

# 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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## THE WEEK IN THE COMMUNITY

January 6 - January 12, 1969

## THE COMMON MARKET

Talking Cooperation

On Monday and Tuesday, the Finance Ministers of the Six held in Garmisch-Partenkirchen, one of their regular series of meetings, to discuss the economic and financial situation of the Community. Under the chairmanship of the West German Finance Minister, Herr Franz-Josef Strauss the ministers had in front of them an agenda covering an examination of the effects of last November's monetary crisis and the various measures taken by both member and non-member countries to cope with the situation thus created; the problem of financing the common agricultural policy and expenditure under the Yaounde Convention with the associated African states, which is due for renewal this summer; and a report from Herr Hans van der Groeben - the Commissioner in charge - as to progress in the field of fiscal harmonisation. The governors of the Central Banks of the Six also took part, once their regular monthly meeting in Basle terminated.

Although the need for closer monetary cooperation between the Six is an aim which all support in their speeches, the actual willingness of the various countries to put forward and accept practical and constructive measures to achieve this end has as yet to be shown. The impression is gaining ground that each period of respite tends to get lost in speeches. However, M. Raymond Barre, the member of the Commission responsible for monetary matters and its vice-president, headed the Brussels executive's delegation and he discussed his own ideas for a form of monetary "mechanism" between the Six with the ministers. M. Barre suggested last December that something should be done along these lines to prevent a recurrence of the November crisis, and is expected to present a report by mid-February. Since the Commission's plans have not yet been finalised he was sounding out the ministers' views, so that these can be borne in mind. In general the report is expected to suggest the establishment of some form of "automatic swap" system between the member countries of the Common Market. The final communique issued after the meeting called for closer economic cooperation between the Six if more effective monetary cooperation is to be established.

During the meeting, the Germans made it clear that they considered the measures taken during November to help other countries were working quite adequately, whilst the French maintained that Bonn's measures seemed unlikely to create the desired effect. On the other hand, West German representatives expressed doubts as to whether the French austerity programme and its accompanying exchange controls were in fact sufficiently effective to bring about the recovery of the French economy. It is clear that the Six will need to cooperate much more closely during on coming months, if the existing imbalance between the two main economies, those of France and West Germany is to be overcome.

## EEC ECONOMY

Business Survey: Prospects Good

The EEC Commission has just published its third four-monthly report on the business expectations of industrialists in the Community. This is a compendium of the findings of the monthly survey of heads of enterprises, which provides a regular insight into the five key industrial indicators of order-books, export orders, finished stock, production and selling prices. Those industrialists sampled are simply grouped into "expectancy" brackets - those anticipating improvements, declines or "no change" in their business prospects.

The overall picture revealed by this survey is one of continuing optimism, with both home and export order books growing in volume, stocks of finished products in depletion, and expected selling prices improving. The last trend in fact is only revealed by the monthly survey figures for October, there having been a slump in the percentage of those expecting higher prices from 27% in July and August to 21% on September, now up again to 23% for October: grouped with those expecting prices to remain the same, however, the proportion has remained in the high nineties since June. The October figures need also to be taken into account regarding production expectations, as these reveal a slightly more guarded attitude amongst industrialists. Again, those falling within the "constant to improving" bracket vary little in proportion, at 94% for every month since June, in fact, but there has been a noticeable drop lately in those expecting production to rise: August 31%, September 29% and October 25%. The extremes of this trend were to be found in Germany, which has fallen from 28% in June to 21% in October; France, with 42% in August and 33% in the latest sampling, and Belgium with a 27 - 24% decline in September to October.

Overall, the trend in orders and stocks has been perhaps the most consistent, moving steadily between the following totals:

	May		October	
	Expecting Rise	Rise or Constant	Expecting Rise	Rise or Constant
Total order book	17	76	25	85
Export Orders	15	64	23	78
Finished Stocks	16	89	8	80

## INDUSTRY

B.S.N. v St. Gobain: Legal Reflections

The most dramatic and publicised takeover battle yet seen in France began just before Christmas when Europe's No 2 glass firm, Boussois-Souchon-Neuvesel made an offer to acquire one-third of the capital of the leading European firm, Saint-Gobain through the exchange of convertible B.S.N. bonds at a nominal value of F 230 at 4.5%, and thus gain control. The offer, due to close on January 27, has now been extended to all of St-Gobain's capital. The battle, which has resulted in both sides using commercial radio and full page newspaper advertisements, led St-Gobain to open all its offices and plants on January 12th in effort to convince its 200,000 odd shareholders - none of whom is believed to control more than 2 or 3% of the capital - not to sell out. The directors have now proposed an issue of a free share for every four shares now held.

Both sides have threatened legal action against each other on a variety of grounds, and in particular St-Gobain has decided to refer B.S.N.'s bid to the Commercial Court of the Seine on the grounds that it should be annulled for contravening both French and Common Market monopoly legislation.

Last week the Commission met in closed session in Brussels to have a preliminary discussion as to the effects and issues raised by the BSN/St-Gobain affair. This does not however amount to a formal investigation, and it is unlikely that a decision in this direction will be taken. With regard to the Rome Treaty, it would seem as if Article 86 is applicable rather than Article 85. Article 86 says "Any improper exploitation by one or more undertakings of a dominant position within the Common Market or within a substantial part of it shall be deemed to be incompatible with the Common Market and shall be prohibited, in so far as trade between member states could be affected by it". Article 85 for its part is more involved with "agreements between undertakings . . . . . and concerted practices". If the Commission was to act under Article 86, it would be the first time that this had been applied. In one previous instance an investigation was begun into the margarine sector, but no final decision was taken.

If BSN's bid is successful - which will not be known until January 27 - the question arises as to how the Commission can tackle the matter directly. There are four possible methods of approach: (1) The Commercial Court of the Seine may decide to suspend judgement and ask the Commission for its opinion; (2) The Commercial Court of the Seine can decide to ask the European Court of Justice for an opinion. This in turn would ask the Commission; (3) St-Gobain could make a formal complaint, which would have to be investigated; (4) The Commission might decide to act on its own initiative - as it has the power to do - and tackle the problem itself.

The general feeling in both France and Brussels is that the Commercial Court, which is unlikely in any case to reach a decision till after January 27, will decide to suspend judgement and ask the Commission for its opinion. This in itself will take some

time, and BSN considers the move by St-Gobain is aimed at gaining time, as well as being a decision which could affect the completion of the takeover if it went through.

The basic problem facing the Commission and its grounds for action are not as clear as one might hope. It would seem that the only guide it can use is a memorandum sent to the member governments in late 1965 by the Commission, based on research work by experts. The memorandum is not however considered to be legally binding on the Commission, and in any case even in Brussels there are different legal interpretations as to its exact scope. It is important to know when the abuse of a dominant position becomes a fact, for the existence of a dominant position is not as such improper, only its abuse. The memorandum states "a concentration which establishes a monopoly on the market should be considered - except in special circumstances - as an improper exploitation of a dominant position within the meaning of Article 86". The memorandum continues "in the cases where the application of Article 86 to such concentrations of undertakings is likely, the process of concentration is improper only as a result of the situation thus created, i.e. through the complete elimination of competition". According to this text it is the creation of a "monopoly" which is attacked, i.e. for a firm already in a dominant position on the market to take control of another firm, is an "improper exploitation". However this somewhat restrictive interpretation is not shared by all the members of the Commission, nor by all its legal staff. Another view is that "improper exploitation" must be proved, not just presumed. Thus for the case in question, the merger of St-Gobain and BSN would have first to go through and then it would have to be shown that there was an improper exploitation of the situation. This might be covered by the "complete elimination of competition" referred to above.

The question is a major one. Can the Commission intervene before a move is finalised or must it wait until afterwards before acting? Nor is it just a legal problem, for there are important political implications. Some member states have liberal economic systems, and are unwilling to act on "presumptions" alone, because of the effect of such action on business and company activities.

But there are also a number of other points which need to be examined.

1) In the case of the St-Gobain-BSN merger would it really be one company gaining control of another? Most experts seem to think so. Around 95% of St-Gobain shares are controlled by small shareholders, so that anyone having around 15% would in effect have control. BSN, which was originally after one-third of the capital, has now offered to take all the shares made available to it. Another aspect of the takeover battle is that two associations representing the small shareholders have been established, and could possibly influence the final outcome.

2) Are either of the two firms now in a dominant position? Both in fact would appear to be so, as between them they control 90% of the EEC glass market. The remainder is covered by Italian firms, mostly subsidiaries of American concerns. There is in fact a "duopoly". Although St-Gobain's consolidated turnover is very much larger than that of BSN, in the glass sector alone the latter is larger. BSN controls 80% of EEC window glass production

and is predominant in the hollow glass sector. BSN supplies around 20% of the world market, whilst St-Gobain accounts for some 17%. Thus if looked at from the point of view of the glass industry, the big firm is taking over its smaller rival.

3) Is the merger accepted by both sides? The struggle so far, with its virulent attacks and counter-attacks would seem to prove the contrary. The memorandum referred to earlier states, "If a firm uses its dominant position to impose a merger with another firm against the latter's wishes or under unfavourable conditions, such practices may upset the normal rules of competition".

4) Would a monopoly be created? Again the answer is almost certainly yes. But despite these apparent grounds for banning the move, the problem is far from simple and the memorandum is cautious in its approach. The limits which Article 86 imposes on a dominant firm in the market can only be decided in a particular case with regard to the market situation. Generally speaking, the nearer a firm in a dominant position comes to creating a monopoly as the result of mergers with other firms, and thus affects the choice for customers, suppliers and purchasers, the greater the risk of "improper exploitation".

The memorandum does however set out some practical guidelines. "When considering each particular case, care must be taken to find whether with the disappearance of smaller firms, competition is in fact limited in a manner contrary to the rules of the Treaty. This condition can only be fulfilled when a dominant firm strengthens its position through mergers to such an extent that it contravenes the Treaty, by creating a monopoly, and thus prejudices the position of consumers, suppliers and purchasers by preventing competition.

"A monopolistic situation encourages the limitation of technical development. It may also limit production such as to maximise profits by fixing prices at a higher level than would exist in an oligopolistic market, where a higher level of production would be stimulated."

If one looks at the competitive position, it is unlikely to be changed greatly if the bid should go through. The changeover from a duopoly, where there is no real price competition and where both companies are linked by a number of agreements, into a monopoly is not likely to reduce or modify the previous situation to any large extent. And the suggestion that technical development might suffer if BSN and St-Gobain merge is open to doubt. One of the attractions for BSN is St-Gobain's R & D division. In fact there is nothing to show that the new group would adopt a traditional "monopolistic" attitude if the deal went through. If the British glass industry is anything to go by, the opposite might well occur.

The international position is another factor to be considered and one of the most important aspects, for the new group would rank amongst world leaders. For some time now, the Commission has made it clear that in assessing moves affecting competition within the Community, it is willing to take into consideration the strength of world-wide competition.

It would seem unlikely that the Community can allow itself to block the formation of a group strong enough to take on its international competitors anywhere throughout the world. But for the time being the answer to this depends on the success of BSN's offer for all the shares of St-Gobain, due to expire on January 27.

Note: It has now been revealed in Paris that last week the Commission decided to investigate the takeover bid by BSN for St-Gobain. Acting under the terms of Article 86, a request was sent to both sides asking for the names and activities of subsidiaries in which the two parent companies have stakes exceeding 25%. The Commission, which has given the two groups until the end of January to reply, has also asked for detailed information on Saint-Gobain's share of the European glass products market.

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## DEVELOPING COUNTRIES

### Wheat Appeal by OCAM:

The United Arab Republic in conjunction with 14 of the 18 members of the Afro-Malagasy Co-operation Organisation (OCAM) have asked the Community for 325,000 tons of wheat in the form of aid. The fourteen countries linked to the Community through OCAM are: Cameroon, Chad, Central African Republic, Congo-Brazzaville, Congo-Kinshasa, Dahomey, Gabon, Ivory Coast, Malagasy, Niger, Rwanda, Senegal, Togo and Upper Volta. They have asked for 150,000 tons of wheat, whilst the U.A.R. has asked for 175,000 tons. Similar requests have come from India, Pakistan, Indonesia, Tunisia, Nigeria and Turkey so that the amount of aid requested now amounts to over two million tons. The Community has only 1,035,000 tons available, and there have in the past been difficulties over the matter of distributing food aid (see Nos 466, 492).

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## EURATOM

The 1969 Budget

As directed by the ministerial meeting on December 20, the EEC Commission has now forwarded to the Council and to the European Parliament its draft budget for 1969. On top of the \$ 48.64 million approved by the Council (24.03 million for the twelve joint research programmes, and 24.61 million for the fourteen complementary programmes) the Commission has added certain amounts, \$ 2.21 million for financing the continuation of the Dragon project - agreed last July, \$ 3.98 million for payment of joint research centre personnel for whom there is no work scheduled in the 1969 programme adopted by the ministers, and \$ 1.2 million for pensions and other costs relating to staff.

At the December 20 meeting, the Commission gave out that it had no plans for laying off any joint research centre staff until a new pluri-annual research programme had been agreed, and that any reorientation or reconversion of the centre could not be deemed feasible other than in the context of a pluri-annual programme. Most of the ministers in fact endorsed this view. The question of laying off any research centre personnel will therefore be put aside until the presentation of the pluri-annual programme, some time between now and the end of July, when there will also be taken into account the possible use of the centre for non-nuclear and para-nuclear lines of study. The findings of the Marechal group, which has just resumed its work on scientific and technological cooperation, will also be taken into account here, and it is on this ground that the Commission justifies its appropriation of \$3.98 million to the payment of technical workers as yet having nothing to do under the 1969 programme, which only provides work for 76% of the Ispra personnel, leaving some 300 people without immediate occupation: it states that their presence is absolutely vital, if the human potential of the centre is to be exploited to the full. On this score, opinions were in fact divided in the Council, and there is therefore some possibility of rejection of the draft budget by the ministers, and indeed of heated debate over the interpretation of the December 20 resolution. With this on the cards, there could therefore be still more delay over the adoption of the definitive budget for 1969, which is scheduled for appraisal by the European Parliament on January 20.

The ministers may equally find themselves at odds over the actual presentation of the budget, for this is the very first time since Euratom was set up that the budget has contained, besides the joint research programmes, a number of complementary programmes, being those in which only certain members of the Community are prepared to participate. For these, there are of course various formulae for sharing out the costs of financing, such that, including the breakdown normally applied to joint research programmes, there are in all seven different ways now of sharing out the financial burden between members. Despite the division of research work in this way into "joint" and "complementary" programmes, the Commission maintains that the principle of considering Euratom personnel as of a single body should be preserved, such that pensions and redundancy payments provided for under staff

terms of employment should continue to be regarded as a single item. The French delegation, however, takes the view that expenses under this head should not be deemed "common" unless the personnel concerned are working on joint programmes. In other cases, i.e. where staff are working on complementary programmes, the costs breakdown for the programme in question should equally be applied to payment of staff.

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E.C.S.C.

Coal output down 4 per cent in 1968

Provisional figures for 1968 show that coal production in the Community fell by 4.3 per cent compared with 1967, from 189.2 million to 181.1 million metric tons. Only Germany showed an increase in output and that was small.

Coal production (millions of tons)

	1967	1968	± %
Belgium	16.4	14.7	-10.4
France	47.6	42.1	-11.6
Germany	116.5	117.0	+ 0.4
Italy	0.4	0.4	-
Netherlands	8.3	6.9	-16.9
TOTAL	189.2	181.1	- 4.3

Employment in the mines continued to fall in all five coal-producing members of the Community, the overall total falling by one eighth over the year.

(see over)

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Face-workers employed

	1967	1968	± %
Belgium	40,600	35,400	-12.8
France	94,300	83,800	-11.1
Germany	169,900	150,700	-11.3
Italy	1,000	900	-10.0
Netherlands	16,800	13,300	-20.8
TOTAL	322,600	284,100	-11.9

Productivity among miners continued to rise, particularly in Germany.

Face output (Average Kilograms per shift

	1967	1968	± %
Belgium	2,102	2,220	+5.6
France	2,241	2,350	+4.9
Germany	3,393	3,677	+8.4
Italy	2,820	2,800	-0.7
Netherlands	2,428	2,570	+5.8
TOTAL	2,827	3,060	+8.2

The rate of closure of pits slowed down in 1968, 18 against 33 in 1967. The productive capacity abandoned in 1968 was 9 million tons, against 14.8 million tons in 1967.

For the first time since 1964 total mine stocks of coal declined. Though down from 32.5 million to 26 million tons, they nonetheless represented at the end of the year the equivalent of 1½ month's output. \* \* \*

## TECHNOLOGY

Deadlines Set for Marechal Committee

The EEC's technical cooperation study group, or more correctly the working party on scientific and technical research policy of the medium-term economic policy committee, has now resumed work in Brussels according to the Council's resolution of December 10. The group, which will no doubt continue to be called the "Marechal group" after its original chairman, who has now been replaced by Mr. Pierre Aigrain, is delegated to the task of producing a three-part programme. This covers firstly cooperation feasibility in the seven sectors selected (data processing, telecommunications, innovations in transport, oceanography, metallurgy, pollution and meteorology); secondly the preliminary analysis of possibilities of cooperation with non-member states, and thirdly the administrative "nuts and bolts" (finance, staff availability, procedure and the sort of agreements likely to be needed as a framework).

These three sides to the report will in fact be studied by sub-groups, and it was stated that in drawing up these terms of reference the group at large worked in a "constructive and promising atmosphere". It is to submit its report to the Council of Ministers by March 15, and this will contain ample explanatory material, in order to give the Council all the scope it needs for getting the political discussion under way, and to expedite the putting out to tender of the contract work that will form the nucleus of the co-operation venture .;

After the ministers have had their initial appraisal of the report, it will be forwarded to Britain and the other candidate countries, who will offer their opinions on it, to be taken into consideration when the Council holds its major debate on the question. The success of Marechal group's work, of course, is very closely linked with progress on the question of commercial links with Britain and the other candidates: a veto on the study group's work could again come from the Dutch or elsewhere in the Community if they feel they are not getting satisfaction on the matter of forging commercial links leading to membership.

Back inside the Community, however, we should add that the most interesting of the projects proposed, that is those that will eventually result in commercial applications, really demand prior contracts with the industries concerned. Shortage of time, however, would seem to mean that in drawing up its report the group will be compelled to include only outline provisions for some projects, that will have to be amplified and updated in the light of talks yet to be held with the manufacturer in question.

Technological cooperation is clearly to be fraught with difficulties and problems (e.g. regarding aid to research, which is not covered in the Rome Treaty; the just returns principle affecting members' contributions to one and the same project, and so on), but it is

felt in Community circles that these will be but minor hazards, that will rapidly shrivel if the right spirit is kept up. The group's report will be submitted to the permanent representatives early in March, and it is generally felt that the ministers' debate proper will follow some time in June. Once that stage is over, we can hope for negotiations with third countries to get under way.

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#### European Technology Institute: British Government Backing.

It now looks as though the European Institute for Science and Technology, detailed proposals for which were published by the Federal Trust last October (see No 483), will enter its running-in period this year. At the time of the publication of the study committee's report, the Netherlands and Germany had already pledged government backing for the venture, and various sites had been offered, but moves have since been made that would appear to make the project now a viable proposition.

As proposed in the report, the Organisation for Economic Cooperation and Development - OECD - has now offered its sponsorship, and the governments of Italy and more recently Britain have joined the Germans and Dutch in pledging £ 10,000 each to backing the preparatory year of the institute in 1969. The report in fact mentions \$ 200,000 as the sum needed to get the project off the ground, and it is to be hoped that a sum very close to this should be assured by January 20, the closing date for offers of matching contributions from the private sector. At all events, further support from other nations is almost certain, and there seems to be every chance that funds will be available to keep the venture alive, even to reaching the annual running costs figure of £ 1.2 million anticipated for the fifth year of operation.

The main objective of the proposed institute, which will eventually, it is thought take the name "International Institute of Technology" - IIT - is to bring together experts from all nations contributing to train staff in the management of technology, and to bring to bear a "systems approach" to the administration of new key sectors in industry. Further to this, the British Government has in fact placed a proviso upon its financial support - that it be left open to discussion whether the present objectives of the scheme should be widened to include general management studies. This proviso in fact reflects the general attitude to the scheme of British industry, a survey having been carried out by a CBI advisory group, which came up with this particular finding. The next events to be expected in the venture, apart from growing support from government and industrial circles, is the setting up of a provisional organisation to administer the project in its incipient phase by the OECD, and the agreement of a site, hopefully before the end of the year.

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## RULES OF COMPETITION

Kodak Sales Conditions

A "negative clearance" decision is expected to be given in the near future by the Commission with regard to the general conditions of sale attached to Kodak products and services within the Community. If this decision is taken, it means that these conditions of sale are not forbidden under Article 85 (para 1) of the Rome Treaty and are thus permitted without the need for any notification or special authorisation.

The companies involved are Kodak-Pathé, Paris and Kodak companies in Stuttgart, Brussels, Milan and The Hague and the conditions in question involve payment methods, sales terms and guarantees. The Commission has been able to cause some modifications to existing sales conditions to be made, in particular the introduction of a clause allowing the export of the products from one member country to another. In practice this means that a customer will be able to order Kodak products from any Kodak company within the EEC, and that the Kodak companies will be unable to refuse his order on the grounds that a similar company already operates in the country of destination.

The Commission requested third parties who might be interested to comment before January 10.

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Dunlop-Pirelli Agreements in France and Italy

Pirelli of Italy and Dunlop France have signed agreements - due to terminate in 1971 - covering the reciprocal manufacture of a certain quantity of tyres and inner tubes. In Italy, Pirelli makes a quantity of Dunlop tyres for sale in Italy, whilst Dunlop makes Pirelli tyres for sale in France. The two firms say that the aim of the agreement is to facilitate the demand for Dunlop products in Italy and for Pirelli's products in France through cutting transport costs and the avoidance of customs duties.

In Italy, the tyres made by Pirelli are sold through Societa Italiana Dunlop, whilst Pirelli-France sells the tyres made on its behalf by Dunlop.

The Commission has managed to bring about the disappearance of some of the clauses in the original agreement including that preventing the signature of similar deals with other manufacturers. This has been replaced by a clause giving a right of preference at identical prices and conditions. The contracts set out the maximum annual quantities

according to demand. Since the Commission intends to authorise the contract it has asked for interested third parties to make any comments before January 20.

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Buderus'sche Eisenwerke and Clima Chappee de Labuissiere.

The Commission expects to be able to authorise a rationalisation and specialisation agreement between Clima Chappee de Labuissiere, France and Buderus'sche Eisenwerke, Krefeld in West Germany. Both companies are engaged in the manufacture of air-conditioning ventilation and heating equipment. Under their agreement the French firm is responsible for the production of ventilators and steel cooling towers, etc., whilst Buderus is in charge of hot-air generators, and plastic cooling towers, etc.

In each partner's country, the other firm will deliver exclusively all of its production to the latter, which in return becomes the exclusive distributor for the equipment in question, provided it is competitive. There are no restrictions in the agreement regarding sales to other member countries of the EEC, nor any other restrictive measures. Once again the Commission has asked interested third parties for their comments before finally authorising the agreement.

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AGRICULTURE

Restructuring: Two Formal "First Aid Measures" for Cattle

The agricultural ministers of the EEC are due to meet on January 16-17, to discuss the Mansholt "Agriculture 1980" plan for restructuring Community farming, and they will be asked to give their approval to two measures tabled last week by the Commission. These form part of the Mansholt crash programme for immediate action on those sectors of EEC farming where support costs are rising dangerously fast. Although most of the details of both the long-term and immediate action proposals are known, it is only on specific recommendations from the Commission that the Council can take action, and it will be interesting to see its reaction to the two proposals in question.

The first recommendation is that a \$ 300 premium be paid on every dairy cow offered for slaughter, this premium being payable during the period January 1 - August 31 in both 1969 and 1970. It is estimated that such a measure would effect a reduction of

500,000 in the dairy cattle population of the Community, at a cost of \$ 200 million.

The second recommendation concerns beef cattle, where it is proposed that a premium of \$ 10 be offered for every 100 kilos of liveweight slaughtered. The aim here is threefold: a) as an inducement to farmers to switch from dairy to beef cattle; b) to promote the rearing of larger, heavier beasts for slaughter, there being a tendency at present to send low-weight animals to the abattoir, and c) to encourage farmers to rear for beef cattle of breeds that can also be used partly for dairy purposes. This second type of premium would be offered over a two-year period, running from January 1, and its estimated cost would be \$ 140 million.

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## TRANSPORT

### Media Projections up to 1975

Under the sponsorship of the European Conference of Ministers of Transport, a study was made recently of the future development of transport media and freight volume up to 1975, in order to guide planners in investment policy for the transport sector. The basic trend is of course that rail traffic will continue to show decline, mainly to the advantage of road transport, although it seems likely that inland waterways will hold their own, and the pipeline sector will expand considerably. Data on some of the sectors is rather inadequate, and is not always available for all European countries. However, some indication of the pattern for EEC countries may be gleaned from the figures extrapolated below: (note that the Netherlands did not take part in the study).

Yearly Average Growth in Traffic 1960 - 1975: Ton-Kilometres  
(\* relates to period 1965-1975 only)

	Belgium	France	Germany	Italy	Luxembourg
Rail Freight	0.5*	1.7 - 3.9	1.6	2.8*	0.2
Road Freight	3.2*	3.0 - 6.4	3.3*	-	-
Inland Waterways	2.6*	2.0 - 4.3	2.4	-	-
Pipelines	-	28.1 - 44.3	10.6	-	-
Rail Passenger (Passenger-km)	1.3*	2.6	1.6	2.0*	-
Road Passenger (Passenger-km)	4.1*	6.8 - 8.0	5.9*	-	-



EFTA

The Economic Effects of EFTA

Published today by the EFTA Secretariat in Geneva was the first part of a significant overall study of the economic effects of the division of Europe, in particular into the two trading groups, the EEC and EFTA. The first part outlines the effects of EFTA on the economies of the eight member countries and traces the development of trade, using statistical and computer methods, since 1954. The report is the result of a decision made at the EFTA Ministerial Meeting at Bergen in May 1966, when it was decided that the Secretariat should review and analyse the effects and divergence between the two trading groups, and assess the waste of existing and potential resources involved in the division of Europe.

During the course of the survey a large amount of statistical evidence was collected and fed into a computer to try and determine what the trends would have been in industry and trade had the Free Trade Area not existed. The statistical results were then backed up by consultation with business and government officials who helped to obtain the most accurate interpretation of the results. In short, two general conclusions came out of the survey. Firstly, that every member country of EFTA is better off as a member of the Free Trade Association, rather than merely trading on its own. Each of the members has of course benefited to a different degree, but it would be true to say that by 1965, one year before the completion of the Union, each country was in a substantially better balance of payments situation thanks to the existence of EFTA. Secondly, the report gives factual and statistical evidence in favour of the removal of the barriers to international trade, grist to the mill for those who have always wanted concrete evidence that freer trade really benefits the countries concerned. Thirdly, the report is an indicator not only of achievement but of lost opportunities; the figures of trade diversion from non-EFTA to EFTA suppliers and the benefits derived from the enhanced trade by EFTA producers operating in a market of 100 million consumers, are reminders of what could be achieved if the whole Western European market of 300 million were opened to freer trade.

The study was designed to provide quantitative estimates of the effects of the creation of EFTA on the Member countries of the Association alone, and, to provide a meaningful analysis of EFTA effects, the development of production and trade was broken down into thirty-six product groups. For the sake of statistical simplicity, the study was based on data for three years only, 1954, 1959 and 1965, 1954 being the first year for the preintegration period, 1959 being the last year before EFTA was formed and 1965 being the latest year for which production statistics were available at the time of compilation. Moreover, these years fall within more or less the same phase of the business cycle, thus minimising any distortions that might be caused by such phenomena.

The total increase in EFTA countries inter-Area trade in 1965 as a result of the reduction of tariffs and other trade barriers within the Free Trade Association was estimated

to be \$ 830 million, which means that if EFTA had not been created trade between the EFTA countries would have been lower by \$ 830 million in that year. Of this figure some \$ 457 million is calculated to be due to a diversion of trade, that is a switch of imports from non-EFTA suppliers to EFTA producers, whilst some \$ 375 million is due to a genuine creation of new trade. This means therefore that the EFTA countries deficit in the balance of trade would have been \$ 457 million worse in 1965 had the free trade area not been set up.

## EFTA Effects on Trade among Member States in 1965

(in million US dollars)

	Effects on imports			Effects on exports (4)	Effects on the trade balance (4) - (1) = (5)
	Trade creation (1)	Trade diversion (2)	Total (1) + (2) = (3)		
Austria	11	23	34	40	29
Denmark	77	75	152	77	0
Finland	30	41	71	74	44
Norway	51	34	85	90	39
Portugal	0	37	37	38	38
Sweden	118	135	253	161	43
Switzerland	14	41	55	85	71
United Kingdom	72	71	143	265	193
Total	373	457	830	830	457

Thus about 25% of the total increase in inter-EFTA trade between the years under consideration can be directly attributed to the formation of EFTA. This created export effect amounted to 9% of the actual increase in EFTA countries' total exports between 1959 and 1965 and the rise in imports (the so-called trade creation effect) to about 3 % of the corresponding increase in imports.

Studies of the effects of EFTA on the individual member countries show that in all EFTA countries both imports and exports have been affected. Portugal, which is still the most restrictive of EFTA countries, was the one which exhibited the least amount of trade creation, though there is a certain amount of diversion from non-EFTA to EFTA countries. Portugal has however marked up the greatest effect on exports measured as a percentage of the rise from 1959 to 1965 in both total exports and exports to EFTA. Almost 50% of the increase in exports to other member countries over this period can be traced to the existence of EFTA. The existence of the "slow timetable" for dismantling Portuguese tariffs accounts for the insignificant effect of the EFTA system on Portuguese imports.

The compact nature of the Nordic group of countries within EFTA accounts for the greater effect EFTA membership has had on total trade between these countries. In the import sector, the share of trade creation in the total import effects has been above average, with the result that the Nordic countries have been able to make full use of the opportunities afforded by EFTA for specialisation across the frontiers. The net export effect for all the Nordic countries apart from Denmark (which shows no net export effect) was \$40 million. Denmark was in the happy position where trade creation in imports balanced increased exports due to EFTA.

In the cases of Austria and Switzerland very little trade creation has been evident. Some diversion of imports from non-EFTA to EFTA sources has however been apparent, such that about one-fifth of the increase in imports from member countries can be attributed to the formation of EFTA in the period 1959-1965. Switzerland's exports have been affected to a far greater extent by the creation of EFTA than her imports; in fact she recorded the largest trade balance effect of all member countries apart from the United Kingdom, due to the fact that Swiss tariffs were in any case low initially so that little creation of trade could be expected.

In absolute terms the creation of EFTA has had the greatest effect on trade between the United Kingdom and her associated within the Free Trade Area, though in relation to total British trade the effect is generally rather small. On exports, even if measured against total trade, the United Kingdom has gained substantially. The export effect measured as a percentage of the increase in British total exports from 1959 to 1965 was not much below the average for all member countries and well above the average measured as a percentage of the increase in exports to EFTA in the same period. The United Kingdom trade balance effect was by far the largest among member countries (\$193 m), representing more than 40% of the net export effect for the whole of EFTA.

Of all the products considered in the survey, the most significant swings in trade seem to have occurred in the textiles and clothing sectors. Total trade in these products within the EFTA grouping as calculated to have risen by about \$200 million due to the creation of the Free Trade Area, of which some \$115 million is due to trade creation. During the year 1965 it has been estimated that some \$100 million worth of textiles and clothing were produced in the Area in locations which afforded a clear cost advantage and therefore saving for the grouping as a whole, as compared with the distribution of production which would have existed had EFTA not been formed. The countries to benefit most from this trade were Portugal and Britain, the former gaining some \$33 million in trade and the latter some \$80 million on what they would have earned had the grouping not existed.

Calculations have also shown that there have been increases in productivity due to the creation of EFTA. The evidence is that the rapid growth rate achieved in Denmark over the last seven years can in fact be traced back to the enlargement of Danish markets for manufactured products due to the creation of EFTA. The direct effect of this has been a move away from the low productivity sectors to sectors of relatively high productivity,

that is to say increased specialisation in high productivity sectors. The installation of modern textile manufacturing facilities in Portugal and the specialisation and rationalisation of the Austrian tyre industry are other indicators of this trend.

In general it is quite clear from the report that the existence of the Association has contributed significantly to the increase in GNP in all member countries. The changes in the pattern of trade in conjunction with the associated changes in each member countries' pattern of production will by themselves have favourable effects on GNP. Results have shown that no country has suffered a net trading loss due to EFTA and since, with the exception of Portugal, there is evidence of trade creation in all countries, it would be true to say that EFTA has brought about an improvement in the pattern of production, through specialisation where this brings an advantage, which in turn has led to a rise in GNP.

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## BRITAIN AND THE EEC:

### Harmel Plan in Difficulties

The question of British membership of the EEC, which has been bedevilling its progress for the past eighteen months is expected to be settled one way or another by the end of the present year. M. Jean Rey, the Commission's President expressed the hope just before Christmas that a decision might be reached before Easter, a statement which many would regard as unduly optimistic.

Herr Willy Brandt, the West German Foreign Minister and author of the plan bearing his name for links with Britain was due to visit London on January 16, but has fallen ill, so one of the West German State Secretaries, Herr Georg Duckwitz will be coming in his place. Matters expected to be discussed are Mr. Wilson's visit to Bonn on February 11-13, the international economic situation, the offset agreement between Britain and West Germany over the costs of stationing the Rhine Army, as the existing agreement expires at the end of March, and Britain's bid to join the Community. Although the talks will cover the proposed arrangement for cuts in industrial tariffs and possible links between the candidate countries in the technological and patent spheres - as a result of the meeting of the Council of Ministers during December - it is expected that some time will be spent on the forthcoming session of the Western European Union in Luxembourg on February 6 and 7.

This is due to discuss a report prepared by the Italian government on means of implementing the Harmel Plan - named after the Belgian Foreign Minister M. Pierre Harmel - for links between Britain and the EEC countries outside the framework of the Rome Treaty. The WEU members are Britain and the Six, whilst its main area of present action is in the defence and political sectors. There are indications however that the Harmel Plan may not get much further, since West Germany is continuing to avoid upsetting France and neither Belgium nor Italy are likely to risk an open clash.

On Monday, the Belgian Foreign Minister was in Italy meeting his counterpart, Signor Pietro Nenni and the two men studied the progress being made in the report on the Harmel Plan. Since the Six agreed in December to see how there could be cooperation in the technological sphere between themselves and the candidate countries, it was not covered. Nor were monetary matters, as the Finance Ministers were meeting in Bavaria at the same time: in this connection it should be noted that the Italian Treasury Minister Signor Emilio Colombo called upon the Six to include the four candidate countries in future talks and warned his fellow ministers against establishing a European monetary autarchy. It became plain during the talks between the two Foreign Ministers that little progress has been made so far on the Harmel Plan. With only three weeks to go, the agenda for the Luxembourg meeting of the WEU has still not been agreed. M. Harmel is now mentioning voluntary as opposed to formalised consultations, whilst Signor Nenni maintains that any moves should be capable of producing worthwhile results.

The possibility of there being formal links between the Five and Britain without France, must from any realistic point of view be considered unlikely. Although the Community may argue internally, any new moves without France would probably worsen the outlook for European integration rather than produce an improvement.

Any progress probably depends on the attitude taken by West Germany. Although Chancellor Kiesinger attempts to act as the middleman between France and the other parties involved, he may decide to adopt a stronger approach with regard to French policy, since the autumn of 1969 will see the elections for the Bundestag. Nevertheless there are signs that Britain may be encouraging Franco-German cooperation by her approach towards European technological projects. However justified Britain's attitude on economic grounds towards European space research, the smaller airbus and the project for a giant 300 Gev atom-smasher, the political effects on European public opinion and the supporters of British entry can hardly be encouraged not to mention the scope given to the opponents of such a move. Nevertheless when Kiesinger visits Paris in mid-February - after Mr. Wilson's Bonn visit and the WEU meeting - and meets the French President as part of the regular six-monthly visits under the Franco-German Treaty of Friendship, they will have a number of points of discord to deal with, including the clash over the move by the Cie Francaise de Petroles to obtain a 48% stake in Gelsenkirchen Bergwerks, and German doubts as to the compatibility of the recent Franco-Soviet trade agreement with the attempts to formulate a common EEC trading policy towards the countries of Eastern Europe. Other points are the French embargo on arms for Israel and the divergences between the two countries as to the effect of their respective economic measures taken to deal with the monetary crisis.

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## VIEWPOINT

East-West Trade - A Late Developer

by Albert Masnata, Lausanne

## Part I

Trading relations between countries with different economic and political systems are a topical subject today. Many international institutions have set themselves the task of studying these trade patterns, and they have for the most part concentrated on East-West trade in Europe. Western economists are not alone in their concern with this trend, for in their official publications, the Russians have taken a similar approach. All seem interested in boosting trade between the two halves of Europe. To understand the situation, an analysis of the facts should be made so that an effective answer can be given as to the future development of trading patterns.

There are two basic factors to be considered. After a long period of stagnation following the Second World War, East-West trade has been increasing annually for some time now. But from the Western point of view it should be remembered that this trade taken by volume is only just over half its pre-war level: 4.5 % of international trade compared with 8 % for 1937-1938. Furthermore this picture is somewhat distorted by the volume of East-West trade accounted for by Austria, and to some extent by Italy.

The different ways in which the economic systems operate, and the influence of political developments do much to explain the situation, and the changing economic structures of Europe, and in particular the switch in the countries of Eastern Europe from predominantly agricultural economies to industrialisation also plays a part. All these different factors should be continually borne in mind when considering the position of the countries under discussion.

Even today, the Soviet Union still dominates its satellite countries within the Socialist bloc, both by economic organisation and ideology. With the exception of Yugoslavia, which has followed an independent course for twenty years, and Albania - now within the Chinese sphere of influence - the other countries of the Socialist bloc follow the example of Lenin's homeland, and all belong to "Comecon". This does not mean that the USSR is against trade expansion between different economic systems, in fact most of the evidence seems to show that she encourages such a trend.

According to the Soviet Union, peaceful co-existence between East and West should be accompanied by an expansion of trade with the capitalist bloc. Although this is in the interest of both sides, its aim is also to provide a counterpart to the West in world trade, whilst awaiting for the final triumph "of the socialist international economic system". Russia continues to maintain that the capitalist system (private enterprise and the market economy) is doomed to fail, but that it is going through a period of respite. This argument

does not however explain the recent "reforms" introduced in the Socialist states. In any case, economic realities and resistance by the capitalist system can delay the advent of the international socialist system. This means that the length of time during which trading relations between East and West can exist may well be protracted.

It would be wrong to ignore "the mental restrictions" affecting the development of trading relations, which in any case are also limited by rules affecting the freedom of action of the various members of Comecon. These rules are aimed at building an international socialist economic system, at achieving a better coordination of production and trade within a grouping dominated by the Soviet economy. This situation is strengthened by the fact that the rouble is the main working currency within the system and that the pricing policy - inside and outside Comecon - is largely governed by Soviet planning principles, which include price-pegging.

East-West relations in the trade sphere are therefore not just complicated by questions of ideology, e.g. State trading organisations for external trade, but also by de facto situations: witness the invasion of Czechoslovakia last summer by the Soviet Union and her Warsaw pact allies.

During the last few years, about 70 % of the external trade of the Comecon countries has been with other members of the Socialist bloc. Countries with a higher figure are Bulgaria, Czechoslovakia and East Germany. Hungary was not far off, but Poland for structural reasons inherited from the past was well below. Rumania, which only recently fell within the 70 % average, now realises 30 % of its trade with the Western industrial states, compared with 15 % previously; its sales to developing Western countries are also rising.

If one examines trade within Comecon, it is noticeable that over the last ten years, Soviet imports of machinery and industrial equipment from other Socialist countries have remained at roughly the same level, whilst raw material purchases have dropped considerably. At the same time there has been a steep increase in imports of manufactured consumer goods.

This reflects Soviet requirements, illustrated in the various economic plans. Today the USSR is an exporter of heavy engineering equipment and complete industrial complexes, but at the same time it must import modern equipment in order to ensure its technological growth and industrial development. Furthermore, planned increases in the national living standard demand greater supplies of consumer goods, a need which Soviet industry alone is unable to meet - hence more imports.

These economic factors, linked as they are to an immutable faith in the superiority of internal and international Socialist planning methods, encourages Russia to see that trade within Comecon continues to expand. Furthermore, since the rouble is used, there is no need for any other foreign currency. The dilemma facing the Soviet Union is



then that of accepting the principle of increasing trade with the West, and at the same time preventing any dilution of the role of Comecon.

In addition to the outline of the Comecon countries which has been given so far, it is worthwhile discussing their criticisms of Western trading practices.

The Soviet Ministry of External Trade is continually trying to scotch the accusation sometimes made in the West that Socialist bloc countries try to use economic relationships to achieve political ends. Yet in the words of a publication by the same Ministry "there is, in principle, no such thing as a political external trade. External trade always represents the political and economic system of a country". Thus capitalist trading moves show "their aggressiveness and strong-arm methods of winning markets along with the crushing of competition by any means and their tendency to impose policies on their trade partners". On the other hand the socialist-collectivist economic system treats all countries, including capitalist ones, as equal partners and thus respects their sovereignty equally. Therefore such a system, with its centralised planning and monopoly on external trade cannot be accused of interfering with others. But such criticisms can be made of the GATT, the EEC etc because they apply tariff discrimination against socialist countries. Furthermore, some European countries compound their errors by imposing quotas on goods from Socialist countries.

From the Western point of view of course, it is the system of rigid planning and the state monopoly on external trade which are the main barriers to trade based on the international division of labour. Thus if customs duties were lowered and quotas were abolished, the capitalist countries would be completely at the mercy of the socialist countries, and this is leaving aside the question of currencies and prices. These are the main points in a report prepared by the International Chamber of Commerce, the chief representative of the Western business world.

But despite all these various criticisms, it is plain that both sides are trying to find ways of stimulating trade. No doubt the search is difficult but nevertheless it should be continued. Today most East-West trade is organised and carried out on a bilateral basis. Would it not be possible to find a formula that would gradually eliminate some of the worst aspects of this bilateral approach, introducing changes acceptable to both sides?

- To be continued. -



## EUROFLASH - HEADLINES

BELGIUM	BRITISH LEYLAND: minority stake in ROUSSEL FRERES buses	B
	ACEC to use American VIKOA community antenna TV system	J
	ORENSTAIN KOPPEL link with NATIONAL CARBONISING	K
	STANDARD OIL to build 5 m. ton refinery in Wallonia	P
	MANAGEMENT SCIENCES forms Bf 1 m. consultancy company	R
	French CARREFOUR and DELHAIZE link for discount stores	S
BRAZIL	BASF reorganises and centralises on BASF BRASILEIRA	D
BRITAIN	PHILIPS/HAWKER-SIDDELEY link: CROMPTON PARKINSON Doncaster	H
	RISDON BEAZLEY, Dutch ULRICH HARMS salvage link-up	U
CANADA	PARIBAS sells control of UNION ACCEPTANCE to LAURENTIDE	M
FRANCE	BRITAX EXCELSIOR plans £300,000 takeover, grants licences	B
	Eight top chemical firms join in SEPHOS phosphates venture	E
GERMANY	DAIMLER-BENZ and RHEINISCHE STAHLWERKE pool truck assembly	G
	ALKEA and BELGONUCLEAIRE to pool plutonium process know-how	H
	KRAUSS-MAFFEI, STEIGERWALD STRAHL welding process link	L
ITALY	PIPER AIRCRAFT franchise goes to GENERALE AERONAUTICA	B
	American OADITE forms Lire 600 m. coatings, detergents firm	D
	Swedish BOFORS link with REDAELLI for special steels	H
	WINGET (Babcock & Wilcox) forms MOXEY installation company	I
	GOODYEAR to double capacity for radial tyres: Lire 4.5 m.	R
NETHERLANDS	CENTRE D'ANALYSE, COMPUTER ANALYSTS to link in 3 countries	F
S. AFRICA	BAYER, ALBRIGHT & WILSON join 50-50 in CHROME CHEMICALS	D
SWITZERLAND	Dutch A.K.U. bids for control of SASTIG adhesives, fibres	C
U.S.A.	VICTOR COMPTOMETER to sell NIXDORF's "Conti" calculators	F

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ADVERTISING
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\*\* The American STUDIO ARTS ASSOCIATES INC, Cincinnati, Ohio, has sponsored, and given 20% direct backing to the formation in Schaerbeek, Brussels of an advertising agency named EUROPEAN DESIGN ASSOCIATES- E.D.A. SA (capital Bf 250,000). In this, it is linked with the Belgian POINT DE VENTE - PUBLICITE Sprl, Schaerbeek (30%), and with Messrs. R. O'Brien, G. Postlethwaite and J.M. Cato, its own directors.

AEROSPACE
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\*\* The largest American twin-engined light executive, tourist and crop-spraying aircraft concern, PIPER AIRCRAFT CORP, Lock Haven, Pennsylvania (see No 450), hitherto represented in Italy by an agency in Milan, AIR TRADING ITALIA SpA (formed in 1963 under Sig Urbani Giorgio), has made an agreement appointing CIA GENERALE AERONAUTICA SpA, Genoa as its distributor for Italy. In return, the Italian concern will place a large servicing hangar at the disposal of Piper at the Cristoforo Colombo airport.

Rather less than two years ago, Piper introduced a new aircraft, the PA 35, providing a 1,600 kg payload for 16 passengers. Its European activities overall are coordinated by a subsidiary in Geneva, Piper Aircraft International SA (see No 268).

AUTOMOBILES
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\*\* BRITAX EXCELSIOR LTD, Tyseley, Birmingham (safety belts, fittings and extras for cars and motor cycles) plans to strengthen its position in the Common Market by paying about £300,000 for control of a similar company. At the same time, it is negotiating a licensing agreement in France. It is itself a licensee for the safety belts of the Swedish A/B BROEDERNA OTTOSSON & CO, Klippan, whose licence in France is held by Ste Parisienne d'Accessoires Automobiles Klippan Sarl, Paris (factory at Gournay-en-Bray, Seine Maritime).

The French company was formed in 1961 by the German Klippan GmbH, Garstedt, Hamburg, owned one-third each by Messrs. Eric and John Ottosson (partners in Bröderna Ottosson) and Erik Ehnimb, and having a Swiss sister company, Klippan SA, Geneva.

\*\* Within the framework of its Belgian investment programme (see No 494) the BRITISH LEYLAND MOTOR CORPORATION LTD. has just taken a minority interest in AUTOMOBILES INDUSTRIELS BROSSEL BRERES, BOVY & PIPE SA, Anderlecht-Brussels (see No 332).

Specialists in the manufacture of buses and coaches (using direct injection Leyland engines), the latter firm, whose French agent is Brosel France Sarl, Gonesse, Val d'Oise, is to undergo complete rationalisation and to have its name changed to BRITISH LEYLAND GROUP SA.

**BUILDING AND CIVIL ENGINEERING**

**\*\*** The Luxembourg subsidiary of the Swedish company, SVENSKA DUROX A/B, Skövde, which sells pre-cast concrete and in particular that manufactured by SKÖVDE GASBETONG A/B, the DUROX INTERNATIONAL SA, has formed a portfolio company in Luxembourg called CALSILOX, in which it has almost complete control of the F. Lux 6 million capital.

**\*\*** The Dutch portfolio company, NV BELEGGINGSMIJ. TRIOFUND, Schiedam, has made its subsidiary, NV SCHIEDAMSE BEHEER- & BELEGGINGSMIJ., Schiedam an associate in the formation of a property company in Belgium, IMMOBILIEN-MIJ. STAVAST NV, Antwerp. With a capital of Bf 2 million, the new firm's directors will be Messrs. Th. Jansen, H. Beer and P. Shouten.

**\*\*** The Dutch civil engineering, building materials and concrete concern, HAITSMA NV, Harlingen, has gained control of the Kootstertille company in the same sector, NV JOH.NIEMANS. With a payroll of some 100 people, the company has a subsidiary in West Germany, Niemans Beton GmbH at Emmerich (formerly at Krefeld), capital Dm 20,000.

The Harlingen concern (payroll about 400) has concrete works at Leeuwarden, Sneek, Heerenveen and Steenwijk (run by its subsidiary Halbouw NV) etc.

**\*\*** The Brussels property group, CONSORTIUM DE PARKINGS SA (see No 424) which is run by M. Charles de Pauw, has backed and taken a 25% share in the formation of a car park concern in Rotterdam, PARKING' 68 NV, with an authorised capital of Fl 250,000 (of which 40% is paid up). Under the direction of Messrs. Natan, Jonker and Leclercq, the new company's other shareholders (each with 25%) are three subsidiaries of the Belgian group: NV Parking Meir, Antwerp (see No 359), Parkings Albertine & Botanique SA, Brussels and Immobiliere Generale des Parkings SA, Brussels.

**CHEMICALS**

**\*\*** The A.K.U. ALGEMENE KUNSTZIJDE UNIE NV group, Arnhem (see No 494) has made an Fl 27 million offer for control of the Swiss group, SASTIG AG, Glarus whose president is Dr. K. Mayer (see No 446).

The latter group heads a number of companies making "Celutex" adhesive tapes and "Bonadyl" synthetic fibres. These include Feldmühle AG, Rorschach which is the distributor in Switzerland for all of AKU's products (see No 446), Appartex-Appareils Textiles SA, Goldach and Zwirnerei AG, Degersheim. It also has a number of Common Market subsidiaries making cellulose films, and strengthened industrial adhesive strip: Cellux France Sarl, Huningue, Haut-Rhin, Cellux GmbH, Lindau-Aeschach and Cellux SpA, Somma Lombardo, Varese.

**\*\*** The CHARTERHOUSE GROUP LTD, London (see No 388) has formed an indirect subsidiary at Enschede in the Netherlands under the name of WETA NV (capital Fl 100,000). This is to import and export porcelaine school and laboratory goods, and is directly controlled by the Enschede subsidiary RAMIE UNION NV (see No 307), which has contributed to it the "Weta" trademark.

Ramie Union (formerly Ramie Union Porcelein NV) controls two other Dutch concerns, the children's clothing concern NV Ramo Confectie, Enschede, and the wick manufacturer, NV Hollandwick.

**\*\*** The closer cooperation in the French fertiliser industry (see No 482) between the two groups, UGINE-KUHLMANN SA, Paris (see No 494) and PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA, Neuilly, Hauts-de-Seine (see No 494) will also include the Benelux countries.

The two groups are intending to coordinate the production of their factories at Zelsate, Belgium (run through Ste des Usines Chimiques Ugine Kuhlmann SA, Paris) and at Sas van Gent, the Netherlands (run by Zuid-Chemie NV).

**\*\*** The British group ALBRIGHT & WILSON LTD, London has finalised discussions and taken a 50% stake in CHROME CHEMICALS (SOUTH AFRICA) PTY LTD (see No 492) and thus becomes an equal partner of the West German group FARBENFABRIKEN BAYER AG, Leverkusen (see No 493). The latter had acquired complete control of the South African company in October from MARBLE LIME & ASSOCIATED INDUSTRIES OF SOUTH AFRICA through its holding company, BAYFORIN -BAYER FOREIGN INVESTMENTS LTD, Toronto. The London group already has a number of interests in South African chemical concerns.

**\*\*** B.A.S.F. -BADISCHE ANILIN & SODA-FABRIK AG, Ludwigshafen (see No 494) is about to re-organise its Brazilian interests around a new company, BASF BRASILEIRA SA, Sao-Poulo. The new venture will embrace the former subsidiaries, Quimicolor Cie Colorantes & Produtos Quimicos and Cie de Productos Quimicos Idrongal, Guaratingueta. BASF Brasileria will ultimately take control of the 33.3 % holding of the German group in Cia de Productos Chimicos Industriaes M. Hamers, Rio-de-Janiero.

The Ludwigshafen firm's Mexican interests (both manufacturing and sales) will also soon be integrated with the formation of a 100 % subsidiary, BASF Mexicana SA at Santa Clara -Mexico. With a capital of \$Mex. 15 million, this company has just evolved plans for a new expanded polystyrene factory.

**\*\*** Represented in Italy up till now by NYMCO SpA, Rome and Cormano, Milan (Hoffman Taff Inc. group, Springfield, Missouri - see No 410), the American producer of anti-corrosive organic and inorganic products and industrial detergents, OADITE PRODUCTS INC., Berkeley Heights, New Jersey, has formed a wholly-owned subsidiary in Milan.

Under the presidency of Mr. Albert J. Sabal and directed by Sig. Enrico Scotti, the new company (capital Lire 600 m) is to be on the manufacturing side, and the American firm's first Common Market subsidiary.

\*\* **NORDDEUTSCHE KREDITBANK AG, Bremen (see No 473) one of the leading banks in Northern Germany has taken an interest exceeding 25% in the pottery concern, AG DEUTSCHE STEINGUTFABRIK, Bremen.**

With a capital of Dm 16.5 million (Dm 450 million assets at end of 1966) the Bremen bank has a large range of shareholdings in insurance concerns, banks, finance houses, hotels and fishing concerns.

\*\* **Recently formed in Paris with a capital of F 800,000 to take holdings in phosphate prospection and mining companies as well as for the administration of a holding in such a company operating in the Spanish Sahara, the STE D'ETUDES & DE PARTICIPATIONS PHOSPHATIERES-SEPHOS SA was formed as the result of an equally-based association of eight French companies.**

Under the presidency of M. Herve Pinet, the parent companies are: Ugine-Kuhlmann SA (directly and through the administration company, Ste des Usines Chimiques Ugine-Kuhlmann SA - see this issue), Produits Chimiques Pechiney-Saint-Gobain SA (see this issue). Pierrefitte- Ste Generale d'Engrais & de Produits Chimiques SA, Paris (see No 488), C.F.P. - Cie Francaise des Petroles SA (see No 492) S.N.P.A. -Ste Nationale des Petroles d'Aquitaine SA (part of E.R.A.P. - see No 491), Ste Chimiques des Charbonnages (S.C.C.) SA (part of the state group, Charbonnages de France - see No 491) COFIMER - Cie Financiere Pour L'Outremer SA, Paris (see No 464) as well as the Ste de Gestion des Participations Minieres & Chimiques-Sogepar Sarl, Paris (formerly the Ste pour le Financement de Recherches & Exploitation de Sels de Potasse-Sofipota SA), with a capital of F 9 million and a member of the state group, Entreprise Miniere & Chimique SA, Paris. (see No 470).

\*\* **The chemicals and pharmaceuticals group, SCHERING AG, Berlin and Bergkamen (see No 487) has continued its diversification programme by taking absolute control of RAKOLL-WERKE PESCHKEN & STEWNER GmbH & Co., Nienburg Weser.**

The latter company, which in 1968 turned over some Dm 30 millions as the result of its manufacturing activities in glues, emulsions, adhesive products, gelatines etc. employs some 350 people in its factories at Nienburg, Munich and Buxtehude. The company has licences in France, Italy, Spain, and Latin America and has industrial holdings at Berne, Utrecht, Salzburg and Buenos Aires.

\*\* **Having made over the manufacture and sale of its very low temperature biological specimen containers to STE CRYO-DIFFUSION SA, Paris, its 60% subsidiary, the American company MINNESOTA VALLEY ENGINEERING INC., New Prague, Minnesota (see No 333) has decided to close down its branch at Lery, Eure.**

Within Cryo-Diffusion, the American company is associated amongst others to Sersia-Ste d'Etudes & de Recherches Scientifiques sur Insemination Artificielle Sarl, Paris (10.8%).

ELECTRONICS
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\*\* A distribution agreement made in the United States by NIXDORF COMPUTER AG, Cologne (formerly Wanderer-Werke AG but which came under the control of the Paderborn group, Heinz Nixdorf, in 1968 - see No 466) with the Chicago VICTOR COMPTOMETER CORP has granted the Chicago concern the American sales rights for 10,000 "Conti" series memory and print-out calculators (for small and medium-sized firms) manufactured by the former.

The American company is represented in the Six by several subsidiaries: Nixdorf Computer Sarl, Paris (formerly Wanderer France Sarl - see No 462), Wanderer Italiana SpA, Milan etc. The American company has a subsidiary in Canada called Victor Intercontinental Ltd., Toronto with a subsidiary in Zurich, Switzerland as well as an affiliate in Brussels, Ste Belge de Calculs SA (formerly Ste Belge Comptometer SA). The company also has several agents in the Six: Grog & Cie, Paris (a division of Agfa-Gevaert SA, Paris - see No 489), Nebuloni & Pecozzi Sas, Milan.

\*\* CENTRE D'ANALYSE & DE PROGRAMMATION - C.A.P. SA, Paris (see No 468) and COMPUTER ANALYSTS & PROGRAMMERS LTD, London, two leading specialists in their own countries in the use of computers, are about to increase their joint interests abroad by forming subsidiaries in Amsterdam (CAP NEDERLAND NV), Italy and Scandinavia.

The two companies have been linked since the beginning of 1967 (see especially No 404) and have recently formed a 50-50 subsidiary in Luxembourg, CAP EUROPE SA (capital F Lux 4 m) under the direction of M. M. Dreyfus. They also have equal interests in the Geneva-based Cie d'Analyse & de Programmation SA (see No 410) and a majority shareholding in the French company (president M. B. Asscher) Centre d'Analyse & de Programmation Belgique SA, Brussels (formed in 1966 - see No 453).

\*\* The Austrian company PHILIPS GmbH (subsidiary of the PHILIPS GLOEILAMPENFABRIEKEN N.V., Eindhoven group - see No 493) has taken a 40% stake in ERNST KATZINGER, FACHUNTERNEHMEN FUR MODERNE BUROTECHNIK AG, Vienna. The latter, which has 100 persons on its payroll, sells office and data processing equipment and acts as a representative for the West German electronics company Siemag Feinmechanische Werke GmbH, Eiserfeld (see No 448), which is a 40% affiliate of Philips and is 60% controlled by Siemag - Siegener Maschinenbau GmbH, Dahlbusch.

\*\* The New York group SCHLUMBERGER LTD (president M. Jean Riboud - see No 434), which supplies and installs electrical and electronic equipment for applied physics, industrial control and geo-physical research equipment is continuing to reorganise its French interests (see Nos 407 and 384) in the geo-physics sector. This will now be the responsibility of two new Paris-based companies. The first, ETUDES & PRODUCTIONS SCHLUMBERGER SA (capital F 32 m) will be in charge of sales and manufacture of equipment and will be under M. P. Majani. The second company called SERVICES TECHNIQUES SCHLUMBERGER SA (capital F 2 m) will act as consultant to companies in the geo-physical



sphere and will be under M. C. Grizeaud. Both are subsidiaries of STE D'INSTRUMENTATION SCHLUMBERGER SA, Paris (president M. J. Balaud) . the capital of which was reduced to F 30 million in late 1967 and has just been increased to F 50 million.

ENGINEERING & METAL
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\*\* A joint subsidiary will shortly be formed to head the production development and sales interests in the heavy commercial vehicle sector of DAIMLER-BENZ AG, Stuttgart-Untertueckheim (see No 494) and RHEINISCHE STAHLWERKE, Essen (see No 476). During the first six months their production totalled 28,000 and 11,000 vehicles respectively, accounting for some 73% of West German output of vehicles exceeding 3 tons. The new concern whose initial annual turnover will exceed Dm 2,500 million, will operate Rheintshäl's production capabilities at Kassel and Hanover, along with those of Daimler-Benz in Hamburg.

\*\* The financial and industrial talks in Belgium (see No 494) between the American company BALDWIN-LIMA-HAMILTON, Philadelphia (a member of the Armour & Co group, Chicago) and the Belgian firm LA BRUGEOISE & NIVELLES SA, Brussels have resulted in the formation of B.L.H. - EUROPE SA, a joint subsidiary at Mont-sur-Marchienne, Charleroi with a capital of Bf 50 million.

The new concern will use the factory formerly belonging to La Sambre SA, Charleroi to produce "Austin Western" and "Lima" cranes and excavators. To begin with the new plant will concentrate on assembly production but once its Bf 325 million investment plan has been completed it will make around 90% of the parts used. Most of the production will be exported throughout Europe.

\*\* The Paris company EAU & ASSAINISSEMENT - SOCIA SA has sold to ENTREPOSE SA (a Vallourec subsidiary - see No 494) for F 1.72 million all of its "P.A.L." manufacturing, assembly and tubular parts interests, as well as its "Alberti" patent exploitation licence.

Socea is about to absorb S.G.E.A. - Ste Generale D'Epuration & D'Assainissements SA and will then increase its capital from F 48 to F 49.6 million (see No 485). It specialises in water-treatment, water-mains and pipeline laying along with the processing of domestic refuse. Socèa is the 66.9% subsidiary of the Cie de Pont-a-Mousson SA group, Nancy directly, and with other shareholdings held indirectly, U.B.I. - Union Bancaire & Industrielle (16.04%), Cie Financiere de Bayard (11.25 %) and S. E. P. E. I. (2.3%).

\*\* The American group ALLIS CHALMERS MANUFACTURING CO, West Allis, Ohio (see No 478), which in 1967 closed down its Brussels subsidiary, has now opened a branch at Herstal-lez-Liege under Mr. William A. Ray. The American group, which makes agricultural, civil engineering and other industrial equipment, began in late 1968 to construct a new Belgian spare parts distribution centre. Costing \$ 1.6 million, this will supply Europe, North Africa, and the Middle East.

\*\* The links existing since 1961 between the Swedish group A/B BOFORS and the Milan metallurgical concern GIUSEPPE & FRATELLO REDAELLI SpA, Milan (see No 451) will be strengthened through the formation of a joint Milan subsidiary called A. B. R. - ACCIAI BOFORS - REDAELLI SpA. The Swedish group's stake will be held directly by its Milan sales subsidiary BOFORS ITALIANA SpA. Under Mr. Claes M. von Arbin, the managing director of Bofors Italiana, the new concern will market in Italy the Swedish group's special steels as well as those made by its affiliate ACCIAI BOFORS-REDAELLI SpA and the Milan concern.

Sig Bruno Falck, the director of the Acciaierie & Ferriere Lombarde Falck SpA (see No 458) has recently taken up the same post in Giuseppe & Fratello. This formed in Milan during April 1963 on a 50-50 basis with the Swedish group, the A. B. R. SpA firm (see No 405).

\*\* The German ALKEM, ALPHA-CHEMIE & METALLURGIE GmbH, Leopoldshafen, Karlsruhe (see No 433), the 30% affiliate of the DOW CHEMICAL CO., Midland, Michigan, has concluded an agreement with BELGONUCLEAIRE - STE BELGE POUR L'INDUSTRIE NUCLEAIRE SA, Brussels (see No 481) which provides for a full exchange of experience and know-how in the plutonium processing field, as well as for a system of consultation covering all the investments one or other of the two firms are likely to make in this sector.

Within the framework of former agreements between the West German and Belgian governments the two companies already share the manufacture of fuel pins for prototype sodium cooled breeder reactors which will be built jointly by Germany and the Benelux countries at Aachen.

\*\* The Frankfurt engineering company VEREINIGTE DEUTSCHE METALLWERKE AG (see No 477) has gained majority control of WESTFALISCHE KUPFER- & MESSINGWERKE AG, Lüdenscheid (see No 390), in which it has held a 25.1% interest since 1968. The latter was formerly controlled by RHEINISCHE NADELFABRIEKEN GmbH, Aachen, and with a capital of Dm17 million has an annual turnover of around Dm 50 million. It has a number of metal processing subsidiaries in the Ruhr, in the non-ferrous metals, wire drawing and electric cable sectors.

Vereinigte Deutsche Metallwerke AG is the 57.2% subsidiary of the Swiss-German group METALLGESELLSCHAFT AG, Frankfurt (see No 491) and a 25.5% interest is also held by the Munich and Berlin insurance company ALLIANZ VERSICHERUNGS AG (see No 490).

\*\* The Dutch group N. V. PHILIPS' GLOEILAMPENFABRIEKEN, Eindhoven (see No 494) and the London-based HAWKER SIDDELEY GROUP LTD have begun to give effect to their recent agreement (see Nos 484 and 487) in the lighting equipment sector. CROMPTON PARKINSON (LIGHTINGS) LTD has been formed in Doncaster to produce electrical equipment and the new company is directly controlled by the two London companies, PHILIPS ELECTRICAL LTD and Crompton Parkinson Ltd, both subsidiaries of the two groups. Sales will remain the independent responsibility of the two founders. Under the agreement a further manufacturing subsidiary is to be formed which along with the new company will supply 32% of the British market's requirements in the lighting sector.

\*\* The Italian manufacturer of automatic money delivery machines and vending machines, INDUSTRI STAMPI MINUTERIE & AFFINI - ISMEA SAS, Trezzano Sul Navigo, Milan is to be represented in Britain by a new concern, LONDON ISMEA LTD (capital £ 100) of London which will be directed by Messrs A. Blackburn (London), B. Nordfeld (Brussels) and C. Cavalleri (partner and managing director of the Italian company).

\*\* The Dutch electro-metallurgical company INGENIEURSBUREAU LEMET CHROMIUM H. VAN DER HORST N. V. , Zwolle (chrome coatings), which was recently acquired by the British group UNOCHROME INTERNATIONAL LTD, Birmingham (see No 480) has formed a Paris subsidiary called VAN DER HORST (FRANCE) Sarl (capital F 20,000). This will act as an agent for industrial chroming (cylinder liners and gudgeon pins) and also as an importer and sales agent. The founder has numerous subsidiaries, affiliates, licensees and partners in Europe, including those based in Hamburg, London, Birmingham and Zug.

\*\* The West German manufacturer of drilling equipment and machinery HEYCO-WERKE HEYDEN & CO KG, Remscheid has formed a British sales subsidiary called HEYCO TOOLS (G. B. ) LTD (capital £ 1,000). Owned by Herren Max and Ernst Heyden, the founder also has a West German subsidiary Heyco-Werk Süd Heyden & Co, Tittling, Niederbayen.

\*\* The DEMAG AG, Duisburg heavy engineering group (see No 493), which has long been linked with the manufacturer of injection moulding machinery for plastics, ANKERWERK NURNBERG GmbH, Nuremberg (formerly ANKERWERK GEBR. GOLLER NURNBERG OHG) has raised its 50% stake (acquired in 1968 - see No 450) to 76%. With a capital of Dm 50 million and 700 employees, the Nuremberg company had a 1967 turnover of Dm 30 million.

\*\* The Italian sales company of the West German manufacturer of radio, TV and recording equipment LOEWE OPTA GmbH ( a member of the INTERNATIONALE INDUSTRIE- & VERWALTUNGS AG, Berlin group - see No 456) has now been formed. The new company is called LOEWE OPTA ITALIANA SpA, Lavis, Trento (authorised capital Lire 80 m) and is run by Herr E. Seebode and Sig. R. Bortolotti. There is also a Milan sales branch. Until now the Berlin firm was represented in Italy by Tungsgram Elettrica Italiana SpA, Milan, under an exclusive agreement signed in 1964.

\*\* The Gloucester company WINGET GLOUCESTER LTD (see No 346 - a member since 1968 of the London group BABCOCK & WILCOX LTD - see No 489) has backed the formation in Genoa of MOXEY SpA (capital Lire 1 m). Headed by Messrs P. H. Bowen, P. R. Brown, E. G. Lunn and K. L. Dalby, the new company will install and supply electrical and electro-mechanical and telephone equipment under licence from the MOXEY LTD division based in Gloucester and West Bromwich, Staffs, of the British group.

\*\* The American company BENDIX COMMERCIAL SERVICE CORP, Owing Mills, Maryland (a member of the Detroit electrical and electronics group BENDIX CORP - see No 484), which was formed in 1960 with a capital of \$ 30,000, has opened a branch in Wiesbaden. The group already has considerable West German interests through a subsidiary formed in 1966, Bendix International GmbH, Frankfurt (see No 411) and 50% shareholdings in Teldix Luft-Fahrt-Ausrüstungs GmbH, Heidelberg (aeronautical equipment), where the remainder is held by AEG-Telefunken, Berlin; 33.3% in Nieberdinff & Co GmbH, Neuss (brake-linings) and 25% in Textar GmbH, Leverkusen (precision engineering). The latter is a 72.5% interest of British Belting & Asbestos Ltd, Cleackheaton, Yorkshire.

At the same time the Detroit group has strengthened its interests in France through the formation of an almost wholly-owned Paris subsidiary called BENDIX Sarl (capital F 20,000), where a token shareholding is held by its subsidiary BENDIX INTERNATIONAL SERVICE CORP. The new company will deal in equipment for the electronic, electrical, vacuum, aeronautical and shipbuilding industries. It will be managed by M. Maurice Moreau, who already runs its Paris affiliate D.B.A. -Bendix Lockheed-Air Equipment SA (see No 484).

\*\* The West German manufacturer of electrical motors and domestic appliances G. BAUKNECHT GmbH, Stuttgart (see No 383) has formed a Zurich subsidiary to manage its trade names and patents. Called BAUKNECHT HOLDING AG the new company has a capital of Sf 9 million, with Herr Werner Meili as president.

The founder is a family concern (capital Dm 12 m) and employs more than 8,500 persons. It already had direct control of the Swiss Company Bauknecht Service AG, Hallwil, Aargau, and through W. Krefft AG, Gevelsberg - which it acquired in 1966 (see No 323) - control of Ferrotechnik AG, Basle and Krefft AG, Lenzbourg.

\*\* The Paris company THOMSON C.S.F. SA (formerly C.S.F. - CIE GENERALE DE TSF SA - see No 490 - a 46% affiliate of the THOMSON HOUSTON HOTCHKISS-BRANDT SA, Paris group) has rationalised its interests in the television equipment and domestic appliances financing sector. Three Paris-based companies S.O.F.I.T.E.L. Sarl, U.N.A.C. PARIS Sarl and U.N.A.C. -PROVINCE Sarl (see No 405) are to be liquidated by CELNI SA - CONSTRUCTIONS ELECTRONIQUES, Tonnerre. This (capital F 2 m) which is run by M. P. Gambert, is directly controlled by the holding company STE FINANCIERE POUR L'ELECTRONIQUE Sarl, Rocquencourt, Yvelines (see No 292).

\*\* The Belgian electrical group A.C.E.C. - ATELIERS DE CONSTRUCTION ELECTRIQUES DE CHARLEROI SA (a member of the EMPAIN group through its holding company ELECTRORAIL SA - see No 490) has acquired a licence from the American firm VIKOA INC, Hoboken, New Jersey, for the manufacture of community antennae used for wire relay television systems.

The American concern, which makes a wide range of ancillary television equipment, including amplifiers and junction boxes, also operates wired relay television distribution networks. It recently acquired control of Chanelle Cable TV Inc, Lafayette, La.

\*\* The negotiations which began in 1968 (see No 470) between the German, ORENSTEIN KOPPEL & LUEBECKER MASCHINENBAU AG, Berlin and Dortmund and the British NATIONAL CARBONISING CO, London, have resulted in the formation of a financial association (76/24) around ORENSTEIN-KOPPEL LTD, the German company's non-operating British subsidiary, which has had its capital increased to £ 100,000.

Controlled 57.6% by the INDUSTRIEWERTE AG holding company of Dortmund (part of the Hoesch AG group of Dortmund - see No 474), the German company specialises in the manufacture of civil engineering plant, materials-handling equipment, railway trucks, diesel engines etc. and has some 7,500 employees. The company has several foreign subsidiaries: in Milan, Zurich, Vienna, Madrid etc.

\*\* The Belgian metals group, COCKERILL-OUGREE PROVIDENCE SA, Seraing (see No 493), has now taken up interests - indirect through its 85.7% subsidiary PROFILAFROID SA, Paris (see No 461) - in the French standard sections concern (2,000 tons per month factory at Jeumont, Nord), EUROPROFIL SA, Paris (see No 461). Profilafroid is in fact a member of a four company group, the others being De Wendel & Cie SA (see No 492), Vallourec SA (see No 495) and SA des Hauts Fourneaux de la Chiers, Longwy (see No 471) - which also have a joint holding in Europrofil. As a result, Europrofil's original shareholders, Profil SA, Paris and C. A. F. L. - Cie des Ateliers & Forges de la Loire SA, Paris, which formerly held 64 and 36% respectively, have had these holdings reduced to 33%.

In 1967 Europrofil was the recipient of several pieces of plant and equipment from the Gerardmer, Vosges factory of the Ste Vosgienne de Profilage SA, Paris; as a result company capital was increased to F 3.385 million.

\*\* GENERALE D'EQUIPEMENT B. V. SA (see No 397), a member of the Grenoble group ETS BOUCHAYER & VIALLET SA (see No 487), is to be the pivot of its rationalisation and regrouping in the milk-refrigeration sector, which will involve links with the fitting-out division of CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT, which makes metal assemblies of various kinds, including milk tanks.

Bouchayer & Viallet, which specialises in hydro-electric turbine equipment and prestressed concrete pipes for the same, has since 1967 (through Generale d'Equipement) controlled Resolac - P. R. F., Argentieres, Hautes-Alpes, which has the exclusive agency for the EEC, both manufacturing and distribution, for milk containers patented by Girton Manufacturing Co, Millville, Pennsylvania.

\*\* THE CONTINENTAL METAL & MINERALS CO LTD, London trading company has formed a Düsseldorf subsidiary under the name THE CONTINENTAL METAL & MINERALS GmbH (capital Dm 20,000), to be managed by Mr. John H. G. Prest of Northwood, Middx.

The parent company is a member of the London group AMALGAMATED METAL CORP LTD (see No 441), which in Germany already has interests in Norddeutsche Affinerie AG, Hamburg (see No 435), and Cominco-Gardner GmbH, Düsseldorf. The Amalgamated Metal group is itself more than 25% affiliated to the Patino Mining Corp, Toronto, a 58% majority interest in which was refused in September 1968 by the Occidental Petroleum Corp of Los Angeles (see No 494).

\*\* KRAUSS-MAFFEI AG (see No 489) and STEIGERWALD STRAHLTECHNIK GmbH, both of Munich, have made an agreement covering welding processes that will entail the formation of a 40-60 joint subsidiary with Dm 1.2 million capital.

Steigerwald (payroll 200) made a turnover in 1968 of Dm 10 million from manufacture of industrial electronic equipment. Krauss-Maffei, a member of the Friedrich Flick KG Düsseldorf group (through Buderus'sche Eisenwerke, Wetzlar) employs over 5,000 people in the manufacture of military equipment, transport material, machine tools and plastics-working machinery. Recently it wound up its Milan subsidiary Chemioplastica Srl (see No 491).

\*\* The Munich machine tools and precision engineering concern FRIEDRICH DECKEL, PRAZISIONMECHANIK & MASCHINENBAU has taken over another company in the sector, named ARNO PLAUERT WERKZEUGMASCHINENFABRIK, Geretsried, which employs about 200 people.

The Munich concern, which has 2,000 people on its payroll, runs two foreign subsidiaries: Deckel-France Sarl, Boulogne-Billancourt, Hauts-de-Seine, formed in 1964 (see No 243) and Deckel (Schweiz) Präzisionmaschinen AG, Zurich (see No 462).

\*\* The Rotterdam company HANDELMIJ v/h G. J. VÂN DER PLOEG JR. N. V. has formed an almost wholly-owned subsidiary called UNIMETA NEDERLAND N. V., Enschede (authorised capital Fl 2 m - 25% issued). This will manufacture and sell steel and aluminium piping.

FINANCE
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\*\* The Frankfurt group I.H.B. - INVESTITIONS- & HANDELSBANK AG (see No 456), control of which was made over by the trade union bank BfG - BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt (see No 452) in 1968 to the Lower Saxony Land Bank of BRAUNSCHWEIGISCHE STAATSBANK, Brunswick (see No 494), is to be headed by a holding company the main partners in which will be the Brunswick bank, HESSISCHE LANDESBANK GIROZENTRALE, Frankfurt (see No 485) and WESTDEUTSCHE LANDESBANK-GIROZENTRALE, Düsseldorf, which is affiliated to the Land of Rhineland-Westphalia and various savings bank groups.

\*\* The regrouping of the banking activities (see No 472) of U.B.I. - UNION BANCAIRE & INDUSTRIELLE SA (see No 485) with those of the C.I.C. - CREDIT INDUSTRIEL & COMMERCIAL SA, Paris (see No 483) which was decided upon during 1968 to take place in the near future. The latter - which will also takeover its subsidiary SA POUR LA GESTION DE VALEURS MOBILIERES-GROUPE DU C.I.C., Paris (capital F 125,000) - will as a result raise its own capital to F 134.2 million. 7% will be controlled by the Cie-de-Pont-a-Mousson SA group, Nancy to which U.B.I. belongs (see No 494).

Following the recent acquisition of a majority interest, the Cie Financiere de Suez & de l'Union Parisienne and the Banque de Paris & des Pays-Bas SA have become the main shareholders in C.I.C. At the same time Banque de Paris & des Pays-Bas acquired a 30% stake in Credit du Nord SA, Lille. This shareholding is to be reduced to around 20%.

\*\* BANQUE DE PARIS & DES PAYS-BAS SA, Paris, is negotiating in Canada with LAURENTIDE FINANCIAL CORP LTD, Vancouver, British Columbia (see No 453), which is seeking 70% control of the Toronto, Ontario credit company UNION ACCEPTANCE CORP LTD (see No 488). The latter is an affiliate of the French group (through Confederation Development Corp Ltd), and the Allentown, Pennsylvania group GAC CORP (formerly General Acceptance Corp) failed in a \$ 10 million takeover bid for it in November 1968.

The Vancouver group is an affiliate of Power Corp of Canada, Montreal, and of its subsidiary M.C. Investments -B.C. Ltd, and in Paris controls Ste Francaise de Finance - ment de Ventes a Credit (Sofifrance) SA (see No 453). Since 1964 it has had a minority holding in Flaminia Nuova SpA (see No 453), in which it is linked with Finanziaria Pirelli SpA, Milan (portfolio company to the Pirelli group) and Ste Continentale de Gestion Financiere SA, Lausanne.

Flamina Nuova has a subsidiary named Fiduciaria Flaminia SpA, in which the largest American investment trust consultancy group Financial Consultants International - F.C.I. Co, New York and Brussels (see No 489) recently took a 50% holding. This company (president Sig T. Corrado Sofia) issues certificates in Italy on behalf of several American investment trusts, such as Manhattan Fund, Chemical Fund, Fidelity Fund, I.U.S.F. - Industry of United States Fund etc. Flaminia Nuova itself recently made an agreement with the American, Olympic Investment Group Inc, concerning the issue in Italy of shares from the Olympic Capital Fund Inc, Panama, the vice president of which, Mr. U.J. Didier, vice president also of Financial Consultants International, has just joined its board.

\*\* The BANQUE DE L'UNION EUROPEENNE & FINANCIERE SA, Paris (see No 490) has become (with 40%) the main shareholder in the Paris concern, UNION INDUSTRIELLE DE CREDIT-U.I.C. SA (see No 388), which specialises in building loans and office equipment. Under the presidency of M. J. Watteau, the latter's affiliates include Ste Financiere Sofal SA (see No 362), the Ste de Mobilisation & d'Avances - S.M.A. (direct shareholder in the previous-named firm), the Sofinac - Ste Financiere pour l'Equipement Industriel & Commercial SA (see No 388) etc. The firm's main shareholders up till now were Ste Centrale de Banque SA (directly and through its subsidiary Ste Centrale de Participations & d'Etudes SA - see No 436), the Ste Francaise d'Assurances pour Favoriser le Credit SA (see No 492), the Ste Financiere & Mobiliere SA (member of the C.C.F. -Credit Commercial de France group - see No 490) etc.

The Banque de l'Union Europeenne - which recently formed a new portfolio company, Cie d'Exploitation & de Financement - COPEFI SA (capital F 100,000), whose president is M. Paul Jahan - has been affiliated since August 1968 to the Marine Midland Overseas Corp., New York (20%), as well as 10% to a group of seven banks and finance companies (on an equal basis - see No 490) which are to take part in the expansion of Inter-union-Union Internationale de Financement & de Participations SA in the near future.

Along with Banque de l'Union Europeenne, there remain as important shareholders in U.I.C. (which is quoted on the Bourse) a number of banks such as B.N.P. - Banque Nationale de Paris SA, Credit Lyonnais SA and Societe Generale SA (5% each), Banque de Madagascar (3.1%) and Banque de l'Indochine (2.1%).

\*\* The Amsterdam bank NEDERLANDSCHE KREDIETBANK NV (see No 494), an affiliate of the Chase Manhattan Bank of New York (see No 479) has taken a large minority holding in the Tilburg factoring concern NV FACTOR-MIJ NEDERLAND (see No 485).

The latter has Fl 1 million authorised capital, 50% paid up, and results from the 50-50 link up last September of TECA Pvba, Turnhout, with KEMPISCHE FACTORING-MIJ - KEFAM NV, Turnhout.

\*\* The FIRST NATIONAL CITY BANK, New York (see No 492) intends to strengthen its network of branches in the Benelux countries by opening a fourth in The Hague. The American bank is already represented in Rotterdam and Amsterdam (2) and has five in Belgium; Antwerp, Liege and Brussels (3).

\*\* The BANQUE MOBILIERE & INDUSTRIELLE SA, Paris (see No 390) has formed a subsidiary under the name STE MOBILIERE FRANCO-AMERICAINE Sarl, Paris, with a capital of F 50,000, to handle orders for securities on the Stock Exchange. Control of the company is shared with the firm's own parent company, Blyth & Co. Inc., the New York brokers and investment portfolio company.

Under the presidency of M. Bernard Combemale (joint director with M. Augustin Herve-Gruyer of the new company), the French bank was taken over by the American interests at the end of 1966. Amongst its subsidiaries is the portfolio administration company, Ste Auxiliaire du Rhone pour le Commerce & L'Industrie SA, Lyons (see No 387).

\*\* The Canadian stock broking firm, GAIRDNER & CO. LTD, Toronto has opened up an agency in Frankfurt. The company already had foreign offices at London, New York, Kingston and Hong Kong.

\*\* The West German businessman Heinrich Thorbecke, Kelheim has made over to his Zurich holding company GLOBALINVEST GmbH (capital Sf 2 m) his 40% interest in the Munich, BAYERISCHE WIRTSCHAFTBANK AG (see No 437). Other shareholders in the latter are the private Hamburg bank, C.H.J.SIEMERS & CO KG (in which Herr Thorbecke is a partner) and Herr Rudolf Blücherl, Munich with 11% and 15% respectively.

\*\* The agreement to take crossed shareholdings which was reached in June 1968 (see No 466) between the two Common Market merchant banks, DELBRUECK & CO. KG, Cologne and DE NEUFLIZE-SCHLUMBERGER-MALLET & CIE SCS, Paris (see No 493), has now been implemented. The first-named has taken a holding of almost 7% in the second (capital increased to F 21.66 m) and in the Paris sister company, SCHLUMBERGER & CIE Sas (a finance company - capital increased to F 4.06 m).

The French bank (in which M. Antoine Riboud, president and an important shareholder in B.S.N.-Boussois, Souchon-Neuvesel SA - see No 494) is a shareholding associate) is soon to receive the banking assets and property interests of the Cie Generale Francaise de Credit SA, Paris (see No 483), prior to the take-over of the latter by the Ste de Gestion Mobilier SA, Paris - a move which will reduce the minority holding which the German bank has just taken in it.



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The German merchant bank, GEBR. ROECHLING BANK, Saarbrücken (see No 471) has reinforced its position in the Rhineland by taking a holding in BANKHAUS JOHN & CO. KG, Bad Kreuznach (formed in 1933).

Owned by the Röchling family (part of the Röchling'sche Eisen- & Stahlwerke GmbH group, Völklingen - see No 493), the Saarbrücken bank has interests in the Banque de L'Union Occidentale SA, Paris (see No 264), the Europabank NV, Ghent (see No 445), the Universal Investment GmbH, Frankfurt (see No 471), the Ibero-America Bank AG, Bremen (see No 493) etc.

FOOD & DRINK
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The second-ranking French producer of animal feedingstuffs (especially for poultry) STE JEAN GUYOMARC 'H SA, Vannes, Morbihan (see No 453) has formed a Madrid subsidiary called GUYOMARC 'H IBERICA SA (capital Ptas 10 m) which will supply additives and stabilizers for animal foods. The top producer in this sector is Duquesne-Purina SA, Montfort-sur-Risle, Eure, the 68% subsidiary of the American group Ralston Purina Co, St. Louis, Missouri (see No 447).

The founder recently acquired a 38 acre site at Bourguenais-Nantes where it will build a soya trituration plant, and it has also taken a substantial stake in STAB-Ste Toulousaine d'Alimentation du Betal, Gardouch, Haute-Garonne. Since 1966 it has been affiliated to the Paris-based Genvrain SA group and the latter's subsidiary, S. A. F. R. - Ste des Fermiers Reunis (see No 487), whose main interest in the animal feedingstuffs sector is Alimentation Zootechnique-Alzo SA, Moulins, Allier (see No 377).

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INTERNATIONAL FLAVORS & FRAGRANCES - I. F. F. (FRANCE) Sarl, the subsidiary at Bois-Colombes, Hauts-de-Seine of the New York group INTERNATIONAL FLAVORS & FRAGRANCES INC (aromatics, flavourings and essences) is the base for the new INTERNATIONAL FLAVORS & FRAGRANCES (AFRICA & MIDDLE EAST) Sarl (capital F 20,000). This has been formed under the direct control of the Dutch subsidiary INTERNATIONAL FLAVORS & FRAGRANCES - I. F. F. (NEDERLAND) NV, Zaandam to market the group's products in the areas in question.

The American group has European factories in the Netherlands (2), Britain (2) France (2), Switzerland and West Germany. These are run by the subsidiaries in Zaandam; Enfield; Bois-Colombes; Reinach; Aargau and Emmerich. There are also sales subsidiaries in Brussels, Milan, Spain, Norway, Denmark and Sweden.

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NEZUBU (FRANCE) Sarl, Paris, the French representative of the Dutch dairy exports concern, NEDERLANDSCHE ZUIVEL BUREAU, Rijswijk, on whose instigation the Paris firm was formed in March 1966 by French interests (held in MM. H. A. Correa and D. den Hartog, 90 & 10% respectively), has been wound up. Liquidation is in the hands of M. P. Mol, Wommel, Belgium, the company's managing director.

The Dutch firm also has foreign interests at Aachen, Brussels and London.

**\*\*** The Belgian brewing group SA BRASSERIE PIEDBOEUF, Jupille, Liege (see No 447) intends to strengthen its interests on the domestic market by taking control of GRANDE BRASSERIE DU LION SA (see No 396) in which it already has a minority share. It also intends to acquire its affiliate, CHAUDFONTAINE-MONOPOLE SA, Chaudfontaine.

In early 1967 the GRANDE BRASSERIE DU PROGRES (capital Bf 25,7 m) took over its subsidiary Brasserie du Progres in which Piedboeuf was a minority shareholder. The latter's other main subsidiaries are Brasserie & Malterie de L'Ecluse SA, Boortmeerbeek, Louvain and Brasserie de Gilstel SA, Gistel.

In late 1967, Piedboeuf linked with the London-based brewery Young & Co, Wandsworth. Under this the Belgian firm agreed to turn over one of its breweries to Young's Pale Ale and the London firm provided the know-how and royalties, also financing the deal. Piedboeuf controls over 4,000 outlets and supplies a further 6,000.

### OIL, GAS AND PETROCHEMICALS

**\*\*** Member of the Anglo-Dutch group, ROYAL DUTCH/SHELL (through its Genoa subsidiary Shell Italiana SpA - see No 441 in particular), the Milan distributor of liquid and gas fuels, ASTER-ASSOCIATE CARBONAFTA THERMOIMPIANTI SpA (see No 332), is planning to enlarge its sales network abroad and to set up a new subsidiary in Madrid.

With its new president, Sig. Merzagera, Aster (capital Lire 450 m) passed under the control of Shell Italiana at the end of 1965. Apart from the sale of fuels, the company is to construct and install heating, refrigeration and air conditioning equipment, especially in the EEC countries.

**\*\*** STANDARD OIL CO OF NEW JERSEY, New York (see No 489) has been granted permission to build a new refinery within the Common Market. This will be in the Walloon area of Belgium and will have a capacity of some 5 million t.p.a. Costing Bf 5,600 million it will be linked by a pipeline with the ports of Rotterdam and Antwerp, and the group's direct interests will be represented by Esso Belgium SA (see No 453).

This already has a 4.7 million t.p.a. refinery at Antwerp. Its affiliate sister-companies and subsidiaries in Belgium are: Esso Marine (Belgium) SA and Esso Chemical SA, both in Antwerp; Esso Research SA, Diegem, Brussels, Hydrocar SA, Flawinne, Ste de Belge de Transport par Pipe-line SA and Esso Motor Hotels SA, both in Brussels.

### PAPER & PACKAGING

**\*\*** MAUSER KG, Cologne-Ehrenfeld (metal and plastic packings, office equipment, welding machinery and accessories) has formed a Paris sales subsidiary called STE FRANCAISE MAUSER Sarl (capital F 100,000) whose manager is M. Jean Treussard. The German firm has a direct 95% controlling interest, with the remainder held by its subsidiary - wholly-owned - MAUSER-WERKE GmbH, Cologne -Ehrenfeld. This is not linked

with Mauser-Werke AG, Oberndorf, Neckar (see No 466) which makes firearms and special machine-tools.

Mauser KG has some 3,000 employees and an annual turnover exceeding Dm 150 million.

\*\* The Franco-Belgian company, LAHAYE & CO. CONSTRUCTION NV, Poperinge, Belgium has just been formed with a capital of Bf 400,000 for the assembly, manufacture, and sale of elements, cladding, containers, accessories and systems for heat control installations. Two groups control the new venture on a 50-50 basis: 1) on the Belgium side, M. Martial A. Lahaye, Ypres; 2) on the French side, Credit Financier Lillois SA, Lille (capital F 1 m), the Comptoir de Cuir SA, Tilques Pas-de-Calais, and Construction Plastique Lourdel & Cie Sarl, St-Omer, Pas-de-Calais.

#### PHARMACEUTICALS

\*\* INSTITUT MERIEUX SA, Lyons, Rhone, the biological research company, manufacturer of serums and vaccines for human and animal use, and member of the RHONE-POULENC SA group for the past few months, has taken a further 16.5% interest in the Toulouse I. S. T. -Institut de Serotherapie, Leclainche, Vallee & Cie SA, in which it already had a 31.5% interest.

The Toulouse firm, one of the oldest laboratories in France in the veterinary immunisation field, turned over some F 26 million in 1968 of which more than 25% was in exports. In 1947 the company played a part in the formation of the Institut Francaise de la Fievre Aphteuse -I. F. F. A. Sarl, Lyons (see No 354), which was taken over by Institut Merieux in July 1968.

#### PLASTICS

\*\* The reshaping (see No 483) recently agreed between the French plastics interests of UGINE KUHLMANN SA (see this issue) and PROGIL SA (a member of the Gillet group through PRICEL SA and NAVIS SA) will centre on a new joint Paris subsidiary PLASTIMER-PLASTIQUES & ELASTOMERES DE SYNTHESE SA (capital F 5m).

With M. Amaury Halna as president and under M. Jacques Granday this will be responsible for all the plastic interests of its two founders. The previous joint subsidiary in this sector, Plastugil SA (capital F 33.2 m) has just ceased operating; this was established 50-50 by Progil and the former UGINE company, so the new concern will not take over the plastics interests of UGINE Kuhlmann belonging to the former Ets Kuhlmann (polyester resins and urea-formal powders at Villers-Saint-Paul, P. V. C. resins at Brignoud) and the sales company Kuhlmann-Plastugil SA, Paris (formed in 1966 - see No 349).

\*\* The Frankfurt group I. H. B- INVESTITIONS & HANDELSBANK AG (see this issue) has gained a 50 % stake in the Swiss investment firm ELASTOMER AG, Chur (capital Sf 6 million) from the METZELER AG group, Munich.

The Swiss company was formed by the chemist Dr. Gottfried Reuter, Lemförde, Diepholz, and it has stakes in some fifteen plastics and rubber processing concerns including: Elastogram GmbH, Munich, Lemforder Kunstsoff GmbH & Co KG, Lemförde and Kunstsoff-buro Osnabrück Dr. Reüter & Co KG, Lotte as well as Polyurethan Kunststoffverarbeitungs GmbH, Bruck, Leitha, Austria.

### PRINTING & PUBLISHING

\*\* A cooperation agreement has been signed between two Dutch publishing concerns NV ROTTERDAMSCH NIEUWSBLAD, Rotterdam (300 staff) and A. SIJTHOFF NV, The Hague (600 staff). The first-mentioned publishes the dailies "Rotterdamsch Nieuwsblad", "Gondsche Courant" as well as the economic daily "Handels - & Transport Courant". The Hague firm publishes "Haagsche Courant" and "Delftsche Courant"; its other main interests are UITGEVERIJ. GAHDE NV, The Hague and HANDELSDRUKKERIJ A. SIJTHOFF NV, The Hague.

\*\* After having acquired complete control of the Paris company NOUVELLES EDITIONS POUR LA JEUNESSE & L'ENFANCE -N. E. J. E. Sarl (capital F 10,000) the Geneva holding company INVESA INVESTISSEMENTS SA (see No 476) has now closed it down.

Invesa is the holding company for the Milan group FRATELLI FABBRI EDITORE SpA in which a minority shareholder is M. Armand Beressi, Paris. It also interests in the Office d'Editions Generales-Odege Presse SA, Paris (president M. Beressi) and this specialises in part publications (Tout l'Univers, Connaissance de l'Histoire, Les Grands Musiciens, etc). The company is under the 68% control of Librairie Hachette SA group and the Fratelli Fabbri group also has a direct interest.

### RUBBER

\*\* Following the rapid increase in the number of car registrations in Italy (the number having gone up by more than 85% in the last four years), the American rubber company, GOODYEAR TIRE & RUBBER COMPANY, Akron, Ohio (see No 469) has decided to invest some Lire 4,500 million in its Rome subsidiary, GOODYEAR ITALIANA SpA, so as to double the capacity of its Cisterna, Latina radial tyre factory.

Apart from the Rome subsidiary, directed by Sig. A. Saares, the group has several other distributors in the country: Novo Antonio Distributors, Turin (industrial rubber), Sides-Soc. Italiana Derivati Elastomeri Sintetici, Milan (synthetic elastomers), Euram Italia SpA, Milan (PVC films), Aviquipo Italia SpA, Milan (tubes, brakes and wheels) etc.

### SERVICES

\*\* MANAGEMENT SCIENCE, AMERICA INC., Atlanta, Georgia, the management consultants and information services concern, has formed an almost wholly-owned subsidiary in Ixelles-Brussels called INTERNATIONAL SOFTWARE & COMPUTING SA (capital Bf 1m), directed by Messrs. T. Newberri, J. Edenfield and G. Grimes.

\*\* BIPUCLI AG, Zug an investment and portfolio company (especially in the advertising sector) which is headed by Mr. Anton Bosschaert, Amsterdam, has a 70% controlling stake in the newly-formed Antwerp concern NV BELGISCHE ACADEMIE VOOR COMPUTERS-PROGRAMMEURS "COMPUTER ACADEMIE" (capital Bf 300,000). The new company which will teach programming, has as its remaining shareholders Mme Claeys and M. van Bree, both of Brussels along with Mr. van Leeuwen, Amsterdam.

\*\* MANAGEMENT SELECTION LTD (administrative personnel selection - see No 477) is about to set up a subsidiary in Düsseldorf, M.S.L. MANAGEMENT SELECTION (DEUTSCHLAND), to expand the business of the offices it has already established there.

The British company's other main activity centres in the Common Market are in Paris (M.S.L. France SA, which has just opened a branch in Brussels), in Milan (M.S.L. Italia SpA) and Amsterdam.

#### TEXTILES

\*\* The London group GAINSBOROUGH INDUSTRIAL PROPERTIES SECURITIES LTD recently acquired HANDEL-MIJ v/h LETHEM BROTHERS & MELLIN NV, Amsterdam (furnishing textile wholesalers) whose name was then changed to FRIPAMAR NV (see No 479). It has now formed a subsidiary called LETHEM BROS & MELLIN NV (authorised capital Fl 5 m - 20% issued) with Messrs Cyril Gardner, Paul Moenking and John Murray as directors. This will make carpets and new textile products.

#### TOURISM

\*\* The Antwerp and Brussels group G. & C. KREGLINGER SA (see No 467) has taken a minority stake in the Paris group TRIGANO VACANCES SA (see No 468) which is headed by MM. Gilbert and Andre Trigano. This specialises in selling and leasing a wide range of leisure, sporting, camping, sailing and nautical equipment. It is closely linked to the Cie Financiere SA, Paris (the investment company of the Edmond de Rothschild group - see No 490) its main shareholder, which has recently raised its capital to F 20.72 million. This move allowed the Cie Internationale de Banque (a member of the Revillon Freres SA group - see No 484) to become a minority shareholder.

In April 1966 another Belgian group, Plouvier & Cie NV, Antwerp (see No 493) took a stake in the French group (capital then increased to F 17.5 m). Plouvier was already linked with the French group and G. & C. Kreglinger in the Luxembourg investment company, Triginter SA (see No 462) formed in July 1965 (see No 321).

#### TRADE

\*\* CARREFOUR SUPERMARCHÉ SA, the Paris-centred "out-of-town" supermarkets' concern, (capital increased to F 24.5 m. in August of last year) has concluded an agreement with the Belgian number one chain store firm, ETS DELHAISE FRERES & CIE

SA, Molenbeek-St-Jean for the promotion of discount houses throughout Belgium. This cooperation will be centred on a new joint 50-50 subsidiary, DISTRIMAS SA, which is to open its first branch in the autumn of this year at Hainaut; Ste d'Achats Modernes - S.A.M.O.D. SA, Paris, a subsidiary of the French company, will be responsible for the supply of non-foods.

Under MM. Marcel Fournier and Jacques Defforey, the latter company turned over some F 377 million in 1967 with its supermarkets at Annecy (2), Sainte-Genevieve-des-Bois, Essonne, Chalons-sur-Saone, Villeurbanne and Venissieux; during the course of 1968 three new supermarkets were opened in Annecy, Dijon-Quetigny and Creteil, Val-de-Marne. At the time of the former capital increase from F 11.55 million to F 14 million in February 1968, the company named amongst its new shareholders, Ste d'Organisation & de Promotion-Orgepro SA, Paris (member of the Banque Nationale de Paris SA group - see No 330), the Ste Financiere & Immobiliere de Maxeville-Sofimax SA, Maxeville and the Ste Francaise de Participations & d'Etudes SA, Paris (both members of the Ste Europeenne de Brasseries SA, Champigneulle, Meurthe-et-Moselle - see No 494). The company has interests in the Paris portfolio company, Ste de Participation "Carrefour" SA (formed at the end of 1967 with a capital of F1 100,000) and has already concluded agreements with three other groups in the sector: 1) in 1966 with Guyenne & Gascogne SA, Bayonne, Basses Pyrenees, which runs 200 branches in the South-West as well as self-service stores under the name "Viteco"; this association resulted in the formation of a joint subsidiary, Ste des Grands Magasins Garonne-Adour-Sogara SA, which has opened a self-service store in Bayonne and is preparing to open a second in Bordeaux-Merignac; 2) with Maison Verte of Chartres (under M. Grand), with which it is running a store at Chartres and will open a second at Rennes in 1970; 3) with the Franco-Belgian chain stores group, Docks du Nord-Les Eco SA, of La Madeleine-lez-Lille (see No 490), with which it plans to open four giant supermarkets (Paris region, Chalons-sur-Marne, Colmar and Mulhouse) under the name, "Carrefour" and which will be financed by Docks du Nord.

The Belgian partner had already made an agreement with another French group, Ets Nicolas SA, Charenton-le-Pont, Val-de-Marne, whose wines it will distribute in Belgium.

TRANSPORT
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\*\* NV HOUTCENTRUM has just been formed in Zaandam with F1 5 million capital (just over 30% paid up) for dockside materials handling and dispatch (wood especially), the main interest being that of NV STOOMZAGERIJ & HOUTHANDEL v/h G. KAMPHUYS & ZONEN & TH VAN LOOSBROEK & ZOON, Oss. This is linked in the venture with the timber trading concerns, Bles & Kluyver's Houtimport NV, Amsterdam, and P. Wijtenkamp, Houtfactors & Expeditiebedrijf NV, Westzaan.

\*\* The cooperation agreement between the Rotterdam transport concern J. BOOTS TRANSPORT NV and COMPTOIR MESSAGERIES GROUAGES - C.M.G., Marseilles, has now given rise to the inauguration of a regular trucking link between the two ports, and the creation by the former of a bulk freighting service between Paris and Rotterdam.

VARIOUS

\*\* Two of the leading European harbour installations and salvage concerns, ULRICH HARMS GmbH & Co KG, Hamburg and RISDON BEAZLEY, Southampton have signed a cooperation agreement. This has resulted in the formation of a joint subsidiary based in Southampton called RISDON-BEAZLEY-ULRICH HARMS LTD, whose first task will be the removal of wrecks from the Seine estuary.

The German firm is owned by Herr Hans Ulrich, Hamburg, who also has interests in other shipping and similar concerns, Beckedorf & Co, Hamburg; Schulauer Reederei, Günther Schulz KG, Schiffahrtskontor GmbH, Deutraf-Deutsche Tragflächenboot Reederei GmbH & Co.

\*\* An association agreement in Belgium between LES FRENES DU CONDROZ SA, Rotheu, Rimiere and EXPLOITATIONS & SCIERIE H. LECLERE-COLLAND & FILS SA, Fraiture has resulted in the formation of two subsidiaries based at Fraiture, Condroz (controlled 62.5/37.5 and 62.6/37.4 respectively by their two founders).

The first is called EURO-BOIS SA (capital Bf 1 m) and it will run forestry operations, deal in and sell timber; the other called BELWOOD SA (capital Bf 500,000) will specialise in dealing in timber.

\*\* The German ceramics concern, WILHELM GAIL'SCHE TONWERKE KG, Giessen (see No 429) has increased its holding in its Paris distribution subsidiary, GAIL INTERNATIONAL FRANCE "G.I. FRANCE" Sarl (formerly Comptoir Francais de Revetement Ceramique) so as to provide for its expansion (capital increased to F 1.2 m).

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