Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT *TEL. 25202/4 TELEX 95114*

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e
TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER.. PAUL WINKLER
EXECUTIVE EDITOR.. CHARLES RONSAC
MANAGING EDITOR.... ANDRE GIRAUD

SWITZERLAND	ITALY	BENELUX
54 Rue Vermont GENEVA TEL: 33 7693	72 Corso di Porta Romana MILAN TEL: 540.301 - 540.309	4 Boulevard Anspach BRUSSELS TEL: 18-01-93

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THE WEEK IN THE COMMUNITY

February 24 - March 2, 1969

THE COMMON MARKET:

Time to "Cool it"

The fall-out from the Soames Affair continues to spread, and a number of points have now emerged fairly clearly. Although the proposals - or propositions - made by President de Gaulle to the British Ambassador are unacceptable for most commentators and governments, there is little in them which conflicts dramatically with previously expressed tenets of French foreign policy. The British government was probably right to inform her partners, but the manner in which this was done is not above criticism, and it certainly made relations between Paris and London even more strained. As a result, efforts to achieve a Franco-British reconciliation, now more important than ever before, and the re-establishment of confidence between the two governments, will probably involve a considerable length of time and patient diplomacy. Both sides are however showing signs of trying to calm matters down again, and in the House of Commons on March 4 Mr. Wilson said "the Government have made clear their warm willingness to have talks with the French Government on any level", whilst in an interview on February 27, M. Debre is described as having said, more in sorrow than in anger, "An opportunity has been missed".

Nevertheless the revelation of the General's talks with Mr. Soames has served to arouse old fears amongst France's partners within the Six and it is being suggested - and not without some reason - that for President de Gaulle, the Common Market may have lost what attraction it previously held.

The role of the Commission in all this, is to maintain a balanced position between all of the Six - despite the French threat to its existence - and when it met last week the affair was described as "a surface disturbance". For the Commission, the main task is to push ahead with the establishment of those common policies that the Common Market countries still have to agree in many sectors. It will therefore try to conciliate between member countries and prevent any more of the stagnation that is now threatening much of the EEC's future prospects - largely because of the French veto on enlargement of the Common Market. A few days before the Soames affair broke M. Rey, who already knew the main details, had a meeting with M. Couve de Murville in Paris, whilst last week he paid a visit to President of the Council of Ministers, the Luxembourg Foreign Minister M. Thorn.

It was at the two-day Paris meeting of the WEU Assembly, that M. Thorn had tried to act as a mediator in the clash between Britain and her partners over the decision to hold meetings without France, and despite her warnings. The negative aspect of the

French President's views on Europe and British participation is shown by France's attempt to inhibit use of the WEU as an embryonic political community and her veto on the suggestion of talks between the EEC and Britain over links, whilst proposing secret bilateral negotiations with the aim of reorganising Western Europe.

Last week saw another meeting of the WEU permanent council in London, the third without any French representation, although the West Germans, who had suggested that the meeting should be put back to March 5, did attend. One of the results of the meeting was the decision to accept a West German proposal that a working group should be established to try and sort out the exact legal aspects and political implications of France's boycott of the organisation until the "normal" procedure is applied once more. At present the evidence indicates a willingness by the so-called "new Six" to cover a wide range of topics at routine meetings. The problem of the "unanimity rule" upheld by France, which could hamper efforts to use the WEU as a springboard for increased political cooperation between Britain and the EEC countries, may be resolved by the time the next meeting is held on March 12. It seems however that West Germany, the lynchpin in efforts to strengthen the WEU's work, will support the view taken by the Benelux countries, Italy and Britain.

Apart from setting up the working group, the permanent council also discussed the call by the Council of Europe's Consultative Assembly for the withdrawal of Greece following pressure by both the Netherlands and the Scandinavian countries.

Despite the more difficult atmosphere created in Europe by the Soames affair, there is a positive aspect to the crisis. It has helped to awaken public opinion to the fact that there are two different concepts of Europe, and that if effective progress is to be made along the road to integration, then a choice one way or the other must be made soon. The Community is drawing towards the end of the transitional period, and it seems almost certain that further moves towards giving supranational powers to Brussels will be inevitable if the principles which have guided the Community so far are to be followed. However it may well turn out that because national views and policies are now going to be threatened to a much greater extent than ever before, the member states of the Six will gradually allow the Community to stagnate and turn into a partially integrated customs union. But if the two major political parties in Britain are willing to contribute towards some form of supranational authority with effective powers, then British entry - and that of the other candidate countries - could give the existing Community the psychological boost it needs.

Perhaps the last word should go to the Commission's president M. Jean Rey, Rey, who last week said "There can only be an independent Europe, if it is united and enlarged" ----- but how?

* * *

COUNCIL OF MINISTERS

Going Through the Motions

Had the Foreign Ministers of the EEC's three main member states - France, Germany and Italy - attended the Council's general affairs meeting on March 3 and 4, in the wake of the Soames Affair, there could only have been continuing deadlock over the question of commercial arrangements with the candidate countries, which was on the agenda. In their absence, the meeting was no less futile, but at least the Council chamber was spared the more heated of the exchanges that could have turned the already sour state of relations between the Five and France into one of complete bitterness. The Six in fact resorted to the lowest common denominator of their tenuous solidarity - tacit agreement, through their absence, not to "stir things up" at the Council behind one anothers' backs. The danger now is how long this situation might continue, as it is known already that M. Debre will not appear again in Brussels until at least April, and there is a very real fear growing that, despite the fact that this year must see the realisation of all measures inscribed in the Treaty for completion during the transitional period (ending on December 31), the Council may have to face the "empty chair" situation that very nearly spelt its doom in 1965.

Indicative of the significance of the meeting were the fact that the real events in Brussels at the time occurred "off stage", and the nature of the topics upon which some progress was made, although "progress" itself is a suspect term when the Community itself has such a threatened future. In the wings, it was the agreement between the Foreign Ministers of Belgium, Luxembourg and the Netherlands that W.E.U. consultations between Britain and the Five should continue, and private talks over the possibility of a package deal with France that really merit attention.

As far as the first is concerned, the Benelux ministers agreed that despite French pressure the moves that had been made to get consultations going outside the terms of reference of the Rome Treaty should be pursued wherever possible, and further to this, they agreed that legal advisers of the six countries in question should meet in London to discuss the legal context in which such consultations might continue to be held.

As for the package deal, there is all the appearance here of the Six grasping at straws: unless agreement is reached very quickly over the enlargement issue, the whole edifice stands in jeopardy, and indeed this was in some measure acknowledged during the meeting, to the extent that delegates voted merely to continue with "work on plans for commercial arrangements" with Britain and other European countries - in other words, further procrastination without fear of an immediate clash. But in a private meeting, it seems that there was talk of heavy concessions being made to France over her claims for greater financial assistance in agriculture, in return for which she would cooperate on all the measures needed to complete the transitional period of the EEC by next January (completion of the C.A.P., commercial, social, transport and energy policy). If this were to be pursued in open Council, it could only be at the price of pushing the trade links issue aside, for at present there could be no other way of narrowing the gap between France and the Five. Such a compromise in fact might secure the situation in the Community over the next few months, but thereafter there is nothing to guarantee that stagnation could not be even worse than it is now.

In view of the major steps the Six should be taking, the sum total of their achievement at this Council meeting is little short of pathetic: a tentative step towards a European patent, further arrangements on food aid to developing countries and a highly tenuous agreement on links with Israel. Although patents rank high on the priority list of legislative devices in need of harmonisation, the true value of any alignment of law in this sphere really hinges upon the economic integration that would come before it. Nevertheless, the fact that the Council succeeded in reaching agreement in this matter should not be ignored, especially as this agreement provides for a new European patents convention, under which patents would be issued on a multi-national basis, and because the four candidate countries, plus Sweden, Austria and Switzerland would be invited to join. To witness any move having affinities outside the Community at this juncture must bring a glimmer of encouragement.

As far as the agreement with Israel is concerned, the situation is not dissimilar to that obtaining over the candidate countries; what it is to be offered is unlikely to be found acceptable. Since the three-year non-preferential trade agreement between the Community and Israel lapsed in 1967, Tel Aviv has made it clear that it will accept nothing less than full association next time, and France until now has blocked moves towards any such undertaking. At Tuesday's meeting, this barrier was lifted, but only because the Dutch subsituted for association a formula that would give Israel preferential trading terms, with tariff reductions on industrial goods imports from Israel of say 60% dropping to zero. Since France is unlikely to be prepared to offer more than 25% reductions, there seems little hope of this proposed arrangement getting much further in the near future. Therefore, like the agreement over trade links plans for the candidate countries, this has been kept alive merely through the device of tossing it back to the permanent representatives for further discussion.

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EEC ECONOMY

1969 Economic Guidelines

The economic policy committee has recently given an indication as to what it considers should be the growth rates and the economic policies to be followed by the member states during the coming year. It states that both of these will vary according to the country in question, but at the same time calls for a greater degree of coordination between the national economic policies.

In the committee's view, efforts by the French government should concentrate on maintaining a tight rein on price rises, whilst keeping wage increases within more normal limits compared with 1968. The country's gross national product is expected to rise by 6.5%, but the upswing in exports is unlikely to be sufficient to eliminate the balance of payments deficit. West Germany is expected to have a 5% rise in its GNP, but at the same time care must be taken to lessen the size of the country's balance of payments surplus. The Netherlands is advised to follow a restrictive budgetary and monetary policy with the aim of avoiding excessive price rises, and is expected to have a 5% increase in GNP. Belgium which is expected to have a 4.5 % increase in GNP, needed to reduce unemployment, will have to ally this to price stability and measures aimed at achieving effective financing of expansion, whilst Luxembourg should use the present favourable situation for reshaping the country's industrial structures. Although a 3.5% increase in GNP is considered likely, greater care should also be taken to control governmental spending. The second largest increase in GNP (6%) in 1969 is expected in Italy, and the committee believes that the Rome government should follow a policy of vigorous expansion, enabling surplus capacity to be brought into operation fairly quickly.

* * *

PATENTS

European Patent Proposals Submitted

The experts, appointed by the Council of Ministers to look into the question of an EEC patent system, as well as how it might be extended to third countries have now finished their work and their conclusions have been sent to the permanent representatives of the Six.

To begin with their report deals with the ways in which a patent can be granted. Any European patent system must ensure legal protection and security for the patentee. Normally any search could be undertaken at the request of the patentee but in certain cases, the European Patents Office could look into the facts by itself. The applicant must attach to his demand for a patent, a technical description, drawn up by the International Patents Institute in The Hague. Within 18 months of application, any demand must be made public. The experts have also tackled the question of who can apply for patents. They consider that once a patent has been issued - objections must be entered within three months - in a member state, it should be legally valid elsewhere and be challenged only before the competent courts.

The second part of the report deals with the problem of creating a patent which would apply throughout all the countries of the European Community. It sets out the legal rules governing an EEC-wide patent valid for twenty years, which would be regulated by the laws established under a European Patents Convention. Other suggestions cover the protection afforded by national and community laws.

TRADE UNIONS:

Communists Accept the Community

For the first time in the history of the Common Market, representatives of the two leading Communist trade union organisations, the French C.G.T. - Confederation Generale du Travail and the Italian C.G.I.L. - Confederazione Generale Italiana del Lavoro have held offical talks with the President of the Commission, M. Jean Rey.

The fact that these discussions took place is evidence of a change of policy within the two unions in question, who have for a considerable period of time attacked the Community as a "device of capitalism". The delegations were headed by M. Henri Krasucki for the C.G.T. and Signor Luciano Lama for the C.G.I.L. Both unions are represented in Brussels by liaison committee, and are now expected to become full-fledged members of the Economic and Social Committee in the near future. Approval for this move is likely to be given by the Council of the Social Affairs Ministers on March 13th, when the strength of opposition to the acceptance of Communist unions, who have continually attacked the very idea of the Community will also become clearer. Both the Dutch and Belgian governments have reservations on this score, whilst the so-called "free" trade unions, already established in Brussels are also opposed to a massive participation of two well-organised Communist unions. On the other hand it seems illogical when discussing Community problems in general, and labour questions in particular to leave out the strongest unions in France and Italy. If the appointment of representatives from the C.G.T. and the C.G.I.L. is approved, they will be able to take part in the spring discussions on the economic situation involving the Commission, employers and unions.

During their meeting with M. Rey, who was also accompanied by the vice-president and commissioner with special responsibility for Social Affairs, Lionello Levi Sandri, the two union representatives made it clear that they had their own ideas on European integration, but would nevertheless work within the framework of the existing organisation. In other words, they do not intend to upset the Community's structure systematically. At the same time however they intend to press for the revision of clauses in the Rome Treaty dealing with the Economic and Social Committee, so that this body can acquire more effective power. Two particular points are the right for the Committee to draw up its agenda, and more frequent consultations on matters of importance. Both representatives outlined a number of problems which their unions would like to discuss in greater detail, such as the free movement of workers, the labour market, social security, agricultural policy etc.

The Communist parties of the Six have also taken a further step towards acceptance of the Community, with the entry into the European Parliament last week, of seven Italian Communist members.

* * *

ECONOMIC AND SOCIAL COMMITTEE

In Response to Commission's "What Now?"

As was first mooted in M. Rey's speech on the occassion of the customs union on July 1 last year, the Economic & Social Committee of the Communities, which groups representatives of management, labour and independent interests in a consultative capacity, has been working for months past on proposals for the internal strengthening and boosting of the world role of the EEC. Last week, the chairman of this committee, M. Berns, presented its findings.

In general, the committee's suggestions concerning matters covered by the Rome Treaty, including further integration and enlargement, follow lines that are already very familiar. Like the Commission, it stresses in particular the importance of harmonising customs legislation (a major step forward in this field was taken last week - see No 501), financial and fiscal harmonisation, freedom of establishment and freedom to supply services, and the free circulation of capital. It also emphasises the need to adhere to the fundamental principles inscribed in the common agricultural, transport, energy, monetary, regional and sectorial policies, and the need for concerted action in the scientific and technological spheres. It then goes on to suggest that a new joint fund for aid to research work should be set up. It is generally of the opinion that the role of existing funds in the Community (the Social Fund and FEOGA) tends to be inadequate, and that these should be given far greater scope.

As far as social policy is concerned, the committee is above all concerned to sell the idea of the EEC as not only an economic but also a social community, in which the individual will be guaranteed maximum social security and justice.

Of prime importance to the Community's relations with the outside world is the matter of formulating a common commercial policy, claims the report, and this must be allied with the achievement of common standpoints vis-a-vis of third countries on all matters of general interest, plus real consensus on the question of membership and association policy, in keeping with the spirit of the Rome Treaty. Nothing can be more damaging to the Community's development than for it to be seen lapsing into isolationist ways. The Community owes its very being to the European idea, and to recant this would be to invite its own dissolution.

The committee expresses its deep regret that the Six have so far found themselves unable to commence talks with the countries seeking membership of the Community. On enlargement, it in fact presents what it feels to be a formula that could surmount the difficulties encountered to date: for those European countries that for economic and political reasons are ill fitted for immediate entry as full members, there should be negotiated, either bilaterally or as a group, a statute containing reciprocal rights and obligations. This would be a sound and purposive way for the Community to bring in contractual contacts with the candidates, including provision for phased movement towards full membership as circumstances permitted. This would get round the candidates' insistence that only full membership can be admitted as the objective of any negotiations that might be undertaken.

The report's conclusions are couched in the conventional, stiff style that goes with all such documents, reminding us of the achievements and cautioning us about the difficulties met in EEC integration so far, and ascribing the latter to divergencies between member states, in particular over enlargement, the democratisation of EEC institutions and Euratom. It calls upon member states to tussle with these problems immediately, and find the solutions that will give the Community the boost it so badly needs. However, it goes on from this, evaluating current possibilities, taking account of priorities and again stressing the need to find answers to the outstanding political questions hampering progress, to recommend that a "schedule of deadlines" be formulated to dictate the rate of internal progress of the Community.

The committee appears to be quite convinced that such a schedule would prove an efficient stimulus to policies in Europe, and it hopes to be able to join with Commission, the Council and the European Parliament in formulating the programme. In the first instance, it wants the Commission to chew over its recommendations very carefully, and in the near future hold a plenary session wherein it will be possible to have an exchange of ideas raised by these proposals.

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AGRICULTURE

Mansholt to visit Australia and New Zealand.

At the invitation of the Australian and New Zealand governemtns, Dr. Sicco Mansholt, Vice-President of the Commission of the European Communities with special responsibility for agriculture, is to visit New Zealand and Australia.

Dr. Mansholt will be discussing world agricultural and food problems with the two governments. The programme also includes meetings with representatives of the farming and food-manufacturing industries. Dr. Mansholt arrives in New Zealand on 28 March, leaves for Australia the following week, and will be back in Brussels in mid-April.

E.C.S.C.

The Social Side of the Coal Policy

An ad hoc working group has been set up within the Council of Ministers to prepare for the first ministerial level debate on the future common energy policy of the Six, which is due to start before the summer recess, addressing itself to the "guidelines for a community energy policy" formulated by the Commission. The latter follows in general a fairly liberal line, but nonetheless makes provision for certain modes of inervention, albeit expressing the hope that in the vast majority of cases mere exchange of information and reconciliation of national programmes should suffice. For the most part, the Commission's memorandum was well received, especially by the national governments. Whereas the oil industry - especially the international giants - is openly concerned that under the veil of this apparent liberalism the Commission has left leeway for all manner of "escalating" intervention measures, the coal sector tends to feel that, apart from its fairly detailed and accurate resume of problems affecting energy production, the Commission has not gone far enough in its conclusions and the implications that it draws from them.

As promised, the Commission has already started work on amplifying its proposals by adding specific recommendations concerning this and that aspect or sector of the energy economy. Towards the middle of this month it will provide the Council with a study of supply in the community coal and coke industry, and indeed the Council is already in possession of a study covering the social aspects of the coal policy in the context of a community energy policy.

In this document, the Commission argues that coherent action at the social level must be fundamental to any realistic and effective coal policy. Measures must be designed not only to preserve continuity of employment for workers in a context of full economic development. They must also aim, during the coming years, at ensuring the availability of a young, stable and competent mining workforce, without which there can be no possibility of rationalising the exploitation of coalmines, where mechanisation and electrification are increasing all the time.

To achieve these objectives, the Commission envisages a whole series of measures touching upon the forecasting of developments in employment, stepping up work on the retraining of miners and, advancing the system of programme-contracts linking firms that are called upon to lay off labour with those that may offer subsequent employment to those squeezed out, and with the authorities upon which it falls to provide administrative or financial aid.

Other measures cover improving and intensifying efforts to create new pools of labour, the formulation of schemes for preventing industrial illnesses and accidents, promotion of housing on sites adjacent to workplaces, and above all for younger miners the establishment of a type of career (of 8 to 12 years) giving progressive title to loyalty premiums at the end of the term, and which will incorporate retraining as an automatic part of the career syllabus.

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Employment in the steel industry.

From the end of September 1967 to September 30, 1968 there was a decline of 8,200 persons employed in the Community's steel industry, falling from 542,900 to 534,700. The relative stability in the steel industry's labour force (less 1.5%) compared with less 3.9% in 1966-1967 and less 4.0% in 1965-1966, was accompanied by 5.6% rise in steel output during 1967, as against 1966, and an increase of 9.4% during the first ten months of 1968 compared with the same period in 1967.

This is an indicator of long-term trends for an increase of production of some 60.5% between 1955 and 1966, was made with a rise of no more than 15.3% in the work force.

Nevertheless employment trends in the steel industry, although less serious than those faced by the coal industry, have recently given rise to fears amongst trade unions especially in areas like the Saar, Lorraine, Luxembourg and the Wallon district of Belgium, where there are no coastal sites.

The most noticeable drop in the labour force was in France (- 4.8%) between September 30, 1967 and the same date in the following year. There was however a very small increase in the Netherlands and Belgium. At the same time the number of qualified staff, technicians and management employed rose slightly, another sign of the long-term trend of the industry.

In the Community's iron mines, there was a drop of 13% in 1967-68 (as in 1966-67) with a fall in the number of those employed from 23,700 to 20,600. The largest drop was in Lorraine (- 1,600) and in northern Germany. Both Italy and Luxembourg have a very small number of miners in any case, and each lost 100 miners. Overall the average decrease during the past three years has been between 13 and 14%.

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Record Orders for the Steel Industry

In January 1969, the Community's steel industry received record orders totalling 7,593,000 tons compared with 6,901,000 tons in December and 6,901,000 tons in December and 6,241,000 in January 1968. Compared with the same month last year, orders from third countries remained at the same level - 1,601,000 - whilst orders from within the Common Market rose by over a million tons from 4,640,000 to 5,992,000 tons.

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EURATOM

Budget and Boffins Just Scrape Through

This week the Council of Ministers is due to ratify and forward for its approval to the European Parliament the budgetary proposals for Euratom research, instruction and dissemination of information in 1969, in accordance with the programme adopted by the Council on December 20, 1968 (see No 493). The most thorny problem discussed during preparatory debates in the permanent representatives committee was the fate of Joint Research Centre staff not covered by the programme, 417 researchers according to the Commission's estimates, and personnel that it will not allow to be dismissed until a new pluri-annual programme is devised. The solution finally adopted recognises this perfectly legitimate stand taken by the Commission, in view of the psychological impact such an "axe" would have. By stopping all further recruiting of research personnel, winding up various service contracts and transferring various people of administrative grade within the Community's institutions, the first aim is to reduce supernumeraries to about 250 by the end of July. It was agreed that those who still remained in this unemployable nucleus thereafter should be kept on with special status, not losing any rights or priveleges, until such time as they should be absorbed into contributive positions, through retirement, dismissal or transfer of other personnel, or until new posts were created under later budget planning.

Thus the 1969 budget problem has been overcome, but the drift of recent debates and the attitudes taken by some national delegations shows only too clearly what knotty political issues are going to arise, perhaps with even greater acrimony, when it comes to formulating the pluri-annual budget, when there will be no escaping the issue of redesigning and reorientating Euratom.

* * *

INDUSTRY

Shipbuilding: Built-in Buoyancy

The Six have at last managed to agree the main features of a uniform aid system for the Community's shipyards, which should enable them to cushion the effects of what is considered unfair competition from non-Community countries. According to the Commission, the Community's yards are at a disadvantage of 10 % when it comes to the cost of selling new vessels. But the Commission does not support the idea of a 10% optional aid scheme, for it considers member states might well vary their aid levels and thus create further competition amongst EEC yards. The main points which have been agreed so far are as follows:

1) Up to 10% of the total sale price fixed in the contract before work on the construction of a ship starts can be advanced.

2) Aid can be given towards the construction of new ships, for passenger and cargo ships of 100 tons and over, fishing-boats of 50 tons or over and tugs of 500 h.p. and over

3) Financial aid will be available for the refitting of ships. But this will only apply to ships of 3,000 tons or over with the work being carried out in a Commun ity yard, and must involve major alterations.

These measures have already come into effect, and will last until December 31, 1971. Meanwhile the Commission will study the problem and make proposals going further into the seventies. If the Commission does not make any new proposals, the existing measures will terminate at the end of December 1971, but if fresh proposals are put forward, the present measures will continue in force until June 30, 1972 at the latest.

World Shipbuilding League for 1968.

		Tons Gross			Tons Gross
1	Japan	8,582,970	6	Italy	506,114
2	W. Germany	1,351,828	7	Norway	495,221
3	Sweden	1,112,591	8	France	490,371
4	U.K.	898,159	9	Denmark	482,582
5	Spain	506,387	10	U.S.	441,125

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TRANSPORT

Social Matters in Inland Water Transport

On 25 and 26 February the joint advisory committee on social matters in inland water transport, set up by Commission decision on 28 November 1967, held its first meeting in Brussels. The Committee is made up of representatives of the carriers' organizations (the international union for inland navigation) and of workers' organizations from the six member countries.

M. Lionello Levi-Sandri, Vice-President of the Commission, opened the meeting with a speech outlining the Community's social policy for transport. Drawing attention to the committee's main tasks and stressing the importance of cooperation between men and management in inland water transport as elsewhere, M. Victor Bodson, the member of the Commission with special responsibility for transport, emphasized the link between a good social policy and a good transport policy, and the need for close cooperation in these two fields at Community level and at the level of management and labour.

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TRADE

Nixon-Rey Talks: Avoiding a Trade War

President Nixon and the Community authorities agreed last week that trade negotiations should begin in the spring between Brussels and Washington, and to start the ball rolling, Mr. Maurice Stans, of the Department of Commerce, will return to Europe after Mr Nixon gets back to the U.S.A., to take up the talks where the head of state left off. At that time, it was agreed that difficulties between America and the European Community were multiplying rather than diminishing, and that immediate action must be taken if a trade war is to be averted. Brussels was generally most satisfied with the attitude that the new U.S. administration has taken up.

Trade relations between the Community and the United States at this time are charged with all manner of potential antagonisms, especially when it comes to farm produce. The Community is dissatisfied with American legislation on exports of dairy products and tomato-based items, while Washington is concerned about the generally "expansionist" tendencies of the common agricultural policy, and in particular about the fiscal provisions the Six are shortly to apply to vegetable fats (which in particular might undermine U.S. exports of soya).

Apart from Mr. Stans' promised return, a boost should be given to this new round of talks by the visit to Washington in April now planned for the EEC Commissioner in charge of external trade matters, M. Jean-Francois Deniau.

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$ 691 Million Trade Deficit with Latin America in 1967

The Latin-American area is one of the Six's most important trade partners, coming even higher up the list, as a bloc, than does Britain, and what is more, the Six's trade balance with this area is deteriorating. 1968 figures are not yet available, but this situation in 1967, especially compared with that obtaining at the start of the Common Market, must give cause for some concern.

In 1967, imports from Latin America accounted for some 8.9% of the EEC total, while 6.5% of all community exports were destined for Latin America. In round figures, these shares represented $2,743 million and $2,052 million. This means that over the ten year period, imports from the area rose by 66% (from $1,647 million and a 10.2% of the total), while exports only increased by 27% (from $1,604 million, or 10.1% of the total).

As far as the composition of Latin-American imports to the EEC is concerned, 84% consisted of primary products, and 16% of manufactures. The latter represents an increase of about 6% over the relative amount of finished goods that were imported in 1958, although agricultural produce throughout has represented over half of the total imports of Latin American commodities into the EEC. Of course, the Six's exports to the area have always been almost exclusively of industrial products, the proportion being 93%, although this did drop from 95% in 1958, as the result of increased exports from the Community of processed foodstuffs.

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EUROPEAN PARLIAMENT

A petition calling for the direct election by universal suffrage of Italian members of the European Parliament has collected the 50,000 signatures required under Italian law, and will now be presented to the Chamber of Deputies and the Senate. If the petition is translated into action, it will mean a break with existing practice within the Common Market countries, for at present all the members of the European Parliament are designated by their national parliamentary authorities. When it was announced that sufficient signatures had been collected, Professor Walter Hallstein, the former president of the EEC Commission, and president of the international council of the European movement called on other countries within the Common Market to follow the Italian example.

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ACTION COMMITTEE FOR A UNITED STATES OF EUROPE

Professor Hallstein, as expected, is the fourth member to be named of the special team established by the Action Committee, - the brainchild of M. Jean Monnet - to look into ways and means of solving the problems raised by Britain's candidature to the Community. Professor Hallstein will look into the institutional problems and will join the Governor of the Italian Central Bank, Signor Guido Carli (economic aspects) and the former French Minister of Agriculture, M. Edgar Pisani (agricultural questions). There is also a study group looking into technological questions, in which Britain's Lord Plowden is taking an active part.

The Action Committee groups all European political affiliations - with the exception of the Gaullists and Communists - as well as the three British political parties. The full findings of the experts are expected to be ready by this summer, and should provide further information for the great debate as to the future shape of Europe.

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EUROPEAN INVESTMENT BANK

On March 4th the European Investment Bank made its fourth public bond-issue on the German capital market for a total value of DM 120 million ($30 m.). This was underwritten by a consortium of German banks headed by the Deutsche Bank AG and the Dresdner Bank AG. The bonds bear interst at the rate of 6% per annum and were offered at the price of 98%. The 15-year bonds are not redeemable by anticipation.

The bonds, of a nominal value of 500 DM, DM 1,000 and DM 5,000 each, will be redeemable at par in ten equal annual instalments after a 5-year period of grace. They will be quoted on the Frankfurt, Berlin, Düsseldorf, Hamburg and Munich stock exchanges.

The proceeds from the sale of the bonds will be used by the Bank for its general lending operations.

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Aid for Turkey

The EIB has decided to go ahead with an $844,000 loan to help build at Izmir, between Ankara and Istanbul a factory making lamp bulbs and accessories. This scheme has been put up by the Turkish Industrial Development Bank, the Türkiye Sinai Kalkinma Banksai. The new plant will be built and run by Birlesik Aydinlatma Sanayii A.S, a joint interest of the Dutch Philips' group of Eindhoven and the Turkish firm Tekfen.

The total fixed investment cost of the project is estimated to be around $2.7 million. The new plant will have an annual production capacity of some 15.5 million glass light bulbs, 21 million brass bases, 4 million fluorescent lamps, and over one million glass tubes. All of the production will be sold by the plant's two shareholders, who between them control 50% on the rapidly expanding Turkish market. The new plant also makes a contribution to the Turkish Five-year plan.

The EIB has also agreed to make available further sums amounting to $3 million to the Turkiye Sinai Kalkinma Bankasi, enabling the latter to finance projects by small and medium sized Turkish firms totalling between $6 and 9 million.

STUDIES AND TRENDS

The Development of Retail Shares in the Common Market

by Ph. Desirant,

Eurosyndicat Investment Research Bureau, Luxembourg

Part I

In the E.E.C. 1967 was a year marked by a distinct slackening of private consumption, the real per capita rate of expansion falling back from 3.3% to only 2%. Even the recovery that was registered last year was only slight: spending certainly showed a spurt in the second six months in Germany and France, although in the case of the latter the trend was accentuated by the recovery from the May-June crisis, and by the fears of widespread inflation. There is not much hope of such a trend continuing very long. Retail indexes in the Netherlands continued to race ahead, and the climate went on improving in Belgium, but against this we must weigh the fact that in Italy private consumption growth began to fall away, mainly because of the upsurge in investment in building and after the fiscal measures introduced in 1967.

Supermarkets: Increasing penetration of the retail business by integrated trading concerns is an irreversible trend. The ever-increasing size of such stores alone would bear this out, but there can be no doubt that the range of prices and services offered in addition becomes ever more alluring to the consumer also. In particular, the self-service system and the grocery supermarket go from strength to strength, and we should bear in mind that while most self-service stores are still run by independent retailers (especially in Germany), supermarkets tend far more to be administered by chain and multiple stores.

In the E.E.C., the number of supermarkets has increased by something like 25% per annum over the past few years, but they still account for less than a quarter of the total retail floor space given over to self-service. Moreover, while such shops account for 72% and 62% respectively of retail food sales in Germany and the Netherlands, the figure is only 25% for Belgium, 16.5% for France and probably less than that for Italy. We can appreciate just how far they may have to go when we recall that in the U.S.A. supermarkets alone account for no less than 70% of all retail food sales.

Even less advanced to date is the "discount" type of store, which only recently appeared in Europe, and which in some cases has made a real killing. In particular we have Carrefour in France and Superbazar in Belgium, whose average growth has been at the impressive rate of between 35 and 50% a year. This type of trading brings to those backing it a very high return on capital invested.

TABLE I

European Retailers - Key Indicators
Ratios

	Year Ending	Current Assets/ Short-Term Liabil-aties	Stocks/ Current Assets	Amortization/ Gross Fixed Assets - %	Medium- & Long Term Debts/ Capital - %	Capital/ Frozen Assets	% of Self Financing to capital in-vestment in last six years - %	Ratio of such invest-ment to cumulative turnover - %
Karstadt	31.12.67	3.0 C	53.1 C	54.5	42.1 C	0.9 C	67.3	4.92
Kaufhof	31.12.67	1.4 C	59.5 C	59.0	74.2 C	0.5 C	70.7	6.97
Neckermann	31.12.67	1.8 C	67.0 C	n.a.	99.0 C	0.9 C	55.2	1.25
La Redoute	28. 2.68	1.2	45.6	29.7	-	1.6	90.1	2.18
Nouvelles Galeries	31.12.67	1.1 C	39.4 C	41.1 C	55.9 C	0.7 C	53.5	neg.
Au Printemps	31.12.67	0.95	38.2	50.4	31.5	0.7	33.6	9.02
Galeries Lafayette	31.12.67	1.2	39.0	34.4	21.6	0.9	43.9	3.12
Paris France	31. 8.67	1.5	neg.	62.2	24.7	1.5	54.6	neg.
La Rinascente	31. 1.68	0.85	69.8	18.1(a)	64.0	0.37	67.9	3.81
Magazzini Standa	31. 1.68	1.6	36.5	71.0	-	0.84	n.a.	2.77
Innovation	31. 7.68	2.8	27.8	43.6	34.9	1.26	87.7	7.67
Bon Marche	31. 7.68	1.3	50.5	73.5	23.2	0.96	101.3	3.75
GB Entre-pises pro forma	31. 1.68	1.5	41.2	42.6	40.6	0.92	63.3	4.99
Delhaize	31.12.67	1.0	63.5	47.4	53.0	0.68	60.4	4.12
A. Heijn	31.12.67	1.4 C	38.8 C	n.a.	85.5 C	0.59 C	88.3	4.97
Bijenkorf	31. 1.68	2.2 C	41.3 C	n.a.	77.1 C	0.72 C	44.3	n.a.

(a) Trading equipment = 59.4% C=consolidated. neg = negligible.

TABLE II

European Retailers - Key Indicators

	Year Ending	Recent Price	1968 Dividend (est.) *	Earnings per share 1968(est) *	Cash Earnings per share 1968 (est.) *	Yield (I) %	Price/ Earnings ratio	Price/Cash Earnings Ratio	Limit of Price Deviation 1967-1969
Karstadt	31. 12. 68	853	18.0	48.0	85.0	2.1	17.8	10.0	888-462
Kaufhof	31. 12. 68	340	8.5	16.5(a)	35.0 C	2.5	20.6	9.7	353-190
Neckermann	31. 12. 68	163	6.0	7.0(a)	15.0	3.7	23.3	10.9	182-116
La Redoute	28. 2. 69	1137	16.0	45.0	58.0	1.4	25.3	19.6	1235-649
Nouvelles Galeries	31. 12. 68	349	4.0	8.0 C	30.0 C	1.1	43.6	11.6	363-220
Au Printemps	31. 12. 68	196	4.6	5.0 C	18.0 C	2.3	39.2	10.9	211-113
Galeries Lafayette	31. 12. 68	177	nil	-12.0 C	12.0 C	-	-	14.8	280-138
Paris-France	31. 8. 68	285	4.5	13.0 C	23.5 C	1.6	21.9	12.1	340-193
La Rinascente	31. 1. 69	230	8.5	9.0	14.0	3.7	25.6	16.4	295-200
Magazzini Standa	31. 1. 69	11,700	250.0	500.0	1100.0	2.1	23.4	10.6	11750-9850
Innovation	31. 7. 68	3220	75.0	91.0	316.0	2.3	35.4	10.2	3500-2160
Bon Marche	31. 7. 68	1300	47.5	77.0	153.0	3.7	16.9	8.5	1380-890
GB Entreprises	31. 1. 69	2795	80.0	120.0	220.0	2.9	23.3	12.7	2845-1202
Delhaize	31. 12. 68	2316	42.0	65.0	220.0	1.8	35.6	10.5	2340-1095
A. Heijn	31. 12. 68	250	3.5	11.0 C	25.0 C	1.4	22.7	10.0	298-105
Bijenkorf	31. 1. 69	720	18.0(b)	60.0 C	90.0 C	2.5	12.0	8.0	720-434

(a) Real earnings after tax

(b) This company also announced a 5% bonus for the 1968 financial year, new shares bearing interest from 1/1/68

(I) Net yield for French and Belgian companies

* In national currency

Mail Order: This varies considerably in form from one country to another. It is still being pioneered in Italy and the Benelux, while in Germany it is now well entrenched, with nearly 200 companies in business turning over more than Dm 1,000 million a year, such that signs of market saturation have in fact been coming into evidence in the last two or three years.

In France, mid way, this form of trading is still going through its most thrusting expansion stage, with its share in retail trading standing at 1.1% in 1967, as against 4.3% in Germany, which means it can reasonably expect a growth rate averaging close on 20% during the next few years. This is the sort of climate in which competition is at its keenest, involving both the larger French companies (Bon Marche, Galeries Lafayette etc), which are ensuring their stake at heavy loss, and foreign interests with considerable purchasing power and scope for diversification on their side.

Share Analysis: Intensive retailing is reflected in a very spasmodic way in the stock markets. Only in France and Belgium do we get anything like a fair reflection, and so here we have had to be selective. Most of the firms that we have analysed briefly here offer a fairly wide range of goods, although some are more strictly concerned with grocery sales (A. Heijn, Delhaize, G.B. Entreprises) or mail order (Neckermann and especially La Redoute).

Even if we leave aside the dramatic expansion rate shown by La Redoute, we find many firms in the E.E.C. that have increased turnover by more than 10% a year. This certainly goes for the supermarkets - whose sales indeed are still increasing - of Magazzini Standa and Neckermann and those operating in provincial France, although with Neckermann and Paris-France there was some slackening towards the end of the period.

The expansion shown by the major Paris stores of Galeries Lafayette and Printemps during recent years has been only very slight, but each has managed to offset this through the rapid development of its popular trading chains (Monoprix and Prisunic respectively).

- To be Continued -

EUROFLASH - HEADLINES

CONTENTS

ADVERTISING

** The Paris advertising group AGENCE HAVAS SA (see No 489) has strengthened its position within the Common Market through the acquisition of a 50% stake in the Amsterdam agency, HOLDERT & CO NV and its subsidiary HOLDERT & CO RECLAME- & VERKOOPONTWIKKELING NV.

This shareholding will be held directly by CIE UNIVAS, Paris which was formed in 1968 (see No 462) as a holding company for the group's international interests, whilst its advertising business was made over to another holding company Cie Pour Le Developpement d'Havas Conseil SA (president M. Ch Chavanor - run by M. J. Douce) which later became Havas Conseil SA, and gained - apart from the group's French interests - direct control of Univas.

In 1968, Havas had a turnover of F 743.20 million including F 151.33 from its interests in the tourist sector.

AUTOMOBILES

** ALFA ROMEO SpA, Milan, has formed a subsidiary in Vienna named ALFA ROMEO GmbH (capital Sch. 2 m.) with Sigs Cesare Rainero and Sergio Vicini as managers.

The present company is a member of the I.R.I. group - INSTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, Rome, and already has several subsidiaries in Europe: France, West Germany, Belgium, Switzerland, Spain, Britain, and recently also in Luxembourg - Alfa Romeo International SA (see No 489).

** Further to the plan announced in 1968 (see No 456) by DAIMLER-BENZ AG, Stuttgart-Untertürckheim, to build an assembly plant in Spain, CIA HISPANO ALEMANA DE PRODUCTOS MERCEDES-BENZ SA has now been formed with Ptas 650 million capital as the framework for the operation. The German group's majority holding is 50.5%, and it is linked in the venture with its licensee ENMASA - EMPRESA NACIONAL DE MOTORES DE AVIACION SA, Madrid, its general agent IDASA - INDUSTRIAS DEL AUTOMOVIL SA, Madrid, and the state group I.N.I. - Instituto Nacional de Industria, Madrid (see No 494). The new works will employ about 2,000 people.

Another recent move gained for the group a foothold in the French market, when it took over SOFIDEL - Ste Financiere des Ets Ch. Delecroix SA, Paris (see No 496).

BUILDING AND CIVIL ENGINEERING

** CABLE COVERS LTD, London, and VAN DER SPEK - AMSTERDAM NV, Amsterdam have joined 50-50 in forming C.C.L. EUROPA NV in Amsterdam with Fl 250,000 authorised capital, about one-third paid up. The new firm is to trade in material, equipment and plant for the building industry, and to supply engineering and electronic equipment.

** The West German hydraulic engineering concern RUDOLF HARMSTORF WASSERBAU GmbH, Lübeck has acquired complete control of its Paris subsidiary HARMSTORF Sarl (capital F 10,000) which was formed during 1964 on 55/45 basis with its Swiss subsidiary HARMSTORF AG, Basle.

The Lübeck firm (1967 turnover Dm 15 m) also has subsidiaries in Britain (Harmstorf Ltd) and in the United States (Harmstorf Corp).

** LOISIRS & INVESTISSEMENTS SA has just been formed in Paris with F 2 million capital and M. Jacques Collin du Bocage as president to invest in property ventures and especially co-ownership along property club lines, using the "Prop-Club" marque. This move was sponsored by the Paris merchant bank VERNES & CIE Snc (see No 500), the stake of which is 50%. The other half of the capital is held by CO.PRO.PA.GI SA, Paris, a member of the groupement d'interet economique B.C.D. - BUREAU CENTRAL DE DECISION, Paris, wherein it is linked chiefly with the Centre du Batiment & des Travaux Publics - C.B.T.P. SA, Paris, with which it has a pooling agreement, and whose president, M.Eugene Colne, will run the new company.

** Two Paris property investment companies C.O.F.I.M.E.G. - CIE FRANCAISE D'INVESTISSEMENTS IMMOBILIERS DE GESTION SA (see No 416) and S.E.F.I.M.E.G. - STE FRANCAISE D'INVESTISSEMENTS IMMOBILIERS & DE GESTION SA (see No 490 - both members of the IMMOBILIERE - CONSTRUCTIONS DE PARIS SA group (see No 465) - control equally nearly all the capital of the newly formed property company UFIMEG-UNION FINANCIERE D'INVESTISSEMENTS IMMOBILIERS & DE GESTION SA (capital F 100 m).

President of the new company is M. Maurice Durand-Degeorge and the STE MARSEILLAISE DE CREDIT, L'ABEILLE SA and LA CONCORDE SA group have also given support. The twelve members of the board represent the token shareholders, which include the banking groups CREDIT LYONNAIS, B.N.P. - BANQUE NATIONALE DE PARIS SA, STE GENERALE SA, STE DE BANQUE & DE PARTICIPATIONS SA, the BANQUE DE L'UNION PARISIENNE C.F.C.B. SA and the insurance group UNION DES ASSURANCES DE PARIS - L'UNION VIE SA.

CHEMICALS

** The Common Market interests of the American chemical and pharmaceutical products group NATIONAL CHEMSEARCH CORP, Irving, Texas (see No 494) have been strengthened through the formation of a new Brussels sales subsidiary CERTIFIED LABORATORIES SA (capital Bf 250,000) with Mr.I.L. Levy as president. The founder shares control with six affiliate companies including CERTIFIED LABORATORIES INC, Irving (see No 385) and MOHAWK LABORATORIES INC, Irving.

The American group (insecticides, scouring agents, anti-corrosion, adhesive and vitamin products) formed a first Belgian subsidiary in late 1966, National Chemsearch Benelux SA, Molenbeek-St-Jean. It has a number of affiliate (National Chemsearch and Chemsearch) sales companies in Paris, Milan, Frankfurt, Zug, Switzerland; Bromwich, Staffordshire and Barcelona.

** WYANDOTTE SpA, Pontirolo-Assago, Milan (formerly Detergenti Industriali SpA - see No 295), Italian member of the Wyandotte, Michigan group WYANDOTTE CHEMICALS CORP (see No 359) has opened an agency in Brussels under M. Robert A. Stokkin.

The American group, which has 60% control of the Italian firm, holds some 45% in the French Marles-Kuhlmann-Wyandotte SA, controlled by Ste des Produits Chimiques Marles-Kuhlmann SA (see No 428), and which has a factory in Belgium at Ertvelde, East Flanders.

** The French refractories concern CEC - CARBONISATION ENTREPRISE & CERAMIQUE SA, Montrouge, Hauts-de-Seine (capital F 29 m. - see No 499) plans to absorb STE NOUVELLE DES ETS MULLER SA, Ivry, Val-de-Marne (capital F 10.04 m.) of which it gained 73.4% control late in 1967, and which in 1968 turned over F 30.2 million.

CEC, a 34.37% affiliate of the CIE DES COMPTEURS SA (see this issue), had a 1968 turnover of F 100.39 million before tax, accruing from its six divisions: "Sanitary" (F 35.53 m.), "Refractories" (F 12.88 m.), "Pile Footings" (F 14.47 m.), "Building" (F 36.04 m.), "Nuclear Energy and Technology" and "Propane".

** The Chicago, Illinois group ARMOUR & CO (see No 494) has strengthened its EEC interests through its subsidiary ARMOUR INDUSTRIAL CHEMICAL CO, Chicago, by forming ARMOUR CHEMICALS CENTRE SA in Brussels. This subsidiary has Bf 500,000 capital, and is to develop and market chemical products, mainly fatty acid derivatives, and to coordinate the operations of other members of the group.

The Chicago concern recently came under the control of the New York food and hotels group GENERAL NORST CORP, which staved off a counter offer from the Chicago transport group Greyhound Corp (see No 482).

CONSUMER DURABLES

** The German E.G.O. - ELEKTRO-GERAETE BLANC & FISCHER KG, Oberderdingen, Württemberg, has joined with the Austrian GERAETEWERK MATREI GmbH, Matrei, Brenner, in forming a domestic appliances sales company named E.G.O. AUSTRIA ELEKTROGERAETE VERKAUFS GmbH, Matrei. This has Sch 600,000 capital, and will be managed by Herren Heinz Treffinger, Oberderdingen, and Alfons Pucher, Innsbruck.

The German partner (1967 turnover Dm 80 m.) is controlled entirely by Blanc & Fischer KG, Oberderdingen. It has two sister companies, E.G.O. - Elektro-Gerätebau GmbH (formerly Robertshaw Fischer GmbH) and Blanc & Co Metallwarenfabrik, both at Oberderdingen, although the latter also controls the Dutch concern Blanco NV at Sneek, formed in 1965 (see No 318).

** ROBERT KRUPS ELEKTROGERAETE - & WAGENFABRIK oHG, Soligen-Wald (see No 435) has formed KRUPS ITALIA Srl in Milan with Lire 900,000 capital and Sig Carlo Cantone as president (80% stake) to handle its sales interests in Italy (domestic appliances (food mixers and liquidizers, toasters, hair-dryers, clocks etc).

The German firm, which uses the Krups, Caffina, Secura, Nova, Supra, Chron, Dorette Combi, Contessa etc trademarks is represented on the board of the new firm by Herren Gert Fischer and R. Kuchenmeister. In 1967 it negotiated a contract with Neowatt B.C. Srl, Milan (see No 400) giving the latter distribution rights for its goods on the Italian market (see No 421). Abroad, its sales network takes in many affiliates: Gennevilliers, Hauts-de-Seine; Schaerbeek, Brussels, Limerick, Ireland etc.

COSMETICS

** The American and Canadian cosmetics group ESTEE LAUDER COSMETICS LTD, Toronto, Ontario (see No 489) has fomed two direct Paris sales subsidiaries managed by M. R. Bernstein, who holds 80% of the F 20,000 capital of each company. The first is called STE DES PARFUMS UNGARO Sarl and the minority shareholder is Mr. L. Lauder, New York, whilst the other STE DES LABORATOIRES DE PARFUMERIE & DE COSMETIQUES Sarl has Mr. R.M.Worsfold, New York as minority shareholder.

Estee Lauder already shared control with its Amsterdam subsidiary, Estee Lauder (Europa) NV (see No 404) of Estee Lauder Sarl, Paris formed in 1967 which is also managed by M. R. Bernstein.

** The American cosmetics and beauty products concern ALBERTO-CULVER Co, Melrose Park, Illinois, has opened a branch in Berlin. Alberto-Culver has two foreign subsidiaries, Alberto-Culver Co of Canada Ltd, and Alberto-Culver de Mexico SA. Its 1967 turnover was $ 115 million, with a 1,300 person payroll.

ELECTRICAL ENGINEERING

** At the same time as its joint Turkish subsidiary with TEFKEN is starting work on a lamp factory at Izmir (see Community - E.I.B.), the Eindhoven group PHILIPS' GLOEILAMPENFABRIEKEN NV (see No 500) has delegated one of its Australian subsidiaries, PHILIPS ELECTRICAL INDUSTRIES (AUSTRALIA) PTY LTD, to the task of running an electronics undertaking in Singapore formed by the government there. This is called SINGAPORE ELECTRONIC & ENGINEERING (PRIVATE) LTD, and will be run directly by SINGAPORE ELECTRICAL INDUSTRIES (AUSTRALIA) PTY LTD.

** The British instrumentation and control, measuring and regulation equipment concern GEORGE KENT LTD, Luton, Beds (see No 489) has made of its Brussels branch a subsidiary named KENT INSTRUMENTS (EUROPA) SA (capital Bf 2.5 m.), which takes assets valued at Bf 2.3 million from the former establishment. The new company is chaired by Sig Franco Tieghi (head of the Milan subsidiary Kent-Tieghi SpA) and directed by Mr. Anthony R. Sibley (head of the former Brussels branch), being directly controlled by George Kent (Europe) Ltd, Luton, and its object defined as the manufacture and trading of mechancial and electrical goods.

** NEDERLANDSE INDUSTRIE RADIO ARTIKELEN-NIRA NV, Emmen (electrical and electronic signalling and warning equipment - see No 448) has strengthened its sales position in Italy (see No 444) by forming a direct Milan subsidiary in which it has a 60% stake. This is called NIRA ITALIA Srl (capital Lire 10 m) and will be run by Mr. N.R. de Graaf with Signor Renzo Regano, Florence as minority shareholder. The latter is manager of the former Nira Italia Sas formed in May 1965 at Prato before being moved to Milan.

The Dutch company has several Common Market sales companies including those based in Pre-St-Gervais, France and in Courtrai, Belgium.

** A close cooperation agreement in the manufacture and sale of high-tension transformers, switch-gear and condensors has been made between the Dutch firm SMIT NIJMEGEN ELECTROTECHNISCHE FABRIEKEN NV, Nijmegen and the West German concern DOMINITWERKE GmbH, Brilon, Westphalia.

The latter (capital Dm 3 m - 1,200 employees) is the wholly-owned subsidiary of VARTA AG, Hagen (a member of the QUANDT group - see No 501) and has numerous foreign interests coordinated by its Canadian holding company INTERAFA HOLDING LTD, Winnipeg, Manitoba (see No 451). In the Netherlands its interests include NV Bataasche Accufabriek, Rotterdam, Nederlandsche Wapen- & Munitiefabriek "De Kruithoorn" NV,'s Hertogenbosch (see No 501) and Cosmopharma NV, Amsterdam, controlled through BYK-Gulden Lomberg Chemische Fabrik GmbH, Constance. For its part the Dutch firm - formerly Willem Smit & Co's Transformatorenfabriek NV (see No 386) has as its main subsidiaries within the Netherlands, NV Electromotorenfabriek Dordt, Dordrecht, AFO Apparatenfabriek "Overijssel" NV, Hatteem, Olthof's Transformatorenfabriek NV, Ede, Mij Tot Exploitatie Van Transportwagens NV, Nijmegen as well as NV Coq's Beleggings - & Beheer Mij, which in turn controls Coq NV, Utrecht. This latter has a 30% stake in Coq-France SA, Pantin, Hauts-de-Seine (capital F 5.08 m) a member of the Ste Lyonnaise des Eaux & de l'Eclairage SA group (through Ufiner SA, formerly Sudener SA). The other interests of the Dutch firm (turnover Fl 118 m) include Smit Nijmegen Electrotechnische Fabrieken-Belgie SA, Brussels and J. Kamps & Co SA, Brussels, a West German affiliate Smit Denkhaus & Co Industrie Elektrik GmbH, Essen. In late 1967 it terminated the agreement linking it - through Birlec - Smit NV, Nijmegen - to the former London group, A.E.I. - Associated Electrical Industries through A.E.I. - Birlec Ltd.

** The American scientific and laboratory equipment concern TENNEY ENGINEERING INC, Union, New Jersey, has joined 51/49 in Milan with the electronic analytical instrument concern INGS. & AGOSTINO BELOTTI Srl (see No 472) in forming TENNEY ITALIA SpA (capital Lire 10 m - president Mr Shelton Schletter) to import and distribute its products on the Italian market, where its interests have been handled hitherto by the Milan concern Riccardo Beyerle Sas.

The American firm has as its German agent the Stuttgart concern Bauer & Bacher GmbH, while a licence is held also by Deutsche Waggon & Maschinenfabriken GmbH, Berlin.

ELECTRONICS

** The expansion of the West German business of the American electronics group, TEXAS INSTRUMENTS INC, Dallas, Texas (semi-conductors, control and recording equipment - see No 338) has resulted in the opening of a Munich branch called "TISCO" to its manufacturing subsidiary TEXAS INSTRUMENTS DEUTSCHLAND GmbH, Freising.

The group had a 1967 turnover of $ 568 million, and it is well established within the Common Market: Texas Instruments France SA, Villeneuve-Loubet, Alpes-Maritimes; Texas Instruments Italia SpA, Anversa, Caserta; Texas Instruments Holland NV, Almelo. Other subsidiaries are in Britain, Denmark, Sweden, Finland, Switzerland and Spain.

** E.A.I. -ELECTRONIQUE APPLIQUEE ISKRA, which was recently formed (see No 497) as the joint subsidiary of L'ELECTRONIQUE APPLIQUEE SA, Montrouge, Hauts-de-Seine and the Yugoslav concern ISKRA, Kranj-Ljubljana has now acquired two further Yugoslav shareholders, NIKOLA TESLA, Zagreb and ELECTRONSKA-INDUSTRIJA - E.I., Nis (see No 427). All three Yugoslav firms will now use E.A.I. to coordinate their operations with French industry.

** DIGITAL EQUIPMENT CO, Maynard, Massachusetts (see No 493), controlled by the Boston group AMERICAN RESEARCH DEVELOPMENT CORP, is to fill out its sales and leasing network in Europe by forming a subsidiary in its own name in Milan (capital Lire 3 m. - president Mr. Th. G. Johnson).

Digital Equipment, already established on the continent with subsidiaries in Cologne, The Hague, Paris and Reading, recently entered the Swiss market by forming Digital Equipment SA in Geneva with Sf 50,000 capital and Mr. K. Olsen as manager.

** Two months ago, the CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA, Paris made over part of its electronics interests to the C.S.F.-CIE GENERALE DE T.S.F.SA, since renamed THOMSON-CSF SA and then acquired a 46% stake. It now intends to raise this to over 50% as a result of making over fresh assets worth some F 39 million. These will include the manufacturing facilities for electronic tubes and equipment made by its 50.98% subsidiary, Thomson-Varian SA, Paris. Before this move is carried through, the other shareholder - Varian Associates, Paolo Alto, California (see No 473) - will have sold its stake to Thomson-Houston.

** SOGREAH-STE GRENOBLOISE D'ETUDES & D'APPLICATIONS HYDRAULIQUES SA, Grenoble, Isere (hydraulic and fluid mechanics studies - see No 339) and a subsidiary of the STE GENERALE DE CONSTRUCTIONS ELECTRIQUES & MECANIQUES ALSTHOM SA, Paris (1968 consolidated turnover F 805 m - see No 497) has formed the INSTITUT INTERNATIONAL D'INFORMATIQUE SA, Grenoble. With M. Biesel as president, this has its origins in the computer centre established by its founder in 1955 and controls two computers. It will be able to supply its services to any interested company.

Sogreah is a former subsidiary of Neypric SA, which was absorbed by Alsthom during 1967.

** The New York electronics company INSTRUMENT SYSTEMS CORP (president Mr. E.J. Garrett - 1967 turnover $ 25 m) has extended its interests to West Germany with the formation of INSTRUMENT SYSTEMS GmbH, Wiesbaden (capital Dm 20,000 - manager Mr. John McCabe).

** GEMINI COMPUTER SYSTEMS INC (computer programming, software) has established a West German subsidiary in Frankfurt called GEMINI COMPUTER SYSTEMS DEUTSCHLAND GmbH.

The founder is linked to the New York group, THE DIEBOLD GROUP INC., which also has a Frankfurt subsidiary called Diebold Deutschland GmbH, and which has just formed DIEBOLD ESPANA SA Madrid. (see No 491).

ENGINEERING AND METAL

** CIE FRANCAISE D'ENTREPRISES METALLIQUES - C.F.E.M. SA, Paris (see No 362) has taken 40% in the formation at its offices of a metal assemblies concern named STE INTER-ENTREPRISES DE CONSTRUCTIONS - SIECO SA (capital F 300,000). C.F.E.M. is a 46% affiliate of Cie Francaise d'Entreprises SA, Paris (itself 20% affiliated to the CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA - see No 472), with its other shares held by the Nancy CIE DE PONT-A-MOUSSON SA group, ETS BAUDET-DONON-ROUSSEL SA, Paris; U.C.P.M.I. - UNION CENTRALE DE PARTICIPATIONS METALLURGIQUES & INDUSTRIELLES SA, Paris etc.

The new Sieco has M. A. Deschenes as chairman, and its other shareholders are, with equal stakes, CEGEBAT G.P., Maxeville, Meurthe-et-Moselle (see No 483), subsidiary of the Cie Pechiney SA group, and in particular a 28.8% affiliate of the Paris concern Grames SA (Pont-a-Mousson group member through Spimba - Ste de Participations Industrielles pour la Metallurgie & le Batiment SA, Paris) and TUNZINI-AMELIORAIR SA, Paris (see No 494 - 17% affiliate of Pont-a-Mousson), the Tunzini Entreprise SA subsidiary of which is to administer (without shareholding) the new company.

** The New York group ALLIED CHEMICAL CORP (see No 451) has acquired an option on a licence covering the United States and other countries from the French State group CHARBONNAGES DE FRANCE (see No 500) for a new coal utilisation process developed by CENTRE D'ETUDES & RECHERCHES DES CHARBONNAGES DE FRANCE - CERCHAR.

The special machinery used in this process, which has an hourly capacity of 40 tons is being manufactured under licence by the French engineering group VENOT-PIC SA, Onnaing, Nord (see No 396).

** CALIFORNIA PELLET MILL CORP, San Francisco, California, which in September 1968 (see No 481) gained outright control of C.P.M. - SIMON NV, Amsterdam (see No 499) by buying up the 49% held by the British SIMON ENGINEERING LTD, Stockport, Cheshire, has now changed the name of this company to C.P.M. - EUROPE NV.

This has Fl 2 million authorised capital (50% paid up) and makes and trades in machinery, especially pulverising and granulating presses for preparing animal feeds.

** The economic cooperation agreements signed between Italy and Yugoslavia have resulted in GRANDI MOTORI TRIESTE G.M.T. SpA (see No 364), a member of the FIAT SpA, Turin group (see No 501), signing a technical assistance, licencing and servicing agreement with the Yugoslav shipyard VIKTOR LENAC, Rijeka, and with JADRANBROD, Zagreb. The latter controls several small shipyards and repair facilities in Rijeka, Puba, Trogir, Split and Kraljevica. The Italian firm will give assistance in enlarging the capacity of Viktor Lenac's shipyard from 60,000 tons to 200,000 tons, and will make available patents to Jadranbrod for the manufacture of two and four stroke marine diesel engines. All the ships supplied with Fiat engines or built in Yugoslavia will be serviced by Viktor Lenac.

Fiat had already sold licences for railway diesel engines to the Yugoslav concern Titovi Zavodi "Litostroj",Ljubljana (see No 464) and vehicle diesel engines to Crvena Zastava, Kragujevac (see No 460).

** The West German manufacturer of air conditioning and surface treatment equipment,also heat exchangers etc., CHRISTIAN STEEB WERKE KG, Sulz, Neckar, has formed a Swiss sales subsidiary called Christian Steeb-Export AG, Winterthur. With Herr Christian Steeb as president, this has a capital of Sf 50,000.

** A further cooperation agreement has been signed between the Swiss manufacturer of precision and analytical scales METTLER ANALYSEN- & PRÄZISIONS-WAAGEN, Greifensee, Zurich, and its Dutch representative NV v/h DR. D.H. COCHERET, Arnhem. The latter will thus find its sales and maintenance facilities for the Swiss firm's products strengthened.

The Arnhem firm is also the representative of several other foreign companies, including two French firms A. Jobin & G. Yvon SA, Arcueil, Val-de-Marne (see No 482) and Electronest Sarl, Forbach, Moselle (affiliated to the West German concern Metrawatt AG Fabrik Electrischer Messgeräte, Nuremburg, a member of the Swiss group Brown Boveri & Co AG - see No 455).

** The Canadian manufacturer of agricultural and civil engineering machinery MASSEY FERGUSON LTD, Toronto, Ontario (see No 454) has strengthened its Common Market interests with the formation of MASSEY-FERGUSON SA, Brussels (capital Bf 100,000). Token shareholders in this new firm, which will operate in the information, advertising, market research, personnel training and technical assistance sector for the company's products, as well as being a portfolio management company, are a number of its Canadian subsidiaries, F.F. BARDER MACHINERY CO LTD, PERKINS ENGINES CANADA LTD, VERITY PLOW LTD, BAIN WAGON CO LTD (all based in Toronto) and MASSEY-FERGUSON BRANTFORD LTD, Brantford.

** PANAMERICAN CONSULTING FRANCE Sarl has just been formed in Paris with F 20,000 capital for all types of engineering consultancy services, and to design, build and fit out chemical plant. It is managed by M. Jean Bock, and is under the 51% control of Mr. Frank N. Hillis. The balance of the capital is held (30 and 19% respectively) by Messrs Otto K. Musall, Freeport, Bahamas, and Bris V. Sterk, Reistertown, Maryland.

** The Paris company TUNZINI-AMELIORAIR SA (see No 494) - an affiliate of three leading groups, CIE DE PONT-A-MOUSSON SA (17%), CIE FINANCIERE DE SUEZ SA (8.3%) and STE LYONNAISE DES EAUX & DE L'ECLAIRAGE SA (7.2%) - has strengthened its foreign interests through the formation in Casablanca of the STE MAROCAINE D'APPLICATIONS ELECTRIQUES & THERMIQUES SA (capital Dh 400,000). This will specialise in air-conditioning and refrigeration equipment for the building sector and industry in general.

At the same time Tunzini-Ameliorair has regrouped within a new subsidiary called PRAT-DANIEL-POELMAN SA (259 on payroll - president M. Mercier - run by M. Muhlrad) its interests in the dust extraction sector until now carried on by its "Eco-France" department and its subsidiaries Prat-Daniel SA, Rueil-Malmaison, Hauts-de-Seine (see No 462) and Ets Schneider-Poelman SA, Charenton, Val-de-Marne.

A few months ago Prat-Daniel made over its swimming-pool construction and water filtration interests (valued at F 7.48 m gross) to a firm formed in Rueil-Malmaison called STE PRADA-PISCINES SA (capital F 4.9 m) and to PERMO SA, Saint-Cloud, Hauts-de-Seine (see No 427), the subsidiary of Degremont SA (a member of the Ste Generale de Belgique group and affiliated to Pont-a-Mousson and Lyonnaise des Eaux) its "Prada" interests in the industrial water purification sector.

** The Dutch metal group LIPS & GISPEN NV, Dordrecht (see No 417) has formed an indirect lock production and trading subsidiary at Dordrecht named LIPS' SLOTENFABRIEK NV. This has Fl 2.5 million (1/5 paid up), and is directly controlled by its subsidiary LIPS' BRANDKASTEN- & SLOTENFABRIEKEN NV, Dordrecht, which has contributed complete industrial facilities at Oosterhout.

A few months ago the group formed a subsidiary named Seco NV at Culemborg with Fl 1 million capital (20% paid up) to take over the computer room equipment production (air conditioning, shuttering, ceilings etc.) of what was until then a special division of Staalmeubel NV, Roden, another in the group.

** SODETEG - STE D'ETUDES TECHNIQUES & D'ENTREPRISES GENERALES SA, Le Plessis-Robinson, Hauts-de-Seine (see No 485), subsidiary of CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS-BRANDT SA (see No 498) has boosted its foreign interests by forming two new subsidiaries, one in Greece (SODETEG HELLAS SA, Athens), and one in South Africa (SODETEG SOUTH AFRICA (PTY) LTD, Johannesburg.

A few months ago Sodeteg joined 50-50 with the German engineering group Heinrich Koppers GmbH, Essen in forming a company in West Germany named Sodeteg-Koppers GmbH, Bonn (capital Dm 20,000).

** REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 501) and the Paris machine tools concern H. ERNAULT-SOMUA SA, Paris (of the group SCHNEIDER SA - see No 384) have bought shares in ETS. CORNAC SA, Castres, Tarn.

This has F 8.4 million capital and employs 260 people in the construction of machine tools mainly milling and grinding machines. It is a subsidiary of CIE DE PONT-A-MOUSSON SA, Nancy through Ste Miniere & Metallurgique du Perigord (S.M.M.P.) SA (55.02%), and U.B.I. - Union Bancaire & Industrielle SA (35.35%).

** A link-up in the public utilities sector covering conduits, lighting, water-treatment etc between CIE DES COMPTEURS SA, Paris (see No 499), the STE GENERALE DE FONDERIE SA, Paris (see No 498) and STE DES ETS METALLURGIQUES DE A. DURENNE & DU VAL D'OSNE SA, Paris has been backed by a 50.02 / 49.08 subsidiary - STE GENERALE DE CENTRIFUGATION Sarl, Paris - of the latter two companies, with its capital raised from F 4 to F 15 million. The three firms have made over assets valued respectively at F 18.95 million (manufacturing facilities at Marquise, Pas-de-Calais and Rinxent, Pas-de-Calais), at F 9.45 million (factories at Ste-Jamme-sur-Sarthe, Sarthe and Montleizot, Sarthe), and at F 15.7 million (industrial properties in the Haute-Marne). As a result Generale de Centrifugation, which is now controlled by Generale de Fonderie (36%), Cie de Compteurs (34%) and Durenne & Val d'Osne (30%) is expected to have a turnover of around F 100 million with a payroll of some 3,000 persons.

** The West German engineering group PREUSSAG AG, Hanover (see No 401) has gained a majority stake in the fire-fighting equipment and fire-extinguisher manufacturer MINIMAX AG, Urach, Württemberg (capital Dm 6 m - see No 434). Until now this was linked by crossed shareholdings with the holding company HANF-UNION AG, Schöpfheim, Baden. It employs 1,000 persons and has a turnover of around Dm 50 million, as well as two large foreign shareholdings in SOFRAMI-Ste Francaise de Materiel d'Incendie SA, Beauchamp, Val d'Oise (capital F 880,000) and Oesterreische Feuerschutz GmbH, Vienna.

Minimax will be gradually integrated into Selbsttätige Feuerlöschanlagen GmbH & Co, Hamburg, acquired by Presussag in 1968. The group's foreign interests in this sector include: 50% in Protec-Feu Sarl, Rueil-Malmaison, Hauts-de-Seine (see No 350); Petroleum Fire Protection SA, Brussels; Fire-Fighting Systems Ltd, London and Petroleum Fire Protection SA. The last three were established by the American group Automatic Sprinkler Corp, Youngstown, Ohio (see No 349).

** The American group REYNOLDS METAL CO, Richmond, Vancouver, (see No 498) is to build an aluminium complex in the Hamburg area, although the Paris group PECHINEY SA recently decided to place its own new aluminium factory in the harbour zone of Sloe, Vlissingen, Netherlands (see No 497) in preference to this. The plant will come on stream in 1971, and will centre on a smelting works with a 100,000 t.p.a. capacity, a rolling mill and a finishing factory. The investment is of the order of Dm 500 million, and administration will be handled by a subsidiary to be formed under the name REYNOLDS METALS AG, Hambourg, the initial Dm 30 million capital of which will eventually be raised to Dm 120 million.

In Germany the American group already has a wholly-owned aluminium extrusions and sheet products subsidiary named Reynolds Aluminiumwerke GmbH, Machrodt (turnover Dm 50 m in 1967) and the affiliated Reynolds-Erbslöh Rohrblech GmbH, Wuppertal-Barmen.

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FINANCE

** The BANQUE DE PARIS & DES PAYS-BAS group (see No 501) has sold its shareholding in the London company LONDON & YORKSHIRE TRUST LTD (see No 418) to its associate LONDON & YORKSHIRE TRUST (HOLDINGS) LTD, without however affecting commercial relations between London & Yorkshire Trust Ltd and the French bank's London affiliate BANQUE DE PARIS & DES PAYS-BAS LTD (see No 392).

** The New York brokers HORNBLOWER & WEEKS HEMPHILL NOYES have established a Paris subsidiary HORNBLOWER & WEEKS HEMPHILL NOYES (FRANCE) SA (capital F 100,000). President of the new concern is Mr. Royal G. Whiting, whilst the directors are Mr. F.J. Noyes Jr., Darien, Connecticut, and M. Albert Gornez (acting president).

** The BANQUE NATIONALE DE PARIS, which recently opened a branch in Singapore, has also taken part in the establishment in Panama of the PRIVATE INVESTMENT COMPANY FOR ASIA - P.I.C.A. (authorised capital $ 40 m - $ 16.8 m issued) whose head office is in Tokyo. The capital is shared - one-third each - by a group of 120 Japanese, American and European, Canadian and Australian investors. The president of the board of directors is Mr. Yoshizane Iwasa, who has the same role in the Fuji Bank Ltd, Tokyo, whilst Mr. Stanley de J. Osborne, a managing partner in Lazard Freres & Co, New York, is chairman of PICA's board of management.

Other directors on the management board are for Europe, Australia and Canada, Dr. Aschaefer, president of the board for the Union Bank of Switzerland, Sir Colin Syme, chairman of Broken Hill Proprietary Co Ltd, and N. McKinnon, chairman of the Canadian Imperial Bank of Commerce; for Japan, in addition to Mr. Iwasa, Mr. Sumio Hara, president of the Fuji Iron and Steel Co Ltd; for the United States in addition to Mr. de Osborne, Mr. Emilio G. Collado, executive vice-president of the Standard Oil Co of New Jersey, and Mr. Rudolph A. Peterson, president of the Bank of America.

Companies also represented by directors include Fiat SpA, Deutsche Bank, Shell Petroleum and the Bank of New South Wales; Mitsubishi Shoji Kaisha Ltd, Sumitomo Chemical Co Ltd, Nissan Motor Co and Mitsui & Co Ltd; IBM World Trade Corporation, The Chase Manhattan Bank and Kuhn, Loeb & Co.

** The New York banking group MORGAN GUARANTY TRUST CO (through its subsidiary MORGAN GUARANTY INTERNATIONAL BANKING CORP, New York - see No 496) and the Paris BANQUE LOUIS-DREYFUS & CIE INTERESSEMENT SA (see No 497) have become shareholders in EPARGNE INTERESSEMENT SA, Paris. This specialises in managing joint investment trusts and tenders advice both to salaried staff and to companies regarding the formation and management of company saving schemes. It was formerly called L'Union-Interessement SA when formed in 1967 with a capital of F 100,000 by the l'Union insurance group, which has since been integrated into the Union des Assurances de Paris group. The president of the company is M. G. Devaux.

** The Frankfurt bank DRESDNER BANK AG (see No 499) has decided to open its 21st foreign office in Tokyo.

Its most recent moves outside West Germany have included the opening of a branch in Johannesburg (see No 489) and the formation in Boston of GERMAN AMERICAN SECURITIES CORP (see No 484), specialising in security operations.

** The Lebanese interests represented by M. K. Ousseimi, Beirut and administered by the GEFINOR BANK LTD, Nassau, Bahamas holding company, which formed the Luxembourg investment concern FORTUNE FUND SA (authorised capital $ 1 m) have also formed another company called GEFINOR HOLDING SA. This has a capital of $ 2 million and its directors, apart from the founder M. K. Ousseimi, include Mr. Maurice Hamill, Chellaston, Derby and M. Serge de Keyn, Brussels, and it will acquire holdings in all types of companies.

** Messrs. Peter A. Cooper and R.G. d'Abo, who are partners in the London brokers MYERS & CO (see No 339) are directors of the newly-formed Luxembourg investment fund MID-OCEAN FUND SA (authorised capital $ 5 m). BANQUE LAMBERT-LUXEMBOURG SA (see No 484) has also taken part in the formation of the new fund.

The latter is a member of the Brussels group Banque Lambert Scs and recently took part in the formation of Ste Financiere de Gestion-Sofiges SA, Luxembourg, a holding company with a capital of Lux F 3 million.

** The PHILIPP BROTHERS division of the ENGELHARD MINERALS & CHEMICALS CORP, Newark, New Jersey group has formed a commercial bank in Switzerland called PHILIPP BROTHERS BANK AG, Zug (capital Sf 10 m - president Mr. Charles Jucker). The new bank will operate in the Common Market, Switzerland, Austria, Spain, Portugal, Scandinavia, United States and Canada.

The Newark group, which makes a wide range of metal and chemical products and electric components had a 1967 turnover of $ 1053 million, and it was formed in September 1967 by the merger of Minerals & Chemicals Philipp Corp, Menlo Park, New Jersey (see No 411) with Engelhard Industries Inc (see No 406). Its main European subsidiaries are in Britain, Denmark, Italy, Sweden, Switzerland and West Germany.

FOOD & DRINK

** Negotiations are taking place between the leading French cheese concern FROMAGERIES BEL, LA VACHE QUI RIT SA (1968 sales F 423.3 m - see No 497) and one of the leading food groups GENVRAIN SA, Paris (turnover exceeds F 1200 m - see No 500). The latter held unsuccesful talks with SAPIEM SA regarding a merger during 1968 (see No 418). Fromageries Bel (a member of the Fievet group) and Genvrain (fresh dairy products and animal feeding stuffs) have agreed to study ways of closer cooperation in the research and investment sector, as well as means of rationalising their action in the domestic and export markets.

** The French dairy products concern S.A.F.R. - SA DES FERMIERS REUNIS (a member of the GENVRAIN SA group - see No 495) has gained almost complete control of the Milan animal feeding stuffs concern S.I.S.A. SpA (see No 370). It has carried out this move by acquiring the 50% initial stake held by its partner S.I.R. - Specialita Integrativi Razionali SpA, Milan and Correzana, Lesmo (see No 498).

** The Paris company CIE GENERALE SUCRIERE SA (see No 475) has acquired 80% control of SUCRERIE DE FISMES SA, Paris, whose production facilities at Fismes, Marne and Chalons-sur-Marne have an annual capacity of some 20,000 t.p.a. Generale Sucriere (1968 pre-tax turnover F 630 m - production 200,000 t.p.a.) is affiliated - 40% each - to Sucreries & Raffineries Bouchon & Pajot SA, Nassandre, Eure and Ste des Raffineries de Sucre de Saint-Louis SA, Marseilles, as well as to Cie Nouvelle des Sucreries Reunies SA (around 13% directly and indirectly), which itself is a 23.8% affiliate of Raffineries & Sucreries Say SA. The latter company is negotiating the sale of its shareholding in Sucreries Reunies, as well as the 7% stake held by the Say family in Generale Sucriere.

** The Belgian group GENERAL BISCUIT CO SA, Herentals (see No 392) and the French group CERALIMENT SA, Maisons Alfort, Val-de-Marne (see No 486) have agreed in principle to a merger in the special bread and biscuit sectors. Together they account for some 10% of the Common Market biscuit market and intend to strengthen their economic and financial links.

General Biscuit was formed by the 1965 merger of Parein and De Beukelaer, and controls considerable manufacturing facilities in the Netherlands, West Germany and Italy, as well as having a sales network throughout the Community. Ceraliment was formed in 1967 by the merger of Biscuiterie Alsacienne & Heudebert SA and controls some 8% of the French biscuit market. The link-up of the Belgian group will not however affect its interests in Biscottes de France SA, which has an 18% share of the French biscotte market (see No 499).

** The British brewery group WATNEY MANN LTD (see No 488) has strengthened its Belgian interests by taking a large minority shareholding - through its Luxembourg subsidiary WATNEY MANN SA - in the wine and spirit retail chain SA SUPERMARCHE DE VINS-GEVIN, Brussels (see No 461), as well as in the bottling company BEVERAGE BOTTLINH CENTRE NV, Zellink (see No 482). The group already controls - directly and indirectly - several Belgian companies including Brasseries de Koekelberg & D'Ixelles-Ixelberg SA, Koekelberg (see No 459); Watney SA, Chatelet, Charleroi; Anc. Brasseries Vanderheuvel & Cie Brasserie Saint-Michel SA, Molenbeek; Nouvelle Brasserie Fauconnier SA, Chatelet; Top Bronnen NV, Nederbrakel and Ste d'Exploitation de Pubs - S.E.P. SA, Brussels.

** The West German producer of pre-cooked frozen meals, APETITO-FERTIGMENUE KARL DUESTERBERG, Rheine, Westphalia, has been acquired by the Cologne firm VERSAFOOD DEUTSCHLAND GmbH, Cologne, a subsidiary of the Canadian group VERSAFOOD SERVICES LTD, Toronto. Apetito-Fertigmenü Karl Düsterberg has a daily capacity of 35,000 meals and had a turnover of Dm 15 million.

** The Paris company UNION INDUSTRIELLE SUCRIERE SA (formed late 1968 - see No 489), which was established as a holding company to take over the sugar and alcohol factories at Mamers, Sarthe and Humieres, Oise of its two founders, CORNIC SA, Paris and SA SUCRERIES-DISTILLERIE DE MONCHY-HUMIERES, Monchy-Humieres, Oise, has raised its capital from F 100,000 to F 11.09 million. This increase has been underwritten 59/41 by its two founders in return for assets, which have been made over to the company.

** The Belgian company SOVEDI- STE DE VENTE & DE DISTRIBUTION SA, St-Gilles-Brussels (see No 320) has gained control of LES CAVES DE BEAULIEU SA, Brussels, which is the distributor for "Old Smuggler" whisky, "Beefeater" gin, "Borzoi" vodka and "Henkell" sparkling wines. This will make Sovedi one of the leading importers and distributors of spirits and wines in the country.

Sovedi is a subsidiary (45% each) of the French COINTREAU Sarl, Angers, Maine-et-Loire (through its subsidiary Simfa - Ste d'Importation & de Fabrication SA and Ste Belge Cointreau & Cie Snc, St-Gilles, Brussels), Maison E Remy Martin & Cie SA, Cognac, Charente, owned by the Remy-Martin family, which also control Cointreau. A 10% stake is held by the Bayonne firm Izarra-Distillerie de la Cote Basque Sarl.

** The Glasgow group TEACHER (DISTILLERS) LTD intends to boost its interests within the Common Market by forming a subsidiary in West Germany.

Its subsidiary WM TEACHER & SONS LTD, Glasgow, has already established a Swiss sales company called WM TEACHER SALES AG, Steinhausen (capital Sf 50,000 - under Herr Friedrich Geller). In France the group is linked to Jas Hennessy & Co Sarl, Cognac, Charente (see No 336), the second largest producer of brandy in France.

** With the backing of the French brewery group STE EUROPEENNE DE BRASSERIES SA - S.E.B., Champigneulles, Meurthe-et-Moiselle (see No 495), a Paris holding company called SEPIC - STE EUROPEENNE DE PARTICIPATIONS INDUSTRIELLES & COMMERCIALES SA has been formed. This will be responsible for food distribution concerns and at a later stage establishing larger groups.

President of the new company is M. Pierre Andre, and it will be run by M. M. Charbonneaux, manager of D.W.L. (FRANCE) LTD, Paris, on whose premises it is based. The new company has a capital of F 10 million with 50% backed by STE FRANCAISE DE PARTICIPATION & D'ETUDES SA (holding of the S.E.B. group), on its own behalf and for two other companies, including one which is foreign: Ste Generale SA (through Ste Financiere de Valeurs Industrielles & de Valeurs de Banque-Valorind SA - see No 484), Rothschild SA (through Cie du Nord SA - see No 501), Source Perrier SA (through Cie Fermiere de l'Etablissement Thermal de Vichy SA, a direct subsidiary of the holding company Cie Generale des Grandes Sources d'Eaux Minerales Francaises SA - see No 415), B.S.N. - Boussois Souchon Neuvesel SA (through Ste Verriere Industrielle & Financiere - Finaver SA - see No 364) and L'Union des Assurances de Paris - U.A.P. SA (see No 476). In particular, the new holding company has taken a 2.5% stake in Union Succursaliste SA, Paris (of the group Docks Remois-Familisteres SA - see No 307), and similar stakes in Nord-Ouest Alimentation SA, Caen, and Economiques Troyens & Docks Reunis SA, Troyes.

** Two Dutch insurance companies based in The Hague, VERENIGDE NILLMIJ NV (see No 495) and EERSTE NEDERLANDSCHE VERZEKERING MIJ., will result in the formation of a holding company called EERSTE NEDERLANDSCHE NILLMIJ. NV, ranking 3rd amongst Dutch insurance groups.

Nillmij, which ranks 7th in the Dutch "life" sector (premiums Fl 80 m) operates in the fire, accident and general risks sector through its subsidiary NV Schadeverzekeringsmij. Nillmij. (premiums Fl 9 m). The other company involved ranks 6th in the "life" sector (premiums Fl 127 m) and in the fire, accident and general risks sector (premiums Fl 88 m) operates through its subsidiary Nieuwe Eerste Nederlandsche Verzekeringsmij. NV.

** CIE CONTINENTALE D'ASSURANCES SA, Valence, Drome (see No 251) has backed the formation on the premises of its 71.6% Paris parent company LA CONCORDE SA (see No 490) of the re-insurance group AICA. This will enable it to integrate its interests in this sector with those of two other insurance companies, LA LUTECE SA, Lyons, Rhone (see No 289) and THE NIPPON FIRE & MARINE INSURANCE CO LTD, Tokyo, and their re-distribution on the following basis: 72% to Cie Continentale d'Assurances, 27% to La Lutece and 1% to The Nippon Fire & Marine.

La Concorde (the French representative of the Tokyo company) is controlled by Assirucazioni Generali di Trieste & Venezia SpA (see No 470) and Rothschild SA, Paris. It shares control of La Lutece (capital F 5 m) with the Geneva group Union Suisse, Cie Generale d'Assurances SA (see No 469).-

** The increase from Bf 1 to Bf 20.25 million of CIE D'ASSURANCES NAVIS SA's capital has been entirely underwritten by the American firm REINSURANCE MANAGEMENT CO, Kansas City, Missouri, in return for a shareholding in the New York re-insurance company COMMERCIAL FINANCIAL CORP, Cie d'Assurances Navis will now carry out all insurance and re-insurance operations in the goods transportation sector. Its former shareholders were Caisse Commune de Courtage SA, Uccle-Bruxelles and Messrs Henri t'Felt, Uccle, Charles F. Gross, Kansas City, and Jerome Lasky, Paris. The latter three will remain on the board along with Messrs Ward Smith, London, and Theodore G. Gaines, Chicago, Illinois.

** SUN INSURANCE OFFICE LTD (see No 264), a member of the London insurance group SUN ALLIANCE & LONDON INSURANCE LTD (formerly SUN ALLIANCE INSURANCE LTD until July 1965 - see No 312) has opened a branch in Brussels under M. Paul Isabeau.

The London group already has a number of subsidiaries and associates in the Common Market: in the Netherlands (Hollandsche Brand- & Levensverzekering Societeit Van 1808 NV and NV Verzekering Societeit de Amstel), in West Germany (Deutsche Versicherungs-Ges. In Bremen, Gildeversicherung AG and Securitas Bremer Allgemeine Versicherungs AG) and France (La Securite SA, Paris - a member of the Union des Assurances de Paris group - see No 448).

NUCLEAR ENERGY

** The Rotterdam shipbuilding and engineering group VEROLME VERENIGDE SCHEEPSWERVEN NV (see No 491) has linked with the Belgian group A.C.E.C. - ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA (part of the EMPAIN group - see No 496) with the aim of tendering jointly for the construction of a second Dutch nuclear power station (400 MWe capacity) following the one at Dodewaard.

Verolme (1968 turnover Fl 591 million - 1400 employees) has controlled since late 1968 - through the specially formed holding company NV MIJ TOT BEHEER VAN HET AFGESCHEIDEN VERMOGEN VAN N.D.S.M., Rotterdam - the Amsterdam shipyard NED. DOK. & SCHEEPSBOUMIJ N.D.S.M. v.o.f. In the nuclear field it is working on the development of a propulsion system for ships, and in the conventional power sector is the licensee of the American company FOSTER WHEELER CORP, Livingstone, New Jersey and New York for the manufacture of high-power conventional generators.

A.C.E.C. - at present holding negotiations for a link-up with the New York group, WESTINGHOUSE ELECTRIC CORP - has experience in the construction of nuclear power stations gained from its work on the Franco-Belgian station at Chooz-Ardennes, and the two 800 MWe stations at Tihange, Liege and at Doel, near Antwerp.

OIL, GAS & PETROCHEMICALS

** Following the West German government's decision to strengthen the country's independent oil companies by keeping control of G.B.A.G. - GELSENKIRCHENER BERGWERKS AG, Essen (see No 498) in German hands, the Bonn government has agreed to back the formation of an oil supply company called DEUTSCHE ERDOELVERSICHERUNGS GmbH.

This will be backed by the eight companies who are already linked within DEMINEX-DEUTSCHE MINERALOEL-EXPLORATIONS GmbH, Düsseldorf (see No 499). These are G.B.A.G. Wintershall AG, Celle; and Scholven-Chemie AG, Gelsenkirchen-Buer (19% each); Union Rheinische Braunkohlen Kraftstoff AG, Wesseling, Cologne (14%), as well as Preussag, Hanover; Deutsche Schachtbau & Tiefbohr GmbH, Lingen; C. Deilmann GmbH, Bentheim and Saarbergwerke AG, Saarbrücken. The new company will be given a loan by the government amounting to Dm 575 million spread over six years.

** The French company CIE DE NAVIGATION DAHER SA, Marseilles, has backed the formation in Antwerp of PARK MOTORS NV (capital Bf 5 m). This will handle all operations connected with garage equipment, fuel sales and the running of service stations. It is directly controlled by the Antwerp concern DAHER & CIE NV and a token shareholder is its sister company Codap NV, Antwerp (formerly Ets. Britanniques SA). Directors of the new concern are Messrs Ludo Sommers, Carlo Koevoets, Francis Magnan, and Henri Daher, and the latter two are also directors of the founder and its subsidiary Daher & Cie Sarl.

** The recently-established Milan subsidiary AGIP TAILANDIA SpA (oil prospecting and sales - see No 498) of the Rome oil group E.N.I. SpA, has opened a branch in Bangkok under Sig P. Roseo. With Sig Italo Ragni as president, Agip Tailandia is controlled 95/5 by Agip SpA and Snam SpA, Milan.

PAPER AND PACKAGING

** COPE ALLMAN INTERNATIONAL LTD, London (mainly cosmetics packaging and aerosols - see No 469) has strengthened its position in Germany by taking over GEBR. KOELLISCH AG, Nuremberg (see No 419), with which it was already linked in K.S.V. - KOSMETISCHE SPEZIALVERPACKUNGEN VERTRIEBS GmbH, Solingen. Köllisch has Dm 1 million capital, about 500 people on its payroll and a subsidiary in Rome, Consul Italia SpA, formed in 1965 (see No 326).

In West Germany, the British group has another subsidiary (through the French STORAPRO - Stockage, Raffinage & Produits Chimiques de Beaune-la-Rolande, Beaune-la-Rolande, Loiret), named Deutsche Aerosol Ventil GmbH, Nuremberg (capital Dm 850,000).

PHARMACEUTICALS

** A 50-50 link-up between French and German interests in the dietary products sector will be co-ordinated by the newly-formed Paris company APONTI FRANCE Sarl (capital F 50,000 - manager M. Yves Mazelde). The founders are APONTI KINDER-NAEHRMITTEL GmbH, Cologne (capital Dm 20,000) and COOPERATION PHARMACEUTIQUE FRANCAISE SA, Melun, Seine-et-Marne.

The latter (capital F 50,000) has been linked 50-50 since 1968 (see No 447) to AMERICAN HOSPITAL SUPPLY CORP, Evanston, Illinois, within Cooperation Europeenne de Fournitures Hospitalieres Sarl, Paris (capital F 1.25 m). This manufactures and sells hospital and medical equipment.

PLASTICS

** The French PRESTIL SA, Choisy-le-Roi, Val-de-Marne (see No 304) has granted a licence to the American group RICHFORD INDUSTRIES INC, Houston, Texas (headed by Mr. Stephan Kneapler) to manufacture its "Prestil" zip fasteners, and it will also supply machinery developed by itself for production of the same.

The French concern, headed by M. Henri Schick, employs some 1,200 people in its works at head office, Orly and Bernay, Eure, having a turnover in excess of F70 million.

** The largest Japanese zip fastener concern, YOSHIDA KOGYO KK, Tokyo (see No 453) has boosted the finances of its Dutch subsidiary YOSHIDA (NEDERLAND) NV, Sneek, by raising its capital from Fl 2 to 5 million (paid up capital doubled to Fl 2.6 m.) A token share was underwritten in this instance by its Tokyo subsidiary YOSHIDA SHOJI CO LTD, which also backed the formation of the Sneek firm in 1964.

Yoshida (Nederland) is a manufacturing concern, and in the Common Market has sales subsidiaries in West Germany (Yoshida (Deutschland) GmbH, Mönchgladbach - formed in October 1967), France (Yoshida (France) Sarl, Paris - September 1967), and Italy (Yoshida Fossanese Srl, Milan - February 1968 in association 50-50 with the Italian Bottonificio Fossanese SpA, Fossano). In all these companies it holds shares on behalf of the Japanese parent company.

PRINTING AND PUBLISHING

** The French interests of the LIBRAIRIE HACHETTE SA group (1968 turnover F 1040 m - see No 495) will be rationalised by moves within its "press" division. These will involve FRANCE EDITIONS & PUBLICATIONS - F.E.P. SA, Paris (see No 336) absorbing STE DES EDITIONS SAINT-FLORENTIN SA (gross-assets F 7.18 m).

The latter (already under 94.3% control) published the periodicals "Jardin des Modes" and "Arts Menagers", whilst F.E.P. (under 69% control) publishes "France-Soir", "Paris-Presse", "Journal du Dimanche" and "France-Dimanche" as well as the weekly "Elle". With a capital of F 1.33 million, this has 79.17% control of SEPE - Ste d'Etudes & de Publications Economiques SA(an 83.65% subsidiary of the Hachette group) which publishes "Entreprise", "Connaissance des Arts", "Realities" and "Top". It recently bought from the Anglo-French group, Cie Francaise d'Editions SA (see No 480) a 26.6% stake in La Vie Francaise SA, - until now controlled by S.J.P.P. Sarl, a subsidiary of E.J.P.P. Sarl -, in which Hachette's stake - following a number of moves - is now 43.9%.

** An agreement has been signed between the French and Belgian publishers EDITIONS MONTSOURIS SA, Paris, and FEMMES D'AUJOURD'HUI SA, Anderlecht, Brussels (see No 385) with the aim of rationalising the manufacture and marketing of their respective dress-making patterns. All their trade names will now be managed by the Belgian company, whilst the marketing will be undertaken by EDIPAC - STE D'EDITION & DE DISTRIBUTION DE PATRONS DE COUTURE Sarl, formed in Paris in late 1967 by Femme d'Aujourd'hui and its subsidiary Edition du Hennin Sarl, Paris (60%), with the remainder held by France Editions & Publications - F.E.P. Sarl (see this issue) and Ste des Editions du Mai Sarl (see No 336).

Editions Montsouris (publisher of the weekly L'Echo, formerly Echo de la Mode) had a 1968 turnover of F 92.49 million and since 1961 has been an affiliate of the Financiere de Suez & de l'Union Parisienne group. The Brussels company (sales of Bf 1397 in 1968) belongs to the Paris group Librairie Hachette SA (see this issue), which also controls F.E.P. and Editions du Mai.

** The Dutch publishing group UITGEVERSMIJ ELSEVIER NV, Amsterdam (see No 492) has taken 50% in the formation at The Hague of a company named UITGEVERSMIJ INTERVENTURA NV, mainly for publications related to transport. This has Fl 500,000 authorised capital, 20% paid up, and the other half of the capital is held by Mr. Frederik J. van der Flugt of Wassenaar, who is director.

Early this year, the Amsterdam group had an internal reorganisation, and converted itself into a holding company, making over its publishing activities to a new concern named ELSEVIER NEDERLAND NV (dictionaries, atlases, scientific works and leisure reading - directors Messrs van der Heyden and van der Vlies). At the same time, it started work on the rationalisation of the business of its subsidiaries Uitgeversmij Agon-Elsevier NV, Uitgeverij A. Roelofs van Goor NV and Uitgeverij H.J. Dieben NV, The Hague, which came under its control a few months ago.

RUBBER

** The French crude, natural and synthetic rubber trading concern, S.A.F.I.C. - ALCAN & CIE SA, Puteaux, Hauts-de-Seine (of the Paris, CHARGEURS REUNIS SA group - see No 485) has gained 100% control of a similar U.S. company named CHRISTOPHER TRADING CORP, New York, and M.Phillipe Alcan will take over as general manager.

The French concern has F 18 million capital, and in 1968 turned over F 292 million. A few months ago it formed a subsidiary in Singapore under the name Alcan Far East (Private) Ltd.

** The Mannheim industrial rubber concern F.J. SCHOEPS & CO GmbH has become an affiliate of the Munich based METZELER AG group. Until now the Mannheim concern (capital Dm 6 m) was a sole interest of FRED. JOACHIM SCHOEPS STIFTUNG, Mannheim. With some 2,500 employees on its payroll (facilities at Mannheim-Friedrichsfeld and Hanau) it has a 1968 turnover of Dm 65 million.

The Metzeler group had a consolidated turnover last year of Dm 700 million and it recently sold half its stake in the Swiss holding company Elastomer AG, Chur to the Frankfurt bank I.H.B.- INVESTITIONS & HANDELSBANK AG (see No 495).

SERVICES

** Messrs. Gordon D. Allen and Ernest Allen (61.2 and 38.8% respectively) have backed the formation in Belgium of ALLEN CONSULTANTS Sprl, Ixelles-Brussels (capital Bf 250,000). This will supply technical, marketing, sales and financial assistance and advice, especially to the chemical industry.

** The New York management consultants, McKINSEY & CO INC (see No 319) have strengthened their Common Market interests with the establishment of a branch in Milan under Mr. Jay Berry. They are already established in Amsterdam, Düsseldorf, Paris as well as in London and Zurich.

TEXTILES

** EUROFIBRA HANDELSANSTALT, Schaan, Liechtenstein, which is headed by Sig Gambazzi, Lugano, Switzerland, and trades in natural and synthetic fibres and threads has opened a branch in Milan under Sig C.G. Boffo, Biella.

** The French ready-made clothing firm ETS. RICA LEVY SA, Marseilles (also facilities in Lille) has backed - and taken a direct 22% interest in - the formation of RICA LEVY BELGIQUE SA, Koekelberg-Bruxelles (capital Bf 500,000). The founder's owners MM. Georges, Claude and Paul Levy, hold a 30% stake in the new company, whose president is M. Claude Levy and the managing director M. Tamas Rakosi, who represents the Belgian interests which control a 48% stake. The new company will manufacture and sell clothes and textile products.

** The West German knitwear manufacturer ZUELPICHER STRUMPF-FABRIK KREISSIG KG, Zülpich, has formed an Italian subsidiary called KRETEX Srl, Brescia (capital Lire 300,000) with Herr Walter Kreissig as director.

The founder, which has a branch in Cologne, employs some 300 persons and had a 1967 turnover of Dm 11 million.

** The Amsterdam ready-made clothing firm MANTELFABRIEK M. STIBBE NV (see No 390) has strengthened its Belgian interests - it already has a sales subsidiary STIBBE-BENELUX NV, Diepenbeek-Bruxelles - with the formation in Brussels of STANDARD COATS NV (capital Bf 100,000). This will manufacture and trade in textile goods and has he founder's director Mr. Henk Harmel as president. It will be run by Mr. A. Amsen and s a direct 88% interest of the subsidiary NV Financieringsmij. H.Harmel, with the re-nainder held by its subsidiary NV Effectenbeleggingsmij. Andre NV, Amsterdam and Stibbe-Benelux, Diepenbeek.

* The German textiles concern GERRIT VAN DELDEN & CO oHG, Gronau, Vestphalia, is to increase its industrial capability considerably by taking a majority holding n LUDWIG POVEL & CO KG, Nordhorn. This is a family concern, spinning and weaving otton and synthetic fibres: it employs some 2,300 persons, and in 1967 had a turnover of Dm 93 million.

Gerrit Van Delden, which after this move will head a group with a payroll of ver 7,000 and an estimated turnover of Dm 350 million in 1969, recently formed a sub-idiary in Austria, Gerrit Van Delden & Co Beteiligungs GmbH, Vienna (see No 487).

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TOURISM

** The American company OPEN ROAD INTERNATIONAL, St Louis, Missouri has formed a 50% Paris subsidiary STE OPEN ROAD INTERNATIONAL (FRANCE) Sarl (capital F 20,000), which will operate as a travel agency under the management of Mme. Nicole Murak. A 49.5% stake in the new venture is held by the founder's own director Mr. Morton Meyer, St-Louis.

** PAN AMERICAN WORLD AIRWAYS INC - PANAM, New York (see No 501) has formed a company named INTERCONTINENTAL HOTELS FRANCE Sarl at its offices in Paris (capital F 50,000 - manager M. P.L. Monnet) to supervise and run its French hotel interests.

The American group runs over 50 luxury hotels around the world, through Intercontinental Hotels Inc, New York (acquired in 1968 - see No 494). In Paris, the "Continental" hotel is at present under renovation (MM. R. Michel and R. Le Clere are the new presidents of the companies Ste d'Exploitation de l'Hotel Continental SA and Ste Fonciere de l'Hotel Continental SA - see No 459), having been acquired from the Dutch group E.M.S. - Exploitatie Mij Scheveningen NV (headed by Mr. M. Swolsman), through SA d'Immeubles Commerciaux, Paris), and this will eventually be placed under the group's new French subsidiary.

TRADE

** The recently decided upon (see No 494) link-up in the discount shopping sector between the French out-of-town shopping centre group CARREFOUR SUPERMARCHE SA, Paris and the leading Belgian chain store group ETS. DELHAIZE FRERES & CIE "LE LION" SA, Molenbeek-St-Jean (see Studies & Trends) has now resulted in the formation of LA DISTRIBUTION EN MASSE-DISTRIMAS SA, Hornu. With a capital of Bf 30 million, this has received from its Belgian founder the land for the construction of the first "Carrefour" out-of-town shopping centre in Belgium.

** The West German concern dealing in manufactured products ROLF KANDELER oHG, Hamburg-Fuhlsbüttel, has formed STE FRANCO-ALLEMANDE DE DISTRIBUTION-SOFAD Sarl, Boulogne-sur-Seine (capital F 20,000). Herr K. Kandeler has a 95% interest whilst the manager, Mme. Rene Hubert, controls the remainder.

TRANSPORT

** Because HAMBURG-CHICAGO LINIE GmbH, Hamburg (services between N. West Europe and the Canadian east coast and Great Lakes) has been taken over (see No 494) by HAMBURG-SUEDAMERIKANISCHE DAMPFSCHIFFAHRTSGESELLSCHAFT EGGERT & AMSINCK, Hamburg (subsidiary of the Hamburg group RUDOLF A. OETKER), it will lose the ten cargo vessels made available to it by VAN NIEVELT GOUDRIAAN & CO'S STOOMVARRTMIJ NV (of the S.H.V. group - STEENKOLEN-HANDELS-VEREENIGING NV, Utrecht) which ceded its shares in Hamburg-Chicago Linie to Oetker.

Hamburg-Chicago, whose Dutch agency will go to the ship broking and shipping services concern Intermar - Internationale Transport - & Maritieme Agenturen NV, Rotterdam (affiliated to NV Gebr. Van Uden's Scheepvaart - & Agentur Mij) and its associate Intermar Amsterdam NV, Amsterdam, plans also to strengthen its Europe - North America services to make up for the dissolution of the T.A.L.L. pool - Transatlantic Lakes Lines. This was a combined freight venture serving Canada and the Great Lakes, embracing Mij Zeetransport (Oranje Lijn) NV, joint subsidiary of NV Kon. Paketvaartmij JV, Nederlandsch-Amerikanische Stoomvaartmij "Holland-Amerika Lijn and Olsen 9 Ugelstad (Fjell Line), Oslo.

** An agreement in principle was recently reached between the Chicago and New York group, GENERAL AMERICAN TRANSPORTATION CORP, Chicago and the Rotterdam group PHS. VAN OMMEREN NV, (see No 487) for the construction and exploitation at Antwerp of 30,000 m3 of storage facilities for liquid products discharged directly from ships of up to 70,000 tons. Further to this, a port subsidiary called GAMATEX NV, and not GATX MATEX "GAMATEX" as orginally intended has been established with a capital of Bf 50 million. Other shareholders in the new concern included the founders' subsidiaries, TRANSTANK NV Antwerp, NV MIJ BIERHAVEN, Rotterdam and NV AMSTERDAMSCHE TANKOPSLAGBEDRIJF "AMATEX" NV, Amsterdam on the Dutch side and GATX OVERSEAS FINANCE CORP, Chicago (almost all the American stake), FULLER CO, Catasanqua, Pennsylvania and GENERAL AMERICAN FIELD ERECTION CORP, Chicago, for the American partner.

** The Rotterdam transport group FURNESS NV (formerly FURNESS' SCHEEPVAART - & AGENTUUR MIJ NV - see No 499) has backed - and taken a direct 1% stake - in the formation of the port handling, holding and finance company R.S.M. UNICENTRE NV (authorised capital Fl 250,000 - 40% issued), which is directly controlled by its subsidiary ROTTERDAMSCHE STUWADOOR MIJ. (R.S.M.) NV, Rotterdam.

A few months ago the latter (see No 483) took a 50% stake in the establishment of a similar company, Unicentre NV (authorised capital Fl 100,000 - 20% issued). The other 50% was taken up by Stuwadoors Mij. Heyplaat NV, Rotterdam (see No 497), the subsidiary of the S.H.V. - Steenkolen-Handelsvereeniging NV, Utrecht (directly and through Van Nievelt & Goudriaan & Co's Stoomvaart Mij NV, Rotterdam).

* The New York shipping company UNITED STATES LINES CO (see No 491) has decided to close its agency in Le Havre, which employs some 50 persons, and at the same time it has appointed CONSORTIUM MARITIME FRANCO-AMERICAIN as the representative for its ships calling at Le Havre.

A few months ago it closed down its Paris agency after having appointed CIE DES MESSAGERIES MARITIMES SA, State controlled and affiliated to the CHARGEURS REUNIS A group (see No 500) as its agent general for passenger services from France, The Benelux countries, Italy, Switzerland, Spain, Portugal, the Near and Middle East, as well as French-speaking Africa.

VARIOUS

** The Paris company AMBIANCE SONORE SA (background music, using the American "Muzak" system), which was formed in 1965 by STE IMMOBILIERE DU 8 RUE DE PENTHIEVRE SA, a holding company of the Paris banking group STERN & CIE Scs (see No 431), has acquired as a new 50% shareholder (capital F 1.5 m) the Spanish company INVERSIONES ESPANOLAS SA, Madrid.

The latter has a similar subsidiary in Spain, Musica Funcional SA, Madrid and Barcelona, and with a capital of Pts 20 million, is a 5% affiliate of Generalfin SpA, Milan group - see No 484) and a 10% affiliate since late 1968 of the London group National & & Grindlays Bank Ltd. This interest is held directly and through its subsidiary Brandt's Sons & Co Ltd, London (see No 490).

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