**\*\*** **DINERS FUGAZY (PARIS-OUEST) Sarl, Neuilly-sur-Seine (capital F 100,000) has just been formed in France to represent the New York DINERS FUGAZY TRAVEL INC (formerly Fugazy Travel Bureau Inc - which was taken over in 1967 by Diners Club Inc - see No 498). The new French company is an independent concern and is managed and controlled by M. C.L. Siegfried.**

The New York company is represented in Brussels by Diners Fugazy Travel SA (formerly Air Inclusive Tours Sprl - managed and controlled by M. J.F. Kinet). In 1968 it formed - in association with its subsidiary Diners Fugazy Sales Corp - a Rome subsidiary named Diners Fugazy Sales Internatinal SA (see No 473) to act as its representative in Italy, and coordinate the European and Mediterranean interests of the New York transport group American Export Isbrandtsen Lines Inc - A.E.I.L., itself a subsidiary of American Export Industries Inc (see No 490). A.E.I.L. is represented in France by S.A.T.T. - SA de Transport, Paris, S.N.T.M., Le Havre and Mariter, Lyons and Marseilles.

TRADE
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**\*\*** A cooperation agreement has been signed between STE LAITIERE MODERNE SA, Lyons (affiliated to DOCKS LYONNAIS SA and ETS. FERRAND & RENAUD SA - see No 507) and the retail chain DOCKS MERIDIONAUX D'ALIMENTATION SA, Beziers, Herault, which will cover the establishment of large scale shopping facilities in the Languedoc-Rousillon and a joint subsidiary will be formed to carry this project through.

Ste Laitiere Moderne is at present merging with the retail store group Economique d'Alimentation SA, Caluire, Rhone.

**\*\*** The Tokyo importer and exporter of manufactured goods, MITSUI & CO LTD (see No 501) has strengthened its Common Market sales network by forming a Milan subsidiary called MITSUI & CO ITALIA SpA (authorised capital Li 70m) under Messrs Y. Sugiyama and T. Nakada.

Mitsui has European subsidiaries in Paris (capital F 1m) with a branch in Brussels and in Dusseldorf. Its other interests are in Canada, the USA, Brazil, the Argentine, Chile, Mexico, Venezuela, Australia, Vietnam, Iran and Thailand.

**\*\*** Three Dutch firms have linked on an equal basis to form HANDELMIJ. CRISS-CROSS NV, Rotterdam, with an authorised capital of F1 100,000 (30% paid up) and Mr. Cornelis den Braver as director.

Its founders are 1) VEVO-LAK-, VEF- & VERNISFABRIEKEN NV, Schiedam (lacquers, varnishes, paints etc. - see No 508), which has recently come under the control, along with its parent company PIETER SCHOEN & ZOON NV, Zaandam, of the Brussels group PETROFINA SA; 2) the Rotterdam company KRAMER & RODER KON. IJZERWAREN- & GEREEDSCHAPHANDEL NV, which trades in tools and materials, and 3) NV HOUTHANDEL W.S. VAN DE WETERING & CO, Schiedam, which trades in wood.



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TRANSPORT

\*\* A bid to revitalise the financial standing of the Antwerp charter and shipping concern (see No 309) has resulted in its capital being reduced and then increased in two separate moves to Bf 15 million. This has enabled BELGIAN BUNKERING & STEVEDORING CO NV, Antwerp, a subsidiary of the Paris group WORMS & CIE SA (see No 509) to turn its 50% stake into a majority shareholding, whilst the remainder is held by another subsidiary of the Paris group WORMS & CIE SA, Antwerp.

In a similar move, the two Belgian subsidiaries of the Paris group have given financial backing to Euro Shipping Nv, Antwerp, which they already control, whose capital after several distinct moves has also been raised to Bf 15 million.

\*\* STE TECHNIQUE POUR LE TRANSPORT PAR CONTAINERS-SOTECO SA, Marseilles has just been formed in Marseilles with a capital of F 116,400. Three Marseilles companies are represented on the board, CICOMER Sarl, J.CARASSALE & FILS SA and STE COMMERCIALE DE TRANSPORTS TRANSATLANTIQUES (S.C.T.T.) SA (see No 302). The latter is also represented on the board of Ste Commerciale des Transports Transatlantiques-Sud (S.C.T.T.-Sud) SA, which was formed in early 1967 with a capital of F 500,000.

\*\* The British group UNITED TRANSPORT CO LTD, Chepstow, Monmouth (see No 482) has taken a minority shareholding - through its London subsidiary UNITED TRANSPORT OVERSEAS LTD - in the French inland waterways transport concern MONDIA SA, Schiltigheim, Bas-Rhin (see No 369), when the latter raised its capital to F 3.45 million. This is also a subsidiary of the Antwerp company Rijn Schelde Mondia NV (see No 476) and as such belongs to the Belgian shipping and transport group Plouvier & Cie NV, Antwerp (see No 499).

In 1968 United Transport closed down its affiliate West Friesland Eurotransporters Sarl, Gennevilliers, which was controlled by the Amsterdam subsidiary DC International West Friesland NV.

\*\* The Dutch transport firm RUTGERS INTERNATIONALE EXPEDITIE GOUDA NV, Gouda (a subsidiary of the PAKHOED HOLDING NV group - see No 508) is to act as the technical and sales representative in the Benelux countries for the Soviet transport organisation SOVTRANS-AVTO, Moscow. In conjunction with the latter it has a weekly transport service between the Benelux countries and the Soviet Union.

\*\* JAMES SMITH & ZONEN is to act as the Rotterdam agent for the Hamburg firm FRANCALL AFRIKANISCHE SCHIFFAHRTS GmbH, which was recently formed by CIE DELMAS-VIELJEUX SA, Paris and WOERMANN-LINIE AG, Hamburg-Altona (see No 510) to operate a shipping service to West Africa.

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VARIOUS

**\*\*** The West German company MONTANA-SPORT GmbH, Feldkirchen, Munich, which imports sporting accessories, has made over its distribution department to TYROLIA GmbH, Krailing, whose sales network will thus cover the whole of West Germany and West Berlin. Montana-Sport was formed in 1965 by Herren Alfred Müller-Hodel, Lucerne, Switzerland, and Otto Lehr, Heidelberg.

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le Beton	B	Duncan, Gilbey & Matheson	N
Betriebs Finanztreuhand	B		
Bond, William W.	K	E.B.A. Aanemingsmij	B
Bugnon, Alexandre	S	E.N.I.	Q
		English Electric - G.E.C.	G
C.E.A.	P	Equipement de la Blanchisserie	T
C.I.F.A.	L	Esso Standard Italiana	C
C.I.G.A.	U	Etudes Electromecaniques	G
C.I.M.T. Lorraine	L	Eurofoam	D
Carassale	W		
Cassani	H	Facco	K
Charmilles, Ateliers des	K	Fasco	N
Cicomer	W	Febex - Fonte Electrique	C
Cinta	U	Ferrand & Renaud	V
Claude	F	Ferrier Lullin	N
Cofram	H	Finsa	S

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Fleming, Robert	N	Laing, John	D
Floraprint	R	Laitiere Moderne	V
Food Systems	O	Linord, Cie Financiere	M
Forme Acciaio, Italiana	L	Locobe	S
Francaise des Glycerines	E	Longinotti	L
Francall Afrikanische Schiffahrts	W		
France - Composants	G	McAlley Associates	S
France - Gironde	T	McCann-Erickson	B
Fruehauf	L	Magneet Rijwielen	I
Fulcora Belgique	T	Maynard, H.B.	S
		Menibus	T
Gaastra Rijwielen	I	Merwede, Onroerend	P
Gabail, Laboratoires	Q	Metallgesellschaft	K
General Mills	O	Metzeler	Q
Generale Fonciere	M	Microfusione Italiana	N
Gervais - Danone	O	Mitsui	V
Girmes-Werke	T	Mokta, Cie de	P
Glucoseries Reunies	C	Mondia	W
Grands Hotels Associes	U	Montana - Sport	X
		Montecatini-Edison	R
Haarlemse Machinefabriek	J	Munthof	P
Harnischfeger	H		
Harriet, Hubbard Ayer	F	Nederhorst	B
Havenwerken	B	Nederlandse Participatiemij	J
Henkes Distilleerderij	N	Nestle Alimentana	O
Hitachi	H	Nicolai, Bankhaus	M
Honeywell	G	le Nickel	P
Hotel Representative	U	Norddeutsche Affinerie	K
Huaron, Mines de	P		
Hydraulicas	B	Oetker	P
Hydrocarbons International Holding	Q	Orenstein Koppel	H
		Otavi Minen	K
I.B.B.- Ingenieursbureau Bouwnijverheid	B		
I. T. T.	F	P.R.B.	D
Immo, Caisse Centrale	B	Pachetti, Carlo	N
Internationale Grafische Anstalt	R	Pakhoed Holding	W
Interpublic	B	Papazian	U
Ivo Lola Ribar	J	Pechiney	P
		Penarroya	P
Kali-Ste-Therese	P	Petrofina	V
Kestafil	G	Pierrefitte	C
Kochs-Adler	J	Pirelli	R
Kramer & Røder	V	Poudrerie Royale de Wetteren	D
		Peco	R

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Za

la Providence	P	Sopitec	Q
		Soteco	W
Quevedo Investments	P	South African Oil Corp	K
Quievrain, Ateliers de	L	Sovtrans-Avto	W
Quimica Sudex	E	Standard Metals	F
Quirina	C	Standard-Thomson	G
		Sterlene	C
Ransome & Marles	I	Stolberger Zinc	K
Reemtsma	U	Sud-Chemie	E
Renault	J	Synthelabo	Q
Riccar Sewing Machine	J		
Rivaud	P	Tad Pharmaceutische Producten	Q
Roger & Gallet	F	Teacher (Distillers)	O
Rosenthal	E	Texylon	T
Roth-Händle	U	Themans, Bernard	C
Rothschild	P	Thomas Benelux	E
Rousset	O	Thomson-Houston Hotchkiss-BrandtG,J	
Roustang, Fromageries	O	Tiquet-Wery, Apprets	T
Royal Dutch-Shell	E	Tokyo Valor	N
Rumianca	C	Tyrolia	X
Rutgers	W		
		U.C.P.I.	M
S.A.M.E.	H	U - E Chemicals	D
S.A.N.C.A.	B	Ugine-Kuhlmann	P
S.A.S.P.I.	U	Unilever	D, F, O
S.C.T.T.	W	Union Financiere & Miniere	T
S.I.O. - Ossigeno	F	Union de Participations	M
S.I.R.	C	Unitas - Service	C
S.I.R.N. - Riparazioni Navali	I	United Transport	W
S.K.F.	I	Unitis	T
S.N.P.A.	Q	Uranium, Francaise des Mines de	P
Saberma	S	Urba	P
Salins du Midi	O		
Savoisienne de Produits Cryogeniques	E	Vaderlandsche Beheer	J
Savoy Hotel	U	Van Apeldoorn, Zeepfabriek	C
Schneider	T	Van Baarsen-Egas	B
Schoen, Pieter & Zoon	V	Van Lanschot	M
Seitz-Werke Kreuznacher	H	Van de Wetering	V
Sescosem	G	Veveo	V
Sintec	O	Virico	L
Smith, James & Zonen	W	Vitos	S
Sodelis	Q	Vittel	O
Sodeteg	J	Vogue P.I.P.	R
Sofiter	M	Vynckier Freres	G
Soginvest	I		
Sommer	R	Waldorf Astoria	U

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Werner, Friedrich	E
Woermann-Linie	W
Worms & Cie	W
Yorkshire Dyeware & Chemical	D



