Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Paris

Towards Monetary Morality

When a sudden "tidal wave" breaks over the social or economic order (or any other, for that matter), that had previously been thought stable - as happened with France's May-June crisis, and again with her monetary crisis of recent weeks - it is futile to look for any single causative factor (although this is often done) as there is invariably in such a case a whole nexus of contributory factors. We have already (see No 489) had something to say about those who have attributed recent events solely to rampant speculation, or solely to Germany's stubborn refusal to revalue the mark. The next logical step is to consider the views of those who argue that imperfections in the world monetary system are to blame.

Obviously, this system leaves much to be desired, but at the same time it is considerably more robust than we are often led to believe. Here, there are one or two points to be made:

1) Typical of the criticisms of the gold exchange standard system is the argument that it fails to keep the expansion of liquidity abreast of growth in international trade. Another way some experts, who deny the actuality or even the imminence of such a liquidity shortage, have of stating this criticism is that liquidity could be lacking if the USA ceased to furnish liquidity for the rest of the world by manipulation of its balance of payments, always in deficit for this reason. Clearly, the recent franc-mark crisis had nothing to do with any lack of liquidity: on the contrary, this had been bolstered by what has transpired to be an over-liberal internal credit policy on the part of the French Government after the May-June crisis, such that massive quantities of liquid capital were displaced towards quarters (including Germany) where their holders thought they might find both secure investment conditions and a good return on their capital. No international monetary system, perfect as it might be, could furnish cast-iron safeguards against mishandling of this kind on the part of one of its participants.

We might also recall that the main objective in reform of the monetary system at the present time - the creation of special drawing rights (SDRs) - is no more nor less than an open umbrella to protect us against any possible shortage of liquidity caused by the fact that the role of gold has now become that merely of a standard (albeit an important role), and that many banks retain their reserves in dollars. However, even if SDRs were already operating, they would in no wise serve as a cushion against a crisis of the magnitude of that which we have just suffered.

2) Another reform suggested by some experts, but not taken into serious consideration during the latest official talks, is that of introducing floating exchange rates

between certain fixed limits. But the so-called fixed parity of the various currencies is even now only relative, in that for each rates of exchange can fluctuate to 1% above or below the theoretical value against gold, or if we prefer, against the dollar. Thus there is a 2% parity margin, beyond which, on either side, each central bank joins with other banks in either buying or selling its currency to ensure that this does not move above or below these limits. However, speculators selling a currency whose stability is placed in jeopardy by public rumour know full well that they have little to lose, for if the suggested devaluation does not occur they will never be obliged to buy back the amounts that they have sold short at rates 2% higher than the buying rate: this is a small risk, when weighed against the profit they might have expected to make, had the currency in question been devalued by 10, 15 or 25%, for instance.

Those who favour the floating exchange rate solution in fact maintain that the gap between the theoretical mean rate of parity for each currency and the top and bottom intervention levels for the central banks should be wider - 5% being the figure most often suggested, which would of course give a span of 10% in all between the two levels. The effective exchange rate for each currency would then fluctuate freely between these limits of tolerance.

If speculators ran the risk of having to buy back money that they had sold short at a rate of anything up to 10% higher than the selling price, they would of course think twice about embarking upon such ventures, and the wings of speculation would undoubtedly be clipped. Without going into the problem in depth here, however, let us cite just two of the drawbacks to this recourse:

a) As an example, let us assume that for a period of time the current exchange rate of the franc settled at 5% below its theoretical parity level against gold, while that of the mark was constant at 5% above par: this would amount in effect to a 10% devaluation of the franc against the mark, or if you prefer, a 10% revaluation of the mark against the franc. This would conduce to uncertainty in trade between the two countries, and for member states of the European Community, would have the effect of nullifying the movement towards harmonising the day-to-day running of the EEC companies, through the need to make maximum provision against upsets resulting from devaluation or revaluation. In practice, therefore, any commercial transaction within the Community would have to be covered in the futures market.

b) The U.S. Federal Reserve's standing commitment with the other central banks to buy or sell gold at the fixed price of $35 an ounce - the very cornerstone of the gold exchange standard system - would have seriously to be rethought, for how could the Federal Reserve agree to sell gold at this rate if the parity rate of the dollar meanwhile had dropped by 5%? At the same time, one can easily see that this very bargaining power that the central banks would retain by virtue of the standing American promise to exchange their dollars at a fixed rate would in fact prevent the dollar from fluctuating any further above and below parity than at present, and that it would be the exchange rates only of the other countries that would move up and down within the limits suggested. This would in fact serve only to add to the already high prestige of the U.S. currency. Thus it is hardly surprising that the strongest proponents of such a modifacation of the monetary system are to be found amongst the intimates of the President of the U.S.A.

3) Forgetting for a moment all the problems that it would bring in its wake, the adoption of the floating exchange rate formula would undoubtedly curb speculation, but would not go all the way towards stemming the vast displacements of capital across European frontiers, such as we have recently witnessed. It would not for instance remove member states' (we are thinking more particularly here of the EEC) sovereignty over the granting of credits to the private and nationalised sectors, nor that of fixing credit interest rates. While appreciable disparities in these two fields continue to subsist - this is what has just happened between France and the other countries of the West - we shall continue periodically to find ourselves facing unnerving displacements of capital, unless of course we surround ourselves with the strictest of exchange control barriers, as France did a couple of weeks ago: as an emergency measure, this is fair enough, but in the long term it would be absolutely crippling.

4) To achieve any definitive solution in this sphere, monetary reforms of whatever kind can never of themselves suffice. The only long-term solution will be the creation of a European currency, but this cannot come without the fundamental political transformation of Europe - which, granted, is written into the primary objectives of the European Community. Political unification, in fact, is the absolute precondition for such a currency reform, involving the federalisation of the Community, such that member states would no longer be in a position to conduct their monetary and credit policies according to their own whims. Clearly, this is no short-term prospect, but the daunting experiences of France and Germany in recent weeks could well be seen as object lessons, edging us steadily towards this objective. Seen from this angle, we might perhaps venture to say that it would be a sad thing if, while waiting for political events to run their course, we found ourselves obliged to revert to such an expedient as floating exchange rates, which would have the effect of militating against the future creation of a European currency.

5) Lastly, let us extract from the various causes of the recent monetary crisis the public's doubts as to the stability of the currencies in question. For if the stability of the franc and the mark had not suffered this mistrust - albeit aggravated by various prounouncements from the top - then neither speculators nor investors seeking to safeguard their assets would have been so much incited to act as they did. The only ones, perhaps, who might have shifted their capital, would then have been those who felt they could gain on the differential between rates of interest obtaining in France and those to be had abroad. This

This would have made for capital displacements on a much more modest scale, and the issue would never have reached crisis proportions.

From this, we can perhaps conclude that until the monetary arsenal of the nations have been deprived of the weapons of devaluation and revaluation as means of correcting balance of payments disequilibria, until this device has actually been banned by the nations, that is, we shall continue to stress the very imbalances that we are trying to remove every time we hold forth about the legitimacy of this sort of monetary manipulation as a means of redress.

Perhaps then the sort of monetary reform we need is more moral than material; the very momentum of events may sooner or later compel us to admit and preach that material goods alone may and should be manipulated, and not currency. This must ever remain that which it is by definition: a measure of values against which are measured other values. Thus it behoves us to keep money as constant and as stable as possible. Any other attitude is disconcerting, and leads to the sort of crisis that is so fresh in our minds.

THE WEEK IN THE COMMUNITY

November 25 - December 1, 1968

EURATOM: Dead or Alive.

The fate of what should be one of the Common Market's showpieces in the technological sphere, the European Atomic Energy Community or Euratom, now seems almost certain to be decided at a Council meeting on December 20 and 21. The various debates and discussions as to the organisation's future which were held last week at the meeting of the European Parliament in Strasbourg and on Thursday by the Council of Ministers in Brussels set out for all to see the hopes and differences of opinion revolving around Euratom.

It was the European Parliament which led the way, with a discussion on a report by M. Leemans. He pointed out that Euratom had been kept in existence on a monthly basis since the meeting on December 8, 1967 as it had then been expected that a new programme could be worked out, to come into effect in 1969. But no effective progress had been made since then, and the possibility must now be faced of Euratom either disappearing or continuing along different lines. When the joint efforts of the Commission and the member governments to prepare the new programme came to nought, the Commission undertook to draw up its own proposals and these were sent to the Six on October 11. These covered a review of Euratom to the present day, a draft budget for 1969 and proposals for a multi-annual programme. The Parliament unanimously adopted a resolution which stressed the dangers arising out of the Council's slowness in adopting the 1969 budget and the multi-annual programme. Contributions limited to the upkeep of the various installations alone would seriously harm urgent research tasks. The research centres at Ispra, Geel, Karlsruhe and Petten might well have to limit their work and this would be a serious setback to the common research policy Europe so urgently needs.

When the Council met last week on Thursday, few observers were hopeful about the outcome. The past history of Euratom has often been the subject of arguments between the different member states. The aim of the Euratom Treaty to develop and co-ordinate the various national nuclear programmes has had little success. Furthermore the insistence on the "just returns" policy whereby each country should receive contracts commensurate with its contribution has helped to cripple the development of Euratom. A particular offender in this field has been Italy, whilst France has long resisted - as elsewhere - the transfer of increased decision-making powers to Brussels. The whole Community effort in the nuclear energy sector has been so widely dissipated that its effectiveness has suffered. Last but not least cooperation between the research sector and industry has been far from good, so that applications of research have not been anywhere as worthwhile as might have been hoped.

Last December's meeting, apart from stressing the need for closer links between the research and industrial sectors and a more effective organisation of research data, settled on two main guidelines for Euratom's research and operating budgets:

a) a joint programme "which must be on as broad as basis as possible" financed by all of the Six according to pre-ordained rates for each country and;

b) "supplementary programmes" in which only the member states who have made a specific agreement to do so, would take part.

When half of 1968 had passed and the joint efforts of the Commission's staff and the Permanent Representatives had not managed to work out an acceptable report for the Council, the Commission stepped in. But its report, sent to the Six in the first fortnight of October, although analysing the problems tends to repeat the faults often criticised in previous Euratom programmes. The doves of the Commission appeared to have won another round but whilst "the review has provided the ideas, the proposals have failed to provide the ammunition". Under this review the budget for the multi-annual programme would amount to $ 336 million, and the 1969 budget to $ 65 million.

The lack of new ideas from the Commission since last December was one of the reasons for an attack from the French Minister for Scientific Research, Atomic and Space Affairs, M. Robert Galley. He blamed the delays which had occurred, including the cancellation of several Euratom Council meetings, on the Commission, and said that now the need for a solution was all the more urgent. However M. Galley's main point was that the Six should make every effort to agree on research programmes "of use to all". Furthermore the financial situation of France made it essential not to waste money on unnecessary research. He called for the application of the supplementary programmes, and said France would be willing on this basis to back further work on fast-breeder and heavy-water reactors, and controlled fusion. The programme put forward by M. Galley would however have a serious effect on the whole future of Euratom, as it would involve a 1969 budget of around $ 48 m. If adopted the number of those working for the organisation would fall from 2,800 at present to around 1,000. But he did point out in addition that the loss of researchers would not necessarily be so great if other members of the Six decided upon different supplementary programmes, since these might result in more staff being kept on.

The objection to M. Galley's proposals are that France is only willing to finance and back projects of specific interest to herself. The supplementary programmes she supports shows there has been no change in the established French policy of inter-governmental cooperation under the guise of Community work. If the Community has been unable successfully to coordinate work carried on, it is not so much the fault of the Commission - and before them Euratom - but of the national governments intent on developing their own nuclear facilities as instruments of prestige. If Brussels had had the power to coordinate, Euratom might well be in a much healthier situation today. However M. Galley's views cut very little ice with his colleagues. The Belgians would like to see the joint programme cover only major industry. They would also back the gradual switch of work carried out under Euratom to other technological research. The Dutch for the time being tend to block any internal Community development in retaliation for France's veto on British entry, whilst the Italians want to get as much out of Euratom as they can for their industries. For its part West Germany, which is strong economically and has a well-organised nuclear development plan is constantly faced with political problems over its nuclear policy. The ministers were unable to reach agreement and in fact the discussions reached such a state that M. Lefevre of Belgium walked out saying "I'm fed up with nothing but talk. There are some who want to build Europe, others who only want to build Europe with Britain and some who want to do nothing. It's stupid". The lack of progress and differences of opinion were such that in the end the Council decided to meet again on December 20-21. They did however issue a communique:

> "At the end of a thorough exchange of views, the Council decided to instruct a Committee of senior Government officials to discuss or to develop, on the basis of the Council's discussions today, and of its resolution of 8 December 1967, an alternative programme:
>
> 1) which ensures that the optimum use is made of the facilities of the Joint Nuclear Research Centre by means of joint programmes;
>
> 2) which examines the possibility of using it for supplementary programmes, the cost of which would be borne by the countries concerned;
>
> 3) which, on the basis of the Council of Ministers' decisions on 31 October and 8 December 1967, suggests preparatory considerations for the use of the existing installations for appropriate new tasks in the fields of research and technology.
>
> The Committee was instructed to submit the result of its work to the Permanent Representatives' Committee with a view to preparations for the next meeting of the Council. The Commission was also invited to let this Committee of senior officials have its ideas concerning alternative programmes."

The communique brings out several points. The first is that the adoption of the supplementary programme solution is one way out of Euratom's present difficulties. Secondly the discussions amongst the officials should at least provide a starting point for the Ministerial meeting on December 20. Thirdly the question of gradually extending Euratom's facilities to other research and technological purposes is raised; this does not mean taking on work just to keep the research staff occupied. It could result in a fresh start for Community nuclear and technological cooperation. However this would require the Six to agree amongst themselves as to the objectives of such cooperation, and in effect this means that Italy and the Netherlands would have to refrain from blocking the work of the Marechal Committee in retaliation for France's veto. It should be borne in mind that two of the chief Community research centres are in Italy at Ispra and in the Netherlands at Petten, and it is unlikely that they would gladly see them run down. The possibility of a solution to the stagnation of the Marechal Committee's work is therefore on the cards at meeting of the Foreign Ministers on December 9-10.

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Strike at Ispra.

Last Tuesday saw the start of a five-day strike by 1,200 qualified research staff and 800 skilled workers at the Ispra Research Centre in Italy. This was in protest against the withdrawal of E.D.P. equipment, against the uncertainty prevailing as to the future of their jobs and "the lack of a political desire to back Community research".

This was the first strike by Community staff. It is possible that the inability of the Six to reach any agreement covering the effective continuation of Euratom will result in further action.

* * *

AGRICULTURE

Mansholt Plan: Unveiling Next Week.

Because of the recent monetary crisis, the EEC Commission has been kept too busy in the last couple of weeks on financial affairs to be able to put the finishing touches to Dr. Mansholt's agricultural restructuring plan. Intensive debate in the Commission is however to continue all this week, and the plan in its definitive form will go before the Council on December 9 for discussion. Dr Mansholt plans to make public its contents on the following day. It will be interesting to see the final version of the scheme, the main tenets of which are well known (see No 485), but which has been hotly debated by the Commission behind closed doors, the French in particular having placed the strictest of embargos on "leaks" of any sort.

Thus it was that at the Agricultural Ministers' meeting on November 25 and 26 no really shattering decisions were made, although some fairly solid business was transacted in the fields of prices for oranges and early vegetables in 1969, the better organisation of the fruit and vegetable markets, where wastage is reaching intolerable levels, and a more rational regime for wines. Also the appropriation of the guidance section of FEOGA for the next year was virtually agreed.

Inevitably also the Community's "butter mountain" problem figured on the ministers' agenda, and the Dutch in particular were pressing for action: they are likely to be one of the first affected when butter stockpiling facilities reach saturation point (400,000 tons could be reached by next spring), and are most anxious to start running down their 50,000 tons stockpile (equal to 2 years' consumption) before the introduction of the TVA next year adds a further consumer disincentive to the problem of outlets. This problem, however, is also being studied by the Commission as part of the restructuring question, and will be discussed with it next week in the joint Council-Commission meeting that with any luck will furnish us with some real indication by next Tuesday of the way Community agriculture is likely to go in the next decade.

As far as fruit and vegetables were concerned, the Council approved prices for next season, that is base prices and the purchase prices upon which members' intervention prices are founded, although the Dutch in particular reserved their approval, demanding an overall Commission study of the sector, which is suffering more and more from over-production and the destruction of surpluses that this entails (e.g. 31,000 tons of oranges destroyed in 1967). The support costs for this sector for the coming season are likely to rise to about $ 47 million. The Commission has however stated that it will be unable to produce such a report until about mid-February, and the prices agreed will stand, pending the findings of this.

Little progress, due to shortage of time and the absence after Monday of the French minister M. Boulin, was made on the question of wine, which will have to be taken up later on, but it appears from a memorandum left in Brussels by his delegation that France is not content with proposals put forward so far by the Commission. It states in this memorandum that more must be done to balance supply and demand, and that a quality policy should be introduced to protect standards in the market (France's own provisions in this field are most stringent.). Not only must wine-producing practices be strictly controlled, but also increases in vineyard acreage in the Community should be closely regulated, quality products should be protected against market fluctuations, and there should be adequate protection against imports from third countries.

Finally, with regard to the guarantee section of the FEOGA, which is rated at $ 285 million for 1969, the Council agreed to earmark $ 52 million for specific actions already approved. In addition, $ 160 million will be spent as in past years by the Commission, channelling the money into those projects submitted to it that it finds worthy of such support. This then leaves $ 73 million in reserve, that may be used as initial finance when the first decisions are made next week as to what action can be taken in the restructuring sphere. Such a sum is clearly out of all keeping with the sort of finance that is going to be needed, but the apportioning of FEOGA monies at this stage is obviously but a token gesture, with such major moves soon to be made. Thousands of millions of dollars are going to be needed if the Council decides, if only in some measure, to follow the Commission's lead. Meantime, however, this $ 73 million could well come in useful for immediate action, pending debate on the financing of major schemes likely to come in the new year.

*

Foodstuffs Directive Attacked

The harmonisation of Community legislation dealing with materials likely to enter into contact with foodstuffs has resulted in a draft directive being proposed by the staff of the EEC's Directorate General for Agriculture. However, the business and trading circles involved consider that the proposed directive may give rise to a large number of practical difficulties.

The proposal, which includes 12 articles, covers packaging materials, goods used for preparing and cooking foodstuffs, equipment and accessories used for the production, manufacture, storage, transport, handling and packaging of foodstuffs. It also covers the materials used in coating or cladding all of these. The basis of the proposed directive is that materials likely to enter into contact with foodstuffs should only be made from certain substances and materials. These will be designated at a later stage.

Trade comment, and in particular that of the Comite des Organisations Commerciales de la CEE-COCCEE, believes that the new directive might result in slowing down the application of new developments in the food technology sphere. This is because the directive covers a wide field, and is based on the principle of prohibition. According to the COCCEE, past experience has shown that similar systens elsewhere, have hindered the development of new ideas.

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E.C.S.C.

Present Levy to Remain Throughout 1969

The E.E.C. Commission is soon to consult with the relative European Parliament bodies before fixing the final rate of the ECSC levy for 1969. This process of consultation is a formality only, and is a token device for involving the Parliament in the annual decision to fix the rate of the levy on coal and steel production, but in spite of which it maintains complete sovereignty over this decision. Last June, the Commission raised this rate to 0.03%, and it intends before the European Parliamentary Commission to defend the retention of this rate throughout 1969. This will be the first time that the ECSC's budgetary year coincides with the calendar year, although this has always been so with the other two Communities.

For some years past, the lion's share of revenue from the levy has been earmarked for worker retraining, and the Commission feels that this proportion is likely to increase still more over the next couple of years. In three years' time, however, that is when the reorganisation of the coal industry has been completed, the monies needed for retraining in the ECSC industries are likely to diminish rapidly, the workforce having by then shrunk to around 300,000 only. Once this stage is reached, the ECSC plans once again to channel the larger part of the funds available into technical research. The draft budget for 1969 appropriates only $ 6 million to research, to be shared equally between coal and steel research activities. A new programme for research in the steel sector, relating mainly to work on automating cast iron and steel production is soon to be submitted to the Council and to the ECSC Consultative Committee.

As far as administrative expenses - ECSC participation in the joint day-to-day running budget for the single Commission and the common institutions - is concerned, there was an increase a year ago in the lump sum figure to $ 18 million, which in fact considerably reduces the ECSC's share in this area of expenditure.

We should nevertheless expect to find some European MPs taking advantage of the occasion of this consultation once again to criticise the ECSC's levy system, which in their view (and even more in the view of the industries concerned) acts as a discriminatory force against the ECSC industries, which have to contend with two European taxes, unlike the rest of the economy. One particular quarrel is that it is the very industries that face structural regression that are having to bear the cost of retraining workers in the coalfields against the new structural pattern, whilst those industries that are enjoying the fruits of the scheme - the petroleum industry in particular - are not feeling any pinch whatsoever. Nonetheless, the vast majority of the Strasbourg MPs, abiding by the principle of financial autonomy, as inscribed in the Treaty of Paris, will this as every year record their support of the Commission.

*

Trading Regime with East to Continue

The Commission and member states are, before the end of the year, to extend two measures adopted in 1963 as a means of protecting the common iron and steel market against cheap imports from state-trading countries in the East Bloc. The first measure was to "deliberalise" imports from the East (in the form of an undertaking on the part of member states to deem as maximum quotas the steel products import quotas that they had agreed bilaterally with the countries in question). The second was an embargo issued by the Commission on sales by alignment on prices offered by eastern countries. Indeed, the problem of imports from these countries is essentially one of price, in that sales of the goods in question - and the general effects that they have on prices in the common steel market - nearly always occur at prices appreciably lower than those in force in the Community. The mere prohibition of price alignment by Community producers, moreover, were imports not to be limited in quantity, would have furnished them no protection whatever against a flood of cheap imports from the East. The two measures are thus complementary.

The Council's ECSC problems group has already had an initial exchange of views on this question, and although there may be some disputation as to the amount of "levering space" various member countries should be allowed, over and above their normal import quotas towards eastern state-trading countries, there is already unanimous assent to the extension through 1969 of these two protective measures.

*

Help for Redundant Workers

The Council also gave the go-ahead for six loans involving the creation of fresh employment for workers made redundant by industrial changes in the coal and steel industries. The decision was made under Article 56 para 2 of the ECSC Treaty.

1) Fl 20 million to Industriebouw Kerkrade N.V., to facilitate the financing of the creation of a complex of 10 to 20 industrial enterprises at Kerkrade, South Limburg.

2) Lire 300 million to Industria Armi Brevettate, S.N.C. di G. Zoli & C., to help the financing of an increase in its scale of operations (manufacture and sale of sporting guns) at Gardone Val Trompia, Brescia;

3) Dm 6 million to Hüttenwerke Kayzer AG, to facilitate the financing of an increase in the company's copper production capacity at Lünen, North Rhine, Westphalia;

4) Dm 20 million to Aluminium Norf GmbH, to facilitate the financing of the building of an aluminium rolling mill at Stüttgen in the Neuss area, and of an aluminium wire-drawing plant at Lünen, North Rhine, Westphalia;

5) Dm 20 million to Chemische Werke Hüls AG, to facilitate the financing of the construction of six new installations and eleven extensions in the chemical complex at Marl;

6) Dm 9 million to Faserwerke Hüls GmbH to facilitate the financing of the building of a polyester fibre factory at Marl (Recklinghausen).

* * *

COMPETITION

Commission orders lifting of export ban by toy manufacturers

Following action by the Commission of the European Communities, a large number of German toy producers have just lifted bans on German distributors exporting their products to various regions of the Common Market.

One of these distributors, and exporter and commission agent, had felt that these export bans threatened his existence. He accordingly lodged a complaint with the Commission against four of the producers concerned. Investigations undertaken disclosed the existence of export bans imposed by numerous other toy manufacturers, in conjunction with the granting of exclusive selling rights in the various member states.

The Commission took into account the special circumstances of the toy-manufacturing industry, which in the view of the interested parties and their industrial associations should have militated in favour of allowing territorial protection. Nevertheless, the Commission was unable to modify its conclusion that such practices are incompatible with the EEC Treaty's rules of competition, as they are likely to maintain artificial separations between the markets of the member states by preventing exports on the part of distributors, The Commission conveyed its viewpoint to the interested firms, who have recently lifted the export bans which they previously imposed.

* * *

LABOUR

Earnings & Working Hours

The E.E.C. Statistical Office has just published a report on earnings and working hours in the six member states, as observed in the period October 1966 -

October 1967. From this report one can tabulate three key indicators as to relative conditions between member states in this sphere, and below we show the increases in money and real earnings, and the average number of hours worked in each member state at the end of the period in question:

Country	Increase in Money Income %	Increase in Real Income %	Hours Worked Weekly in Industry
Belgium	6	2-3	43.75
France	7	3+	46.75
Germany	3	2	43
Italy	5	1-	44.5
Luxembourg	1	0	45.9
Netherlands	7	4	45.1

The report also sheds light on the extremes of these trends in the various countries, and singles out figures for various industries. In money terms, the biggest hourly wage increases in Germany were in the motor and chemical industries; in France in oils and fats; in Italy in paper and tobacco; in the Netherlands in building materials and transport equipment; in Belgium in oils and fats, man-made fibres and steel frames, and in Luxembourg in furniture, footwear and clothing.

As far as average weekly hours are concerned, we find the widest divergency in the Community between 40 hours in German footwear and 52 hours in Luxembourg building - a span of over 31%. Within countries, the widest gap in Germany is between footwear (40-) and building materials (48), or over 21%; in France between cotton (41) and building materials (50), or over 22%.

* * *

TRADE

Italy Still Needs Zinc and Lead Tariff.

The long history of Italian zinc and lead tariffs and their conflict with internal Community trade barriers has gone one stage further. On July 1, 1968 the remaining Italian tariffs on these products, aimed at giving some protection for the mines in Sardinia, should have been abolished, but they have remained in force. The Commission asked the Italian government for its comments on this non-compliance with the suppression of internal tariffs on industrial products.

In its reply, Rome states that unexpected circumstances have made it impossible to reorganise the mines within the original timetable. Furthermore, when in 1966 it was decided to fix July 1, 1968 as the date for the suppression on intra-Community tariff barriers, Italy insisted on reserving its right to maintain the tariffs on lead and zinc after July 1 , if the need should arise. In addition, the protocol to the Rome Treaty dealing with Italy, explicitly states that the Community should use the whole range of procedures envisaged under the Treaty to help the Italian government improve the economic position of Southern Italy, Sicily and Sardinia. This protocol is still in force.

Rome therefore maintains that it cannot as yet do away with the remaining duties and then introduce a suitable regional development plan as requested by Brussels. Italy considers that there are three steps which should be taken: 1) an examination at a Community level of the situation facing the Sardinian mines; 2) a study should be made of the social aspects of the problem; 3) efforts to introduce a Community policy for the zinc and lead sectors should be speeded up. Meanwhile according to Rome it is absolutely necessary to maintain the following duties for: 1) Lead - a specific duty of 7 lire per kg for Community countries, and 18.90 lire per kg for third countries; 2) Zinc - a specific duty of 5 lire per kg for Community countries and 14.90 lire per kg for third countries.

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Commission On French Measures.

Last Thursday the Commission's experts examined in greater detail the various measures introduced by France to restore the country's economic situation. Although no formal statement has been made, it is thought that the Community has not suffered too greatly on this occasion. In particular, the fact that Paris seems unwilling to reintroduce import quotas or - for the present - extend the direct export subsidies introduced in July is regarded as a hopeful sign that they may be abolished, according to the original timetable. The new forms of export encouragement are considered to clash less with the Rome Treaty than did the previous methods.

The reintroduction of exchange controls es accepted as a necessity, but it is hoped that these will not be maintained for too great a length of time. The existence of exchange controls is also likely to affect the development of intra-Community trade as are the new regulation governing imports and payment for imports. It is not thought that the abolition of the payroll tax and the increase in the TVA rates will clash with EEC rules since Community harmonisation in the tax sector has not reached the rate of taxation.

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ASSOCIATION

Maghreb States: EEC-Moroccan Agreement Nearer

The negotiations for an initial agreement between Morocco and the Community which had been suspended on October 19 (see No 483) were resumed as planned on November 25 and lasted two days.

The two negotiating teams agreed in principle on a package deal for 'partial association' between the EEC and Morocco - partial because the Commission has not been given a mandate to negotiate for full association, which normally includes such matters as financial aid, the free movement of labour and the more wide-ranging Community preferences. Thus the negotiations hinged for the most part on the trading concessions to be made by the Moroccans to counter-balance the EEC concessions already agreed upon at previous meetings. The resultant package will now be passed on to the Council of Ministers who, it is hoped, will approve it within the next two weeks or so; subsequent to this there will be another session with the Moroccans during which the definitive agreement will be drawn up.

The Moroccans are still entertaining a number of reservations, albeit of a technical nature, as to the agreement. The Commission realised during the course of the talks that they would either have to compromise on their demands or break off the talks completely. Resolving to go for compromise, the Commission is now ready to accept tariff cuts by the Moroccans of less than the 30% that had originally been sought by the Community.

The pact thus covers some 60% of total trade between the two parties and the concessions made by the Community will be by and large the same as it is offering the Tunisians, talks with whom are following hard behind the Moroccan discussions. As yet no target date has been fixed for a meeting between the Commission and the Tunisian delegation in which Tunisia's counter offers would be put forward.

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EUROPEAN PARLIAMENT

The Six Must Cooperate

The latest session of the European Parliament which met in Strasbourg last week was also involved in discussions of the European and international monetary situation. In fact there was a large gap in the number of West German and French members present, since they were in Paris and Bonn dealing with the special measures taken by their two countries.

On Tuesday morning the acting President of the Council of Ministers, Signor Medici addressed the Parliament and presented a broad outline of the outlook for the Community since the introduction of the customs union. He also made it clear - and here he was speaking as the Italian Foreign Minister - that enlargement of the Community and its internal development should go hand in hand, and if this could be achieved Europe would occupy its rightful place in the world. Signor Medici, who once again called for the election of the European Parliament by direct universal suffrage, did not dwell on the monetary situation since M. Barre, the Commission's vice-president was to make a speech on the same subject.

M. Rey, the President of the EEC Commission, who spoke after Signor Medici, also dealt with the thorny problem of enlargement or internal development. He said that the Debre Plan was constructive and it contained a number of proposals which the Commission had long been backing. Once again M. Rey pleaded forcefully for an end to the "tit for tat" attitude impeding the Community's growth. He touched only briefly on the monetary situation, because of M. Barre, but did say that if the Commission's advice had been listened to, the present crisis might have been avoided.

When M. Barre come to speak on Wednesday he said "The Treaty of Rome does not contain any specific text regarding monetary solidarity amongst the Six, and furthermore a number of the member states have always refused to have the Commission intervene in any way in their affairs". M. Barre told the Parliament that the French exchange-control measures, which were covered by Article 109 of the Rome Treaty, were stricter and wider than those adopted in May, but it was inconceivable that the French Government could have let the speculation continue. He made no accusations nor excuses, but said that there was "masses" of capital not subject to control, "Euro-dollars" for example. The Bretton Woods system, he continued, covered movements of capital resulting from the sale of goods and services, but it was now necessary to take into equal consideration other capital movements. The Group of Ten was going to examine an arrangement between central banks, in coöperation with the Bank for International Settlements, to deal with speculative movements (for example, their repatriation to their country of origin). Since 1965, M. Barre recalled, the Commission had tried to lay down Community rules for governing long-term capital (i.e. direct investments), but this had been frustrated by some member states.

As far as the recent crisis was concerned, M. Barre reminded Parliament of the Commission's view that revaluation of the mark would not have been "a desirable step" while the decision of the French President not to devalue the franc M. Barre described as an act of economic reason and of political wisdom.

However, M. Barre said in reply to questions, the French Government could have avoided some difficulties if it had acted earlier to restrict credit - as the Commission had recommended in July. Germany, for its part, could have adopted an expansionary policy at an earlier date, he said. In future it was essential to improve coordination between the member countries' economic policies. In 1969, growth in France would probably be slower than earlier expected, but there would be no deflation. Germany and Italy would experience rapid growth, which could contribute to an overall Community equilibrium - but in that case it was essential to set out Community objectives.

The state of monetary-policy coordination was not satisfactory, but M. Barre stressed that it was impossible to set out Community objectives without taking into consideration international policy objectives.. As for Community mutual-aid procedures - which have never been clearly defined - it seemed difficult to have common reserves without a unified management. A better interim system would be medium-term reciprocal credits between Community members. On the international plane, M. Barre said, a gradual consensus was emerging about the conditions which are necessary for a reform of the international monetary system. The first step should in any case be the achievement of economic stability in each country. Without that, the system would not be soundly based. Once this stability has been achieved, it will be possible to put the international system in a firm basis. A great international monetary conference is not perhaps the best solution above all in a situation where speculation is rife. These matters should be treated with the greatest discretion, and calmly, M. Barre added.

In the 19th century, he concluded, the Bank of England had managed the international monetary system. From 1944 until 1958, this had been done by the United States. The crisis which emerged since then results from the fact that the United States can no longer manage the system single-handed. In the new system of management which must be found, the Community could play an essential role, "but first of all it must establish its own economic solidarity".

* * *

ENLARGEMENT

Bonn Rejects American Criticism

On Friday November 29, the West German government handed over to the American ambassador in Bonn, Mr. Henry Cabot-Lodge, an aide-memoire replying to United States criticism of the Brandt Plan, contained in a message delivered to West Germany on November 11.

The Americans considered that Herr Brandt's proposals were contrary to Article 24 of GATT since they would amount to an exception to the "most-fovoured nation clause", and this could only be allowed if the aim was the effective economic integration of the states taking part. Washington did not consider that the 30% cut in industrial tariffs over three years between Britain and the Six was conducive to European unification.

In its reply, Bonn says that Washington has been mistaken as to the aims of the Brandt proposals. These are not intended to provide an alternative for British entry into the Community, but on the contrary to facilitate full British membership.

DEVELOPING COUNTRIES

The Private Sector's Contribution to the Development of the Third World.

By Th. P. Tromp, Vice-President of the Board of Management, Philips, Eindhoven.

There are some people who deplore the lack of effective planning in the Third World. It is however quite likely that the processes of economic development which came into play with the precipitation of the industrial revolution in Britain will be extended little by little to the whole of the world. It is also possible that this prosperity, if it is measured in real per capita income, will continue to be disparate from region to region. But what matters most is that real income will continue to accelerate in the majority of developing countries, and as a result, the wretchedness and misery which is apparent in these countries at the present time will eventually disappear. This phenomenon is of the greatest importance, because most people tend to compare their present standard of living with that of times past, rather than with that of other countries.

The private sector's contribution to the development of the emergent countries is much greater than is commonly thought. (1) According to a report commissioned by the UNCTAD Secretariat for the organisation's last conference at New Delhi, at least one third of the net total of capital destined for the developing countries, and a half of foreign experts who work there, are supplied by the private sector of the industrialised countries; (2) 73% of exports from the developing countries are bought up by this same private sector. On top of this the OECD has pointed out in a report published in February 1968 that the flow of capital from private sources for the financing of development projects is as great as that provided by public or state finance.

The prevalent ignorance of these facts can only be blamed on the private sectors' insufficient use of the public relations media to publicise their work in this field. Immersed in their work as they are, the directors of the firms concerned pay little heed to this side of the matter, and the actual numbers employed in the field are much fewer than those employed by the national organisations or state concerns in the publicising of their work. But the performance achieved by the private sector within the developing countries is all the more remarkable, because to be at all viable, the companies must obtain much higher returns there than in the industrialised countries, on account of the higher tax burden. In order to get a 10% return on capital invested, they must aim at getting a profit of between 22 and 33% compared with 11 to 19%. In terms of gross profits in some developing countries they must aim as high as 43 %, whereas in the majority of industrialised countries, the maximum is somewhere around 20%. In view of these drawbacks it is somewhat astonishing that the flow of investment and technical aid supplied to the third world by the private sector is as great as that described above. But this does not mean that we can sit back and accept the present state of affairs as it is.

How can we explain the present dynamism of the private sector? The reasons are so simple that one often wonders how it is possible that so many countries allow themselves to be won over by certain somewhat complicated doctrines, expounded for the most part in writings that are as voluminous as they are indigestible.

The market economy implies factors of uncertainty for any undertaking, factors which embody two characteristic liberties: freedom for the individual to chose his profession, and freedom to opt for saving or for consumption. Thus an undertaking can never be sure of amassing all the capital and all the labour that it needs, nor of being able to float its products on the market at a profitable price. It is only when the company's profit is sufficient that it can survive and remain independent. Keeping the firm above water and expanding it are precisely the factors which oblige the leaders of industry to display new technical, social and economic techniques. Under this approach, the introduction of new budgeting control systems and management organisation methods tends to transform the different departments of the big companies into almost independent organisms. In spite of this, the fundamental principle of the market economy can be easily understood: in order to succeed in its activities, the company must make more money than it spends; the profit thus obtained allows for the finance of research, company growth, modernisation and the eventual building up of reserves. Thus, the undertaking must adapt its production, as regards both nature and volume, within the shortest possible time and at a minimum cost, to the changes in demand.

In planned economies there are on the other hand thousands of people who are paid to establish and subsequently maintain a relationship between supply and demand. Such method of tackling the problem is not only burdensome; it also tends to destroy all individual initiative and to lead to prohibitive costs as the economy becomes more complicated and as production is diversified. This is the reason why the collectivism of the East European countries is beginning to be replaced by elements of the market economy system under various other names. The harm has already been done though. The bureaucracy is there and it is extremely difficult to deprive it of its work, and thus to reduce its influence. Bureaucracy has now gained an independent existence of its own. The more complex the economic structures become however, and the more efficient the decentralised system, with its provision for the adaptation of the independent firm to the conditions of the market, the less suitable do the centralised systems appear for meeting present needs.

One can therefore draw the conclusion that state intervention, on condition that it is orientated towards growth and stability at the same time, and that it is carried out extensively, is conducive to the good-functioning of the market, contrary to the views of some of the older school. Thus the Western World has developed its economic system in a pragmatic way so that it can be implanted in any region given a few necessary minor adjustments. One often hears it said that the developing countries will never be able to get their economies off the ground unless they resort to planning. This is indeed a moot point, for it is precisely the countries which have opted for a system based on private initiative, that have had the greatest success, such as South Korea and Taiwan. On the other hand, those countries which opted for central planning have come up against great difficulties, such as Indonesia and Ghana.

In fact central planning calls for a large number of highly qualified personnel, people who can assume the role of the market mechanisms and become the instruments for piloting the economy by means of the Plan and other ad hoc measures. But the developing countries suffer more from the lack of qualified experts than from that of capital. No small wonder that planning works less effectively in these countries than the market mechanisms, even if these do not work at an optimum level. This is an argument which often passes unnoticed because one tends in discussing these questions of development to talk in terms of capital rather than personnel. The tragedy of the countries which have for some time been trying the planning option is that they now find themselves saddled with an enormous bureaucracy which they will have difficulty in getting rid of, and which amounts to delicate political and socio-economic problem. Just as under a capitalist system, where the directors of companies and the holders of the capital are accused of exploitation, so under the central planning system there is the bureaucracy which does the exploitation under the guise of an organisation bearing the misnomer 'socialist'.

Indeed it is the very simplicity of the private enterprise system that renders it less attractive in the eyes of many. Liberalism does not promise any miracles because it knows that any progress demands painful and sustained effort. This is a grim prospect compared with the rosy future which other ideologies offer. It is however this philosophy which has been the cause of the present prosperity of the industrialised world and which has led the way to the moral and social developments necessary to reduce the world's misery. The need for private companies to work under profitable circumstances in this process has had two major consequences: it has obliged the leaders of industry to rationalise as far as possible; it has also forced them, due to the lack of available capital resources, to use their resources in the most economic and judicious way so as to reduce costs, and thus the prices of their goods. This has not been as easy doctrine to follow, especially at the time when the industrial era was making its first faltering steps.

Today, the same process - yet to a more accelerated and exaggerated degree - is coming into play in the developing countries, because resources, being more rare here, must be deployed in a more economic way. In this respect the private company is a trump card because it is within this entity that the strict relationship between production and its cost can be seen in its most concrete form. Taking into account his method of payment and the nature of his employment, an employee can never feel, to the same degree as the entrepreneur, the organic relationship between production, productivity and the standard of living. Moreover, since a shortage of resources demands the optimum utilisation of what there is, it is necessary to make the best use of technical advances. Here again, private firms have a key role to play - a role which they have in fact already played, for they are responsible for most of the technical knowledge and facilities of which the developing countries can boast.

How can private firms increase their contribution to development in the future? Of course they must act in accordance with the aims and wishes of their governments and the international agencies. But they must also take initiatives, not just content themselves with presenting the authorities with lists of their wishes. They must also attempt to implement their initiatives into the framework of European cooperation, whilst taking care at the same time to adopt a more pragmatic than dogmatic approach in this field.

One of the first problems that they could tackle would be that of overcoming the increasingly serious lack of trained personnel in the developing countries - in the hospitals, the factories, in the educational establishments etc. In the United States an idea put forward by David Rockefeller was rapidly translated into fact - the formation of the International Executive Service Corps, which sends hundreds of experienced Americans to these countries to take up key management posts. It would be a good thing if something of this kind were launched in Europe, something sufficiently broad to include all the information necessary on the countries' needs and to attract candidates in sufficient number so as to get a good selection. It is evident that only an organisation covering the whole of Europe would be able to implement such a plan at a reasonable and efficient level.

The second line of attack could be the formation of a team of trained personnel. It is well known that in a large part of the world the build-up of teachers hardly keeps pace with natural demographic expansion. New revolutionary teaching methods must therefore be introduced wherever possible. The new methods should not only permit a far greater number of pupils to come into contact with teaching, but it should also enable knowledge to be passed on more rapidly. New and remarkable results have been produced in this field by audio-visual methods, and the indications are that we are as yet only on the threshold of a remarkable revolution, epitomised in the radio and television educational programmes and in the "University of the Air".

This last approach is a form of education which differs significantly from old style teaching methods. It is applicable both to adults and children and can cover, in addition to the normal basic scholastic subjects, a certain number of other subjects on which advancement of the human race depends - agriculture, hygiene etc. Reference could be made here to the pioneer work of Bishop Salcedo in Colombia, who by organising an educational radio network down to the smallest village, made an extremely important contribution to the development of this country and of its people. The development of such an educational system which aims at the transformation of social structures, is evidently a far greater undertaking than simply building the transmitters, receivers and other allied equipment. All the more so because the content of such programmes has to be made as clear as possible, and they have to be backed up with the publication of pamphlets to give the programmes greater and longer-lasting effects. If educational programmes are approached in such a manner, their effect can be really significant; witness their success in France, French-speaking Africa and even in Ethiopia where it has been proved that the complicated amharic alphabet and language can be taught over the radio.

In this field it is not so much the equipment but the programmes - the "software" which are the chief source of problems. In order to develop this software a team of highly qualified specialists must be available to work long hours. Thus, an organisation on a European scale would be able to attain results far better than those attainable by individual countries if only because it would make possible a far more rapid knowledge of what has already been achieved, and of what is being achieved elsewhere.

In addition to general education, the spread of technical knowledge is of key importance to the developing countries. In order to improve this knowledge there must be an important drive towards the teaching of the most important international languages. Here again Europe can play a crucial role in that it is the birth-place of at least three of these languages: English, French and Spanish. What we must do is familiarise the developing countries with the philosophies of leading company directors, endow them with the necessary basic knowledge for trading, manufacturing etc. and in so doing we will be putting them on the road to a revolution in thought which is the pre-condition to economic progress.

But there is yet another problem to overcome - a problem that is getting no easier to solve as time goes on. One part of the world has already been launched on the road of advanced technology, another part has hardly wrested itself from the confines of the stone age, and the remainder, that is to say the major part of the world, hovers between these two extremes, with the need to adapt techniques to local potential and circumstances. Certain of the big Western companies have already set up pilot schemes whose task is to translate European techniques and organisation methods - to modify and more precisely to adapt them to the circumstances and potential of the Third World. As regards the basic techniques necessary to any company, and where there are hardly any industrial secrets - the timber, metal and synthetic materials trades for example - it would be worthwhile undertaking research on a cooperative basis, so that the results would be available to all. This is even more the case because the work undertaken on this front benefits, at one stage removed you could say, those who control the information media. The results of research in the technical sphere ought to be passed on to those who will eventually use them in the industries of the developing countries: for the transmission of this information to be of optimal use, new methods will have to be perfected, such as the organisation of on-the-spot training courses. A parallel can be drawn between these methods and those offered by an organisation such as the Dutch Research Institute for the Industrial Sciences at Delft. Thus it would be also fitting to adopt a European-based approach for research and education, because in the technical field Europe still often occupies a position between the most advanced countries and those who are just starting. But there is no time to waste: as the disparities between the two worlds become more defined, so the inherent difficulties in getting the information over are increased.

To those who are perhaps taken aback at finding a plea for greater European cooperation at a moment when more people are talking about destroying it than building it up, I would say that facts such as the enlargement of markets and the technical revolution will inevitably have an effect upon the old out-of-date concepts and dogmas.

December 5, 1968

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ADVERTISING

** The American agency WELLS, RICH, GREENE INC, New York, which recently formed links with C.P.V. Italiana SpA, Milan (see No 377), a subsidiary of the London group Colman, Prentis & Varley (Holdings) Ltd (see No 422) has moved on to the French market by forming a subsidiary named WELLS, RICH GREENE EUROPE SA with F 100,000 capital and M. D.F. de la Tour d'Auvergne as president.

The parent company is represented on the board of the new company by Messrs. Thomas Bohan and F.L. Jacobo, and it is directed by MM. A. Caulfield, P. Marguliese and R. Stollerman. It will be linked with a network of subsidiaries that are planned for Britain and the main European countries

AEROSPACE

** The DOWTY GROUP LTD of Cheltenham and MESSIER SA, Paris, which have been linked since 1967 in C.M.D. - Cooperation Messier Dowty Sarl, Montrouge, Hauts-de-Seine, mainly for production of the Anglo-French fighter "Jaguar" (see No 444), have now formed another 50-50 joint subsidiary in Britain named DOWTY MESSIER LTD (capital £ 100).

The new firm, under Messrs. R.F. Hunt and J. Benichou, is to concentrate its founders' activities on the "Airbus 300" project. Dowty's interest is held directly by its Cheltenham subsidiary DOWTY ROTOL LTD, which also holds its stake in the French joint subsidiary.

** Further to the recent technical and financial agreement between PROCAER - PROGETTI COSTRUZIONI AERONAUTICHE SpA, Milan, and ALLIED AERO INDUSTRIES INC, New York (see No 487), for R & D on, and eventually the manufacture in the U.S.A. of aircraft equipment, a joint subsidiary has been formed in Milan under the name of ALLIED AERO INDUSTRIES (ITALIA) SpA.

The new company is directed by Mr. Th. Neeff, and has Lire 1 million initial capital, 75% controlled by the American company.

** The aero-engine manufacture pooling agreement recently concluded between DAIMLER-BENZ AG, Stuttgart-Untertürckheim and M.A.N. - MASCHINENFABRIK - AUGSBURGNUERNBERG AG, Augsburg (see No 489) has now led to the two companies' first joint operation: the formation in Munich of an administration company named ENTWICKLUNGSGESELLSCHAFT FUER DIE TURBOMOTOREN mbH. This has Dm 1 million capital, and will be managed by Herren B. Eckert of Daimler-Benz and K.A. Müller, manager of MAN Turbo GmbH of Munich.

** The Belgian Government's placing of an order last August with STE DES AVIONS MARCEL DASSAULT Sarl, Saint-Cloud, Hauts-de-Seine (see No 487) for 88 "Mirage IV" fighters contained a clause whereby some 70% of the order would be sub-contracted to Belgian interests. As a result, Dassault has now formed a subsidiary in Brussels, DASSAULT

BELGIQUE AVIATION SA (capital Bf 100 million) to coordinate this operation. The new company is headed by MM. Marcel Dassault, Benno C. Vallieres, Pierre Francois and Robert Mulders, and its general terms of reference include the manufacture, assembly, maintenance etc of aero and electronic equipment.

Dassault plans also to set up a production unit at Gosselies, Charleroi.

BUILDING & CIVIL ENGINEERING

** SEFIMAG - STE FRANCAISE D'INVESTISSEMENTS IMMOBILIERS & DE GESTION SA, Paris (an affiliate of the insurance group L'ABEILLE SA - see No 472) is to absorb SODIMCO - STE D'INVESTISSEMENT IMMOBILIER DE LA CONCORDE SA (capital F 59.64 m. - see No 335) and thus raise its own capital from F 300 to 347.7 million.

Sodimco owns about 700 dwellings, and its main shareholders are the groups La Concorde SA, Paris (see No 469); MM. de Rothschild Freres SA (see No 485); De Neuflize, Schlumberger Mallet & Cie Snc (see No 483) and the Amsterdam banking group Algemene Bank Nederland NV (see No 481), both directly and through its subsidiary Banque Jordan SA, Paris (see No 415).

** CAISSE GENERALE DE L'INDUSTRIE & DU BATIMENT SA, Paris (capital F 22.15 m.) has joined with STE FINANCIERE D'ETUDES & DE PLACEMENTS - SOFINEP SA (F 1 m.) in forming STE DE DEVELOPPEMENT MOBILIER & IMMOBILIER - SODEMI S.C. (F 100,000). The new company is managed and housed by Sofined, and is to buy and sell property, businesses etc.

The first founder is mainly a backer of SOGRIM - Ste de Gestion de Garanties Immobilieres SA, which it formed in association mainly with Banque de Paris & des Pays-Bas SA and the Credit Lyonnais SA, plus an insurance group.

** The Italian tile manufacturer FRATELLI WIERER SpA (see No 465) which a few months ago was acquired by the Anglo-Dutch company REDLAND-BRAAS-BREDERO EUROPA NV - R.B.B., Utrecht (see No 470) is now to increase its manufacturing capacity by building a tile plant at Chienes-Bolzano, Trentino, Alto Adige. This will make concrete tiles (shaped like a double S) and should start production in the spring of 1969. It will be the third plant to work under licence from the REDLAND HOLDINGS LTD group, Reigate, Surrey.

The British group shares control of R.B.B. with its West German subsidiary BRAAS & CO GmbH, Frankfurt and the Verenigde Bedrijven Bredero NV group, Utrecht. The Italian concern also controls Wierer Piemontese SpA, Rosacco, Pavia and Wierer Veneta SpA, Curtarolo, Veneto.

** The Dutch excavation, dredging, harbour works and water control firm, ZANEN VERSTOEP NV, The Hague has linked - through its British subsidiary ZANEN CONTRACTING & TRADING CO LTD - with British interests under Sir Alfred McAlpine to form SIR ALFRED McALPINE ZANEN DREDGING CO LTD (capital £1,000).

The Dutch company has numerous foreign interests including, Zanen Verstoep, Dunkirk; Entreprises Zanen- Ste de Travaux Portuaires & de Genie Civil, Casablanca; Zanen Contractors & Engineers Pty Ltd, Germiston, South Africa.

** A rationalisation of the interests of CIE INDUSTRIELLE DE TRAVAUX (CITRA) SA, Paris (see No 488), the subsidiary of the SCHNEIDER SA group, Paris in the civil engineering sector will centre upon a recently formed holding company CITRAF SA (capital F 100,000).

This has now been changed to CITRA-FRANCE SA (capital raised to F 17.43 m) and it will receive from its parent-company - and from another of the latter's subsidiaries C.E.E.M. - CIE D'ENTREPRISES ELECTRIQUES, MECANIQUES & DE TRAVAUX PUBLICS SA, Levallois-Perret (see No 480) - buildings, facilities and sales interests covering their civil engineering stake in France. With M. Maurice Nicolas as president, its sister-companies will include - apart from C.E.E.M. which will continue to supply electrical equipment and installations - STE GENERALE DE CONSTRUCTION INDUSTRIALISEES SA. Levallois-Perret.

** INVESTCO - INVESTERINGSMIJ VOOR ONAFHANKELIJKE ONDERNEMINGEN NV (see No 477), a member of the Brussels and Antwerp group KREDIETBANK NV, through its holding company ALMANIJ - Alg. Mij Voor Nijverheidskredit NV, Brussels, being itself sited in Antwerp, has taken 80% in forming SEGHERS INTERNATIONAL NV at Zele in Belgium. This has Bf 150 million capital, and is for research work in the fields of technology, economics and business, as well as for the coordination, promotion and impelmentation of investment projects. Its other backers are various types of concern owned by the Belgian group headed by the Seghers brothers (see No 440).

One of the companies in this group,based in West Flanders, SA SEGHERS PREFALITH BETON, Aalter, headed by M. J. Van Passel, is about to expand in France by the formation of a subsidiary named Prefalith France SA to promote its styled prefabricated concrete sections with architects, and to sell these in the Paris and Northern regions. In Belgium, the group a few months ago formed NV Seghers Aanemingen, Deurne, Antwerp, in 37.5% association with its affiliates Prefalith NV, Aalter and Interdina NV, Buggenhout (later renamed Seghers Interdina).

CHEMICALS

** The recently-formed Paris company FEREM-FRANCAISE D'ETANCHEITE & DE REVETEMENTS METALLIQUES SA (capital F 100,000) is about to absorb two Paris firms linked to the British concern THE RUBEROID CO LTD (see No 335); S.A. RUBEROID (capital F 2.4 m) making bituminous and vinyl roofing materials, water-solvent paints and varnishes and S.A. ACIEROID (F 4 m) making metal claddings for roofs and partitions. These will bring in fresh assets worth respectively F 56.35 and F 62.15 million.

The British company is the former subsidiary of an American concern with the same name, and became independent in 1952. In 1967 the American firm was taken over by the New York group, the GAF CORP and is now a division of the latter.

** The Dutch company SIKKENS SMITS NV, Wapenveld (international trade in chemical products) has opened a branch in Essen to its subsidiary SIKKENS SMITS GmbH, Hamburg. The latter was formed at Emmerich in 1962 with a capital of Dm 50,000.

** The Rotterdam UNILEVER NV group, which already has numerous West German subsidiaries (see No 487) is to strengthen its interests by taking control of the Hamburg firm OTTO ALDAG oHG (see No 373). This specialises in the import, export, and wholesaling of glycerines, fatty alcohols, and chemical products used in paints and varnishes. Since 1965 it has been linked 50-50 with the London company Blagden & Noakes (Holdings) Ltd, London in the steel container reconditioning concern, Bergedorfer Fass GmbH, Hamburg (capital Dm 2 m).

Unilever's recent moves in West Germany include its agreement with the Rudolf A. Oetker group of Hamburg for the joint utilisation of their two fishing fleets, as well as the formation of the sales company J. & E. Atkinson GmbH, Hamburg (soaps, toileteries and cosmetics).

** The Japanese NAGASE & CO LTD, Osaka, one of the leading world companies in the detergent enzymes sector, has made an industrial and technical cooperation agreement with the German KALI-CHEMIE AG, Hanover (see No 417). This is controlled by DEUTSCHE SOLVAY-WERKE GmbH, Solingen-Ohligs (of the Brussels Solvay & Cie SA group - see No 483), and in 1967 turned over Dm 391 million consolidated (mainly in the mineral chemicals and fertilizers sectors).

** The Paris group UGINE-KUHLMANN SA (see No 489) has strengthened its Spanish interests by raising to 78.6 % its stake in UGINE-QUIMICA DE HALOGENOS SA-UGIMICA, Madrid, which makes refrigerant gases as well as those for aerosols "Forane". With M.B. Galland as president, this has factories at Zaramillo-Baracaldo, Vizcaya and there are representatives in Barcelona, Madrid, Bilbao, Malaga, Seville, Las Palmas, Vigo, Valencia, Saragossa and Valladolid.

Quimica de Halogenos SA was formed in early 1964 (capital Pts 21.5 m) on a 50-50 basis with Quimica de Halogenos SA, from whom it acquired facilities at Zaramillio. Its capital now stands at Pts 99.8 million.

** The Cleveland, Ohio group THE SHERWIN-WILLIAMS CO (see No 398), the world's largest paints, lacquers and varnishes concern, with an annual turnover of $450 million and an 18,000 payroll, has gained control of a Dutch sales company in the sector, RALSTON VERF NV, Utrecht, together with its manufacturing subsidiary NV VERFCHEMIE ZEIST and a sales subsidiary at Schaerbeek, Brussels, Ralston Paints NV.

The Cleveland group is already established in Europe with a commercial subsidiary in Antwerp, Sherwin-Williams (Europe) NV, formed in June 1963.

** A sales agreement in the rare gas sector (especially argon) has been reached in West Germany between AIR PRODUCTS GmbH, the Düsseldorf subsidiary of the American concern AIR PRODUCTS & CHEMICALS INC, Allentown, Pennsylvania and CARL CLOOS KG SPEZIALFABRIK FUER AUTOGEN- & ELEKTOSCHWEISSANLAGEN, Haiger, Killkr.

The Düsseldorf firm, whose capital was raised to Dm 7 m in September 1967 has had a Paris sister company called Ste Francaise Air Products SA (see No 451).

** The West German manufacturer of printing ink and materials for the printing industry JAENECKE-SCHNEEMAN KG DRUCKFABENFABRIK, Hanover (150 employees) has formed a Swiss sales subsidiary, JAENECKE FARBEN AG, Binningen (capital Sf 50,000). The president of the new concern is Herr Ludwig Jänecke.

The founder is represented in France by Comptoir Franco-Britanniques des Encres d'Imprimerie SA, Puteaux, Hauts-de-Seine (see No 462).

** PIETER SCHOON & ZOON NV, Zaandam (see No 454), a member of the Dutch construction group TURNKEY-HOLLAND NV, Amsterdam, specialising in paints and varnishes, is building a new plant in Thailand, to come into production in mid-1969. This will manufacture 1,000 tons of paint per annum, and will be run by a company named SIGMA-PAINTS (THAILAND) LTD, under Mr. W. Koster.

** The Swiss abrasives concern, SIA - SCHWEIZER SCHMIRGEL- & SCHLEIFINDUSTRIE AG, Frauenfeld, Thurgau (capital Sf 5 m.) has formed a sales company in Paris under the name of SIA FRANCE Sarl, with a F 100,000 capital shared 50-50 by two of its directors, Herren Emil Halter and Dario Swicky. The new firm is based on the premises of PRODUITS INDUSTRIELS DE PRECISION SA, formerly the general French agent to the parent company.

COSMETICS

** L'OREAL SA, Paris (see No 466), the cosmetics and perfumery group, has diversified its interests in France by taking control of ETS RUBY SA, Voiron, Isere.

With a capital of F 8.12 million, this company, which has an annual turnover in the region of F 40 millions, specialises in surgical dressings, personal hygiene articles for women and children, absorbent cotton etc. Up till now an affiliate of the Union Financiere & d'Investissement - SOFRAGI SA, (see No 463) through Ste Francaise de Gestion & d'Investissement -Sofragi SA, and Cie Industrielle & Financiere d'Alais SA, Paris (see No 309), it controls a number of firms including Les Laboratoires Ruby Sarl and has interests in the Ste la Outaose SA, Domene, Iseres and in the Ste Dauphinoise d'Investissement.

** The West German cosmetics and hair-care products firm HANS SCHWARZKOPF , Hamburg (see No 459) which in 1967 achieved over half its turnover (Dm 320 m) from exports, has now strengthened its Spanish interests by gaining control of two Madrid firms, PELUCA SA and NUSAF SA. The first has been its Spanish agent since 1962, and the other which was formed in 1967 is involved in manufacturing.

The Hamburg firm is headed by the holding company Schwarzkopf Verwaltung GmbH (capital Dm 25.13 m) and its main foreign subsidiaries include Schwarzkopf Sarl, Paris, Schwarkopf AG, Binningen, Palis GmbH and Hans Schwarkopf AG (all three in Basle and Corionol Ltd, Aylesbury, Bucks.).

** The American MAX FACTOR & CO group, Hollywood (see No 441) has strengthened its links with its exclusive Brussels distributor COPAX SA (see No 349) by forming a joint sales subsidiary MAX FACTOR BELGIUM SA (capital Bf 12.5 m). The Belgian company which is run by M. Van Dormael, is the minority shareholder with a 40% stake.

Max Factor has several direct Common Market subsidiaries, as well as some controlled through the Denver Chemical Manufacturing Corp, Stanford, Connecticut (acquired in late 1967). These are in Paris, Rome and Munich.

ELECTRICAL ENGINEERING

** The Hamburg company HANS STILL GmbH, which recently sold its generator manufacturing facilities to Brown Boveri & Co AG Mannheim (see No 489), has now sold its "D.C. motors" interests to CONZ-ELEKTRIZITAETS GmbH, Hamburg-Bahrenfeld (see No 371). This is the wholly-owned subsidiary of the DEMAG AG, Duisburg group (see No 487), and with a capital of Dm 5.4 million, employs some 1,200 persons in the manufacture of electro-technical equipment, regulating and control materials.

Hans Still is a member of the Quandt group and has two wholly-owned foreign subsidiaries: Still SA, Les Lilas, Seine-St-Denis, and Hans Still GmbH, Vienna.

** The Common Market sales interests of the West German company SUDDEUTSCHE ELEKTROMOTORENWERKE GmbH, Bruchsal (electric motors, gears, and transmission materials - see No 320) have been strengthened by the acquisition of a 71% Milan sales subsidiary S.E.W. EURODRIVE ERNST BLICKLE & CO SAS. Control of the capital (Lira 2.18 m) is shared with its French manufacturing subsidiary USOCOME SA, Haguenau.

** The New York group WESTINGHOUSE ELECTRIC CO (see No 487) has been negotiating for some weeks with the aim of reshaping its Belgian and French interests. The moves which are envisaged involve the acquisition from the EMPAIN group (see No 485) of all of its shareholding in the Paris company JEUMONT SCHNEIDER SA (a 60% stake through FACEJ-FORGES & ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE JEUMONT SA) and a major share in A.C.E.C.-ATELIERS DE CONSTRUCTIONS ELECTRIQUES SA (see this issue).

Jeumont Schneider is a 40% affiliate of the Schneider SA group, Paris, whose new managing director M.R. Brissaud, is also the managing director of Electrorail SA, Brussels, the main holding company of the Empain group. Jeumont Schneider is indirectly controlled by two companies of the Empain group, the main shareholders in Facej: Ste Parisienne Pour L'Industrie Electrique SA (see No 472) and Electrorail - a direct shareholder in Schneider, in which the overall stake of the Empain group is 25% (see No 484). Electrorail is also the main shareholder (20%) in another company of the Empain group, the Ste Bruxelloise de Developpement Industriel & Commercial B.D.I.C. SA (6.8% - see No 346) and A.C.E.C., along with the Ste Generale de Belgique SA (see No 487) which has a direct 13.9% stake.

** The Belgian interests of the London group E.M.I. - ELECTRIC & MUSICAL INDUSTRIES LTD (see No 466) have been strengthened by the formation of ELECTROGAMMA SA, Brussels (capital Bf 250,000) with Messers J. Kirsch, S. Robins and O. Hamilton as directors. The new company is directly controlled by the group's two other Brussels subsidiaries, GRAMOPHONE SA and ARDMORE & BEECHWOOD (BELGIUM) SA, with respective stakes of 74% and 4%.

The last mentioned company recently took a 50% share in the formation of another Brussels firm Prosabel SA, whose capital of Bf 100,000 is shared with French interests represented by the composer and singer Sacha Distel, and M. Claude Deffes (20% each) and M. Maurice Teze (10%). This company will acquire and exploit all forms of musical, artistic and literary works.

** The West German electrical engineering group SIEMENS AG, Berlin and Munich (see No 488) has signed an agreement in New York with the engineering group INGERSOLL-RAND CORP. (see No 395), covering the sale and maintenance of its steam and gas driven industrial turbines with an output under 100 MW in the U.S.A.

Production of these turbines was included in the manufacturing cooperation agreement recently made by Siemens AG, Berlin and Munich with the AEG-Telefunken group, which should lead to the formation of two 50-50 subsidiaries. (see No 486).

ELECTRONICS

** Six French companies have joined in forming FRANCE-COMPOSANTS, a "groupement d'interet economique" as sponsored by the French government, to promote sales in East Europe of their electronic components. The venture will be supervised by M. Cyril Havard.

The six are: 1) the cables concern FILECA SA, St-Denis, Seine-St-Denis (see No 464), having a sales subsidiary in Düsseldorf, Fileca GmbH; 2) E.T.R.I. - ETUDES TECHNIQUES & REPRESENTATIONS INDUSTRIELLES SA, Neuilly, Hauts-de-Seine (micro-fans for the electric and electronics industries - see No 341); 3) OTTAWA ELECTRONIQUE Sarl, Paris (capital F 50,000), subsidiary of the connectors, reversers, commutators, reducers etc concern Ottawa SA, Paris (factory at Soissons, Aisne - capital F 1.2 m.); 4) S.E.C.M.E. - STE D'ETUDES DE CONSTRUCTION & DE MATERIEL ENCASTRE SA, Paris; 5) STE D'ETUDES ELECTRONIQUES - S.E.E.M. SA, Vanves, Hauts-de-Seine, which makes connectors, circuit breakers, commutators, rotors and relays for electronics etc, and 6) STE GENERALE POUR L'INDUSTRIE ELECTRONIQUE - SOGIE SA, Paris, which mainly makes connectors.

** The French group CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS-BRANDT SA (see No 489) has rationalised its Italian interests by making over to its subsidiary THOMSON SEMICONDUTTORI SpA (formed in March 1968 - see No 459) the manufacturing facilities at Paderno Dugnano (electronic components) belonging to the Milan subsidiary THOMSON ITALIANA SpA, whose capital has now been reduced to Lire 394.4 million (see No 319).

** The Japanese firm IKEGAMI TSUSHINSKI CO, Kanagawa, (electronic and optical equipment) has formed a Düsseldorf sales subsidiary called IKEGAMI-ELECTRONICS GmbH. This is based on the premises of Nichimen Komatsu Baumaschinen GmbH (see No 440) and with a capital of Dm 20,000 has Herr Arnold Meister as manager. In France the Japanese company is represented by A.F.E., Paris.

** KIENZLE APPARATE GmbH, Villingen, Schwarzwald (electronic measuring and regulating equipment, data processing materials) has made over its sales and after sales interests to a new company called KIENZLE APPARATE VERTRIEBS GmbH, Stuttgart (capital Dm 300,000) with Herr Ernst Döhnel as manager.

Since the start of 1968, the West German company has strengthened its foreign sales network by forming subsidiaries in London, Kienzle Data Systems Ltd. (see No 445), in Vienna Kienzle Datensystem GmbH (see No 448) and in Madrid Sistemas De Datos Kienzle SA (see No 483). In the latter firm it is linked with Guillermo Truniger SA.

** The American firm TEXSCAN CORP, Indianapolis, Indiana (electronic control instruments) has formed a Munich sales subsidiary called TEXSCAN GmbH (capital Dm 40,000), with Mr. Glen Norman, Watford, Herts, as manager.

The founder's European licensee is the British company Livingstone Laboratories Ltd, Watford, (see No 442) and it is represented in France by Prana SA, Montgeron, Essonne (see No 447).

** KELEKE C.G.R. INC, Waltham, Boston (capital $ 1 m. - 55% French control) is to be the name of a joint subsidiary formed to frame the recent agreement whereby C.G.R. - CIE GENERALE DE RADIOLOGIE SA, Issy-les-Moulineaux (of the group CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA - see No 457) is to take over the radiological instruments and equipment division (8% of U.S. market - turnover $ 15 m.) of the Waltham, Massachusetts concern LABORATORY FOR ELECTRONICS INC.

The latter is active in the automation, space research, electronic instrument and radar sectors, and achieves some 20% of turnover from its X-ray and medical electronics division ("Keleket" trademark), which in 1965 took over the "Mattern" business in this sector of the group Dynalectron Corp. Its main European interests are a Belgian subsidiary, Tracerlab SA, Malines and an Italian affiliate, Cia Generale Automazione SpA, Rome.

** The Italian control and regulating equipment firm PIGNONE SUD SpA, Bari is to strengthen its foreign manufacturing interests, especially in the automation sector. It recently formed a subsidiary in the Argentine, Pignone Sud Argentine SA, Buenos Aires, and is now negotiating the formation of subsidiaries in New York and in Spain. The latter move will be on a joint basis with Spanish interests.

Pignone Sud SpA, Bari, is the 50-50 subsidiary of E.N.I. -Ente Nazionale Idrocarburi SpA, Rome (through Nuovo Pignone SpA, Florence - see No 462, and Finanziaria Ernesto Breda SpA, Milan - see No 489).

** The Zurich firm TRANSISTOR AG, Zurich (manufacture and sales of semi-conductors - see No 455) has formed a West German sales subsidiary TRANSISTOR BAU- & VERTRIEBS GmbH, Karlsruhe (capital Dm 20,000) with Herren Hans Stählí and Peter Kaufmann as managers.

The founder (capital Sf 550,000) belongs to the American group RAYTHEON CO, Lexington, Massachusetts (see No 488). This has its own West German subsidiary, Sorensen GmbH, Frankfurt, as well as a number of representatives : Era-Elecktro-Verarbeitung mbH, Aix-la-Chapelle; Magnetic A.B. GmbH, Munich, and Ing. Buro Herbert M. Müller, Wuppertal-Elberfeld.

** The Tokyo firm CASIO COMPUTER CO LTD, which specialises in electron: office equipment, especially desk-top calculators, intends to form sales subsidiaries in West Germany and Switzerland, in order to boost its sales in Western Europe.

ENGINEERING & METAL

** CONTINENTAL MANUFACTURING CO, Cincinnati, Ohio (see No 405), producers of taps and control valves for the oil and chemical industries, through its German subsidiary TUFLIN GmbH, Lindau, Bodensee, has backed 60% the formation of a new company in Udondo, Lenona, Biscay, called TUFLIN SA (capital Pts 3 m). Its other European interests include Tuflin Sarl, Paris, Tuflin AG, Basle, Tuflin Ltd, London.

** VOLMER HANSEN A/S, Ballerup, Copenhagen is planning to open a sales outlet in the Netherlands.

Known in particular for its horticultural watering equipment (trade name Volmatic) the Danish company has two factories abroad, one in Guernsey and a new one in West Germany.

** The precision engineering company SA FRANCAISE DU FERODO, Paris, (see No 432) and its Turin associate FAUSTO CARELLO & CO SpA have increased from 50% to 74.3% their holdings in the Spanish automobile accessory company FAESSA & MEN PAR SA, Barcelona (capital Pts 252 m).

The French group had already increased its holding in this company to 31% a few months ago - the interest of its Italian partner being 19% - and at the same time had increased from 20% to 26.4% its holding in the Madrid Ferodo Espanola SA (affiliate of the Manchester group Turner & Newall Ltd - see No 428).

** N. SCHLUMBERGER & CIE Sarl, Guebwiller, Haut-Rhin, the French engineering company (textile machinery, radial drills and castings) has set up a distribution subsidiary in Austria, N. SCHLUMBERGER & CIE GmbH, Vienna (capital Sch 100,000), whose managing director is Herr Serge Martischang. With a capital of F 9.6 million, the founder company's managing director is M. Jean Herubel.

** The French group SATAM-SA POUR TOUS APPAREILS MECANIQUES, La Courneuve, Seine-St-Denis (see No 381) has enlarged its interests in Italy by setting up a subsidiary at Pomezia, Rome called MISA SpA (capital of Lire 50 m), on whose board the French group will be represented by Messrs Claude Sarrade Loucheur and F. Rigal. President of the firm will be Sig. Lamberto Micheletti, and it will be concerned with the manufacture and installation of refrigeration equipment and materials. The founder company already had interests in Italy including a number of indirect and direct subsidiaries such as Siravam SpA, Rome, Gama Srl, Brescia and Casteltan SpA, Genoa.

** The FAEMA SpA group, Milan (see No 367) known in particular for its coffee machines, percolators and automatic dispensers for hotels, cafes and canteens, has increased its interests in Spain, where it has taken 90% control of its manufacturing affiliate, FAEMA SA, Barcelona (capital increased to Pts 60.5 m).

The Italian group (capital Lire 2,430 m and 1967 sales of some Lire 17,000 m) has a number of subsidiaries abroad under its own name, including those at Zurich, Frankfurt and Paris, as well as one in Lisbon called Utilmovel.

** The Belgian company, A.C.E.C. - ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA, (see No 485) is about to give financial assistance to its 91.4% subsidiary, SA NOUVEAUX ATELIERS LEBRUN, Nimy-les-Mons, and in doing so will obtain absolute control of this concern.

The Nimy-les-Mons firm, which specialises in boiler systems as well as refrigeration and air conditioning (compressors, refrigeration units etc.) is to reduce its capital from Bf 131.4 million and will subsequently increase it again to Bf 59.6 million.

** NUOVA SAN GIORGIO SpA, Genoa (see No 440), the mechanical engineering group (textile machinery in particular) and member of the I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA (through the portfolio company FINMECCANICA SpA - see No 489), has opened a branch in Brussels under the direction of Sig. Aldo Mazzoni.

** DSD - DILLINGER STAHLBAU GmbH, Dillingen, Sarre (steel products, plant construction and mechanical engineering - see No 466) has backed the formation in Vienna of SMB-STAHL-& MASCHINENBAU GmbH (capital Sch 100,000). Its managers are Herren Huber Linster and Hans Welsch, its 50-50 owners.

The founder employs over 2,000 persons and has numerous foreign subsidiaries including C.M.B. - Constructions Metalliques de Bouzonville Sarl, Bouzonville, Moselle; DSD-Stahl & Maschinen AG, Schlieren, Zurich; N.D.S.M.-D.S.D. United Contractors Unicom NV, Amsterdam (owned 50-50 with the Dutch group Ned. Dok. Scheepsbouw Mij-N.D.S.M.). In West Germany it has been linked since March 1968 (see No 451) with the Landesbank & Girozentrale Saar, Saarbrücken within the leasing concern Gesellschaft Für Anlagefinanzierung mbH, Dillingen.

** The German engineering concern, INDUSTRIE-WERKE KARLSRUHE AG, Karlsruhe, (see No 471) a member of the Quandt group, has formed a subsidiary in Paris to sell the company's wrapping machinery. The new firm is called PACUNION Sarl, has a capital of F 50,000 and M. Walter Strobel as managing director. The parent company has direct control of the firm, the balance being held by its associate and subsidiary, BERLIN-KARLSRUHE-INDUSTRIEWERKE GmbH, Karlsruhe.

With a capital of Dm 42 million, the parent company turned over Dm 273 in 1967 with a total of 4,000 employees. Its foreign interests up till now only consisted of a wholly-owned subsidiary in the Netherlands - the Dutch munitions concern, Nederlandsche Wapen - & Munitiefabriek "De Kruithoorn", 's-Hertogenbosch, which itself has a 50% holding in Metaalwarenfabriek Hollandia NV, Amsterdam. In France, it has a large number of representatives: S.A.R.T. -Ste Alsacienne de Reglage Thermique Sarl, Bitschwiller-les-Thann, Hauts-de-Seine (control equipment) M. Dudon, Courbevoie, Hauts-de-Seine (machine tools), Jean Lamy & Cie, Caluire, Rhone (textile machinery), Ets Johnson & Cie (see No 485), Paris (machinery and plastic packaging) etc.

** Within the terms of its expansion programme, the Paris firm, VALLOUREC SA (see No 472) has been negotiating with the portfolio company ESCAUT & MEUSE SA (see No 459) to buy its 48% holding in the Belgian SA DES USINES A TUBES DE LA MEUSE-U.T.M., Flemalle-Haute.

With M. Francois Lente as president and M. Louis Wauthier as director, this company (capital F 426.56 m) used to be an affiliate of Finameuse SA, Luxembourg (Escaut & Meuse holding company - see No 396) and also a 48.11% affiliate of Cockerill-Ougree Providence SA, Seraing (see No 486) which still holds shares in it. The company maintains three metals divisions at Sclessin, Liege, Flemalle (seamless tubes) and Jemeppes (welded tubes), produces some 150,000 tubes p.a. and has shares in several companies including SA Antwerpse Buizen Mij. Anbuma, Antwerp, Belgotube SA, Brussels, Travhydro-Travaux Hydrauliques & Entreprises Generales SA, Brussels and Sclessin, Utema Travhydro SA, Sclessin etc.

** The West German agricultural machinery concern and the leading combine manufacturer GEBR. CLAAS MASCHINENFABRIK GmbH, Hersewinkel, Westphalia (6,100 employees, see No 441) has gained control of the French company CIE EUROPEENNE DE MACHINISME AGRICOLE-CEDMA SA, Gentilly (see No 392) the former 70% subsidiary of CIE GENERALE DES VOITURES A PARIS SA (see No 436). The French company is now known as CEDMA-CLAAS SA (capital raised to F 25 M).

In 1964 when its capital was raised to F 11 million, the West German group increased its stake (then 30%) in Cedma, which is its exclusive distributor with 800 concessionaires and agents. Today control is shared with the Swiss investment company LAWIMA HOLDING AG, Steinhausen, Zug formed in May 1965 (capital Sf 4m). It also controls a French manufacturing subsidiary Claas Sarl, St-Remy-Woippy, Moselle.

** The Milan manufacturer of electric motors, industrial equipment, compressed air machinery etc NICOTRA SaS has formed a sales company in Essen, A.N.

VENTILATOREN VERTRIEBS GmbH (capital Dm 20,000) to sell ventilation and air-conditioning equipment; its managing director will be Sig. Guido Nicotra. The Italian company is represented in France by R.S. Stokvis & Fils SA, Paris (see No 441) a member of the Rotterdam Group R.S. Stokvis & Zonen N.V.

FINANCE

** The agreements concluded a few months ago (see No 460) between MARINE MIDLAND BANK CORP., New York, the international banking and finance group, and the BANQUE DE L'UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA, Paris are to have the following results: 1) the taking of a 30% shareholding by the New York group in the French bank (capital recently increased to F 100 m - see No 488) and a rationalisation of the company's structures resulting in the formation of a new holding company, CIE FINANCIERE DE L'UNION EUROPEENNE SA; 2) the setting up of a European finance company.

The finance company has just been formed under the presidency of M. Marcel Chautard and is called UNION INTERNATIONALE DE FINANCEMENT & DE PARTICIPATIONS-INTERUNION SA, Paris (initial capital F 100,000 to be increased to F 20 m). Its control is shared amongst the Cie Financiere de L'Union Europeenne (74.9%), the Banque de L'Union Europeenne and two other companies in the group (Ugepar-Union pour la Gestion des Participations SA, formed in 1965, and Gevalmos SA - see No 462), but ultimately the bank's new shareholders will take interests in the concern. These are: Marine Midland Overseas Ltd, New York (20 %); Bayerische Vereinsbank AG, Munich; Banque Commercial de Bale SA, Basle; Banque de Bruxelles SA, Brussels; La Centrale, Financiaria Generale SpA, Milan; Mees and Hope, Rotterdam; Hambros Investment Co. AG, Zurich, and Ste Financiere Desmarais pour l'Industrie & le Commerce - F.I.D.I.C. SA, Paris (1.428 % each).

** An equally based association agreement between the insurance companies, DELTA VERZEKERINGSGROEP NV, Amsterdam (see No 456), NV ROTTERDAMSCHE VERZEKERINGS SOCIETAITEN (R.V.S.), Rotterdam and the finance company, ROLINCO NV, Rotterdam (see No 481) has resulted in the formation of a new venture which will run a savings scheme based on subscriptions to insurance policy shares. Called ROPLUSCO NV, Amsterdam and with a capital of Fl 6 million (20% paid up), the new company is directed by M. A.C. Koenig.

Delta heads the Amstleven-Amsterdamsche Mij. van Levensverzekering NV and Hollandsche Societeit van Levensverzekering NV, two Amsterdam-based insurance companies. R.V.S. has recently forged links with NV Assurantie Mij. "de Zeven Provincien", The Hague, a move which has given rise to a new holding company Amsfas Groep NV. Rolinco is the subsidiary of the shareholding administration company, Rotterdamsche Beleggingsconsortium NV - Robeco, Rotterdam, and it also administers the "Rolinco" fund which consists of shares (mainly North American) selected on their capital value rather than their returns.

** The BANQUE DE L'INDOCHINE SA, Paris (see No 488) has backed the formation of two new leasing concerns. The first is called CECICO-EQUIPEMENT SA (a 20% interest - capital F 5 m) and has M. Paul Plazonich as president and is managed by M. Andre Bouxom; the 80% majority stake is held by the Paris insurance group LA PATERNELLE SA, Paris (see No 471), which is linked through cross-shareholdings with the founder. They are already linked 20-80 in CECICO- CIE EUROPEENNE DE CREDIT POUR L'INDUSTRIE & LE COMMERCE SA, Paris on whose premises the new concern is based.

The second company is called SOFIBAIL SA (capital F 100,000) with M. Jean Watteau as president and M. Henry Nosmy (manager) was formed directly by its affiliate Union Industrielle de Credit - U.I.C. SA (see No 388) - on whose premises it is based - in association with the C.C.F. - Credit Commercial de France SA (also an indirect shareholder in U.I.C.) and Credit Commercial SA, Paris (see No 447).

** The New York investment company MARINE MIDLAND OVERSEAS LTD (a member of the MARINE MIDLAND BANKS INC group through MARINE MIDLAND GRACE TRUST CO OF NEW YORK - see this issue) has taken a 30% stake in the tourist and hotel credit concern EUROCARD INTERNATIONAL SA, Brussels (see No 436), whose capital has been increased to Bf 50 millions.

This move has also involved the CREDIT MOBILIER & INDUSTRIEL SOVAC SA, Paris (see No 461), whose shareholding has been raised to F 15.8% whilst that of its Paris subsidiary EUROCARD FRANCE SA has fallen from 10% to 3%. The latter, whose capital was raised recently to F 1.25 million, is directly controlled (70%) by STE AUXILIAIRE DE VENTE & DE CREDIT - SAVEC SA (capital F 15 m - see No 436). The other main shareholders in Eurocard International are three groups : Svensk Kontojanst A/B, Stockholm (20% - see No 432), United Dominions Trust Ltd, London (14.1% - see No 440) and Finansierings A/B Vendor, Stockholm (6.68%).

** Two French property credit companies, CIE CENTRALE DE CREDIT & DE PARTICIPATION SA (capital F 6.52 m and F 102 m credit granted in 1967) and SOFINCO - STE DE FINANCEMENT POUR LE CREDIT A LA CONSOMMATION SA (formerly Ste Alsacienne de Participation & de Credit SA - see 395) are in course of merging. The former is a 52.6% affiliate of SOGENIN - Ste de Gestion & de Participation de la Henin SA (see No 464), itself a 15% affiliate of the Cie Financiere de Suez & de l'Union Parisienne SA (see No 487), and the latter a 47.4% affiliate of the Union Financiere & Miniere SA (see No 482).

Sofinco, which granted F 840 million in credits in 1967, is the company that will survive. Its president is M. Berbard Aube, and its other shareholders are La Paternelle SA (see No 487) and Ste Francaise des Combustibles Liquides SA (see No 406). Its speciality is credit for furniture (40% of the French market) and for cars (6% of the market). It is in the latter sector that Centrale de Credit mostly functions, while in 1965 it formed a subsidiary to promote home improvements under the name of Cie Centrale de Credit & de Financement Immobilier SA, Paris, with M. J. Chabasseur as president.

** BANCA COMMERCIALE ITALIANA SpA, Milan (a 95% subsidiary of the state group I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, Rome - see No 489) has increased its interests in the banking sector (see especially No 481) by taking control of BANCO F. LLI CERRUTI FU ALESSANDRO Sas, Genoa, whose capital of Lire 100 million was shared between Sigs Federico and Filippo Cerruti.

One of the Milan banks most recent moves was to acquire 85% control of Banco di Chiavari & Della Riviera Ligure SpA, Chiavari, Genoa.

** Continuing its rationalisation activities, CIE FINANCIERE SA, Paris (capital F 30 m - see No 483), a member of the EDMOND DE ROTHSCHILD group, has formed, under the name of LA CIE FINANCIERE-HOLDING SA (initial capital F 10 m) a new company to which it will make over its manufacturing, sales and property interests, whilst retaining its financial activities. The president of its supervisory board will be M. Edmond de Rothschild and the directors' board will consist of Messrs Jean Bollack and Jean D. Halbron.

** Four Belgian banks have linked to form UNIBANQUE - UNION DE BANQUES PRIVEES SA, Luxembourg (capital Lux F 12 m) with MM Herve Nagelmackers and Francois Borsu as president and managing director. The founders are NAGELMACKERS FILS & CIE Scs, Liege, (see No 478), BANQUE COMMERCIALE DE LIEGE SA, Liege (see No 327), BANQUE BORSU SA, Huy and BANQUE SUD BELGE SA, Charleroi.

** MERCANTILE BANK OF IRAN & HOLLAND, Teheran (affiliate of the Amsterdam bank ALGEMENE BANK NEDERLAND NV - see No 488) has extended its network in Iran by opening its fifth branch in Ahwaz. The first four are all in Teheran.

** BANQUE DE L'UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA has just formed OMNIUM DE FINANCEMENT & DE VALEURS IMMOBILIERES-OFIVAL SA (capital F 100,000) as a securities handling company, with M. Guy Dufour as president. Banque de l'Union Europeenne Industrielle & Financiere SA recently formed two Paris investment companies called Union d'Investissement & de Participation SA and Ste Financiere Monsigny-Sefimo SA (both have a capital of F 100,000 - see No 488).

FOOD & DRINK

** STE LAITIERE MODERNE SA, Lyons (see No 488) is rationalising its interests around its subsidiary STE LAITIERE LYON - MEDITERRANEE SA, Lyons. This will have its name changed to VIVALP SA, and M. Louis Vassali will take over as director. Its capital has been raised from F 5.7 to 6.6 million after the takeover of three other (99.8, 99.7 and 70%) subsidiaries of its parent company: ANC. MAISON MARTIN Sarl, Lyons (capital F 200,000);LAITERIE DU VIGAN-EN-QUERCY SA, Vigan, Lot (F 650,000) and LAITERIE DE BORREZE SA (450,000). Laiterie Moderne is affiliated to Ets Ferrand & Renaud SA, Lyons, and to DOCKS LYONNAIS SA. It had already made over its manufacturing and dairy sales interests to its subsidiary Laitiere Lyon - Mediterranee, and its retail distribution division to COGEDIS - Cie Generale de Distribution & de Services SA.

** PAULS & WHITES LTD, the London cattle feeds concern, (see No 417) has granted the German firm, C. SEEGER MASCHINENFABRIK oHG, Stuttgart, Bad Cannstadt, a licence to use its "Static" malting system in Germany. Owned by the Seeger family, the German company (payroll of 600) specialises in the manufacture and installation of complete brewing, malting, canning and grain storage systems. Since 1964 (see No 245), it has had a subsidiary in Britain, Seeger Engineers Ltd, Tipton Staffs. in association with Aldersley Engineers Ltd, Tipton and Tettenhall, Wolverhampton.

Pauls and Whites has a subsidiary (50%) in West Germany, Hopcon Joh. Barth & Sohn GmbH, Nuremburg which specialises in the production of hop concentrates. It also has a company in the United States, Hopcon Inc.

** The link-up agreed upon in September 1967 (see Nos 429, 461) between six French biscuit and biscotte makers, which was formalised by the recent establishment of LU, BRUN & ASSOCIES SA (capital F 100,000) is now being implemented. With M. Patrick Lefevre-Utile as president and provisionally based at Maisons-Alfort before being moved to Nantes, this new holding company will absorb three of its six founders: LEFEVRE-UTILE SA, Nantes (capital F 4.2 m), INSTITUT DE REGIME MAGDELEINE SA, Granville, Manche. (capital F 1.8 m) and BISCUITERIE SAINT-SAUVEUR, J. RIO & CIE SA, Lorient, Morbihan (capital F 1.7 m) whose gross assets are estimated to be worth F 44.68 million, F 19.23 million and F 6.08 million respectively. The other three companies BISCUITS BRUN SA, Maisons-Alfort, Val-de-Marne (capital F 12.4 m.), BISCUITS REM SA, Rheims (capital F 2.6 m) and BISCUITERIE DU VAL-DE-SEMOY SA Charleville-Mezieres, Ardennes (capital F 1.2 m) will make over some of their manufacturing and sales assets valued F 39.42 million, F 11.95 million and F 16.49 million respectively.

Once this move has been carried out, LU, BRUN & ASSOCIES will raise its capital to F 40 million and will take under its aegis all the manufacturing activities of its six founders. Sales will however remain the responsibility of three seperate networks, one distributing products bearing the "LU", "Trois Chatons" and "Saint-Sauveur" products, the second "Brun" and "Rem" products and the third "Magdeleine" brand products.

** Having already decided to open up its activities in France and the United Kingdom, the Munich restaurant chain, WIENERWALD GmbH is planning to form subsidiaries to this effect in Paris and London in the near future.

Owned by M. Friedrich Jahn of Feusisberg, Schwyz, the German company had a 1967 consolidated turnover of Dm 268 million. It runs some 270 restaurants, serving 150,000 meals per day throughout the world, of which thirteen are in Austria (Gaststätten Zum Wienerwald Betriebs GmbH, Linz, Donau), five in the Netherlands (Wienerwald Restaurants NV, The Hague), four in Switzerland (Wienerwald Betriebs AG, Feusiberg, Schwyz), four in the United States (Wienerwald at the Fair Inc., New York), two in Belgium and one in Italy.

** The French wine company ETS NICOLAS SA, Charenton-le-Pont, Val-de-Marne (see No 452) has made two new agreements covering sales. The first is with the London-based GRANTS OF ST. JAMES'S LTD (a member of the ALLIED BREWERIES LTD group, which is now holding merger talks with the UNILEVER group) and has resulted in the formation of a 51-49 joint London subsidiary called NICOLAS-GRANTS LTD with M. Pierre Nicolas as chairman. This will import and supply Grants of St. James's with table wines for the next twenty years.

The second agreement is with SA DES MONOPRIX, Paris (a member of the GALERIES LAFAYETTE SA - see No 489) and will involve some of Monoprix's shops in the Paris area selling "Nicolas" wines. Since March 1968 Nicolas has been a 12.5% affiliate of the Paris branch chain store group Primisteres SA, with whom it has a 50-50 subsidiary Niprim Sarl. In Belgium, Nicolas' wines are distributed by the branch chain store group, Ets Delhaize Freres & Cie "Le Lion" SA, Molenbeek-St-Jean.

** The Dutch company THEODORUS NIEMEYER NV, Groningen (see No 420) a 25% affiliate of the British tobacco group GALLAHER LTD, Belfast (acquired by the New York group THE AMERICAN TOBACCO CO in September 1968) has strengthened its interests in the coffee, tea and margarine sectors by gaining control of V. VAN DER PLAATS, KOFFIEBRANDEREIE & THEE HANDEL NV (tea-dealers, coffee-roasting) and NOORD NEDERLANDSE MARGARINEFABRIEK NV (margarine) both from Bolsward. It will make over their interests, along with its own in these sectors, to a new company being formed, which will cooperate closely with CATZ INTERNATIONAL NV, Rotterdam (formerly NV GEBROEDERS CATZ' HANDELSVEREENIGING).

Niemeyer has some 750 persons on its payroll and an overall turnover of around Fl 180 million. Catz (turnover around Fl 150 m) specialises in tropical products (especially spices) raw materials for the baking industry, tinned fish, fruit and vegetables and it has a number of foreign interests: in the U.S.A. Catz American Co, New York and Catz American Co of California, San Francisco; in West Germany, Catz Trading Co GmbH, Hamburg; in Indonesia, NV Catz Java Trading Co, Djakarta & Padang along with Ind ca NV (trading in Indonesian spices) in which the Indonesian state has a 50% stake. It has other interests in London, Teheran and Tokyo.

** The recently-formed Paris company EXPANVIN-STE D'EXPANSION VINICOLE Sarl (capital F 500,000) will trade in food products and wines etc. The managers of the new concern are MM Roger Piquet and Jacques Merlant, and it received from its founders MM Roger Piquet, Saint-Cloud, Hauts-de-Seine, and BERNARD TAILLAN FRANCE SA, Paris (see No 290) their interests in STE BONNIEROISE VINICOLE - S.B.N. SA, Bonniere, Yvelines.

** Negociations are taking place with the aim of establishing closer links between three of the leading agricultural cooperatives in the Northern Netherlands. These are COOPERATIEVE AANKOOPVERENIGING FRIESLAND, Leeuwarden, ACG - AANKOOPCENTRALE, Groningen and COOPERATIENE LANDVOUSWANK - CLM, Meppel. They control factories making animal feeding stuffs fertilizers and cereal processing plants and with some 20,000 members have an annual turnover in the region of Fl 245 million.

** As part of the reorganisation of the interests of the Paris group GRANDS MOULINS DE PARIS SA (see No 335) in the animal feedingstuffs sector the GRANDS MOULINS DE BORDEAUX SA, Bordeaux will absorb C.I.A.D.A.-CIE INDUSTRIELLE & AGRICOLE D'APPROVISIONNEMENT SA, Bordeaux and raise its own capital to F 14.39 million from F 13.8 million.

The group's French turnover alone amounted to F 688 million in 1967. It is linked with its two Bordeaux subsidiaries and with two other subsidiaries Grands Moulins Vilgrain SA and Grande Semoulerie de l'Ouest SA in the "groupement d'interet economique" G.E.R.N.A. involved in research into animal feedingstuffs. In 1967 the members of the latter organisation produced some 1.86 million quintals of feedingstuffs.

** The Dutch dairy cooperative COOPERATIEVE CONDENSFABRIEK 'FRIESLAND', Leeuwarden (see No 485) intends to rationalise its interests by merging with its export subsidiary ZUIVEL EXPORT VERENIGING "FRICO", Leeuwarden (see No 445). Both companies are run by Mr. J.B. Ritzema van Ikema, and together they have an annual turnover around Fl 400 million, with 60% from exports.

INSURANCE

** The Frankfurt DEUTSCHE BANK AG (see No 488) has acquired an interest exceeding 25% in the Hamburg fire insurance company HAMBURG-BREMER FEUERVERSICHERUNGS GESELLSCHAFT. The stake belonging to the Hamburg merchant bank MUNCHMEYER & CO KG has now fallen to under 25%.

In 1967 the insurance company had premiums exceeding Dm 43 million and it has already agreed to merge with another affiliate of Munchmeyer in the same sector, Nord-Deutsche Versicherungs Gesellschaft, Hamburg, within a new company called Nord-Deutsche & Hamburg-Bremer Versicherungs AG (see No 458).

MINING

** The San Francisco company MARCONA CORP (a 46% affiliate of the mining and forestry group CYPRUS MINES CORP, Los Angeles, California) has formed a Luxembourg holding company called MARCONA FINANCE SA (capital $ 2,000 immediately raised to $ 8,000). The members of the new company's board are five American citizens, Messers Robinson, Furth, Downer, Kennedy and Pettit.

** RUHRKOHLEN AG has now been formally established in Essen with a capital of Dm 10 million to re-group and rationalise coal production in the Ruhr. This will head some 23 mining companies, employing 190,000 persons and which in 1967 produced 74 million tons of coal. The annual turnover totals around Dm 5,000 million.

OFFICE EQUIPMENT

** ETS RAYMOND BEHIN SA, Gennevilliers, Hauts-de-Seine (metal sheet and office fittings - shelving, desks, filing cabinets etc - trademarks Odac, Behin and Planodac) has opened a sales branch in Milan under M. D.T. Thiriet.

PAPER & PACKAGING

** BENZ & HILGERS GmbH, Düsseldorf (automatic packaging machinery) has acquired a 51% controlling interest in STE D'APPLICATION PLASTIQUE, MECANIQUE & ELECTRIQUE - PLASTIMECANIQUE SA, Neuilly, Hauts-de-Seine. The latter's "Formseal" division makes a wide range of plastic containers as well as packaging machinery for the food and pharmaceutical industries, etc. The German company belongs to the Berlin engineering holding company Rheinmetall AG (see No 465), which is controlled by the Röchling'sche Eisen- & Stahlwerke GmbH, Völklingen, Saar (see No 473) through its subsidiary Industrieverwaltung Röchling GmbH, Saarbrucken. As a result of the move, Plastimecanique has dissolved its own West German sales subsidiary Formseal Beratungs, Vertriebs- & Herstellungs GmbH, Essen for the latter's activities will now be taken over by Benz & Hilgers.

Rheinmetall (capital raised to Dm 37.5 m) a few months ago gained control of Ludwig Grefe Maschinenfabrik GmbH & Co KG, Lüchenscheid (wiredrawing, nuts and bolts - see No 463) after taking over in November 1967 two other Dusseldorf firms, Brandau Messautomatik GmbH & Co KG and Brandau Messautomatik GmbH.

** An associate of the New York group, the AMERICAN CAN CO (see No 488), the British packagings and plastic ink manufacturer, MONO CONTAINERS LTD, Ruislip, Middlesex has concluded a technical and financial agreement with the French company, ETS CLEMENT PONTNAU-PONTNAU PLASTIC SA, Soustons, Landes (see No 392), which specialises in plastics moulding (trade name - Monoplast). The result of the agreement will be the formation of a joint subsidiary for the manufacture of a new type of yoghurt pot which the British partner, the exclusive licensee for Europe, will also produce in its Durham factory.

Mono Containers, directed by Mr. Leo Baxtern, has a manufacturing subsidiary in Ireland, Waxed Carton Ltd, Dublin.

** RENKER-BELIPA GmbH, the Düren manufacturer of special papers (especially those for photographic use) has increased from 50% to 87.5% its holding in its subsidiary, RENKER-BELIPA ESPANOLA SA, Burgos, the capital of which has been increased from Pts 8 to 20 million.

Owned by Herr Rolf Renker and Mrs. Erna Renker-Moss, Kingston, New York, the German company has an annual turnover close on Dm 60 million and a payroll of 600. There is a sister company in Sweden, A/B Spacio-System, Malmo.

PHARMACEUTICALS

** TILMA DI ANTONIO PEREDA & Co Sas, Milan, has made an agreement with LABORATORIRES LAROCHE NAVARRON SA, Levallois, Hauts-de-Seine (see No 489), whereby it will become the latter's exclusive Italian agent and distributor for such items as its "Indasol" product.

** The New York group BRISTOL-MYERS CO (see No 430) has strengthened its Common Market interests by forming a subsidiary in Italy named BRISTOL EUROPE SpA, Latina (capital Lire 620 m.) to make chemical products, antibiotics, pharmaceuticals and biological, cosmetic and dietary preparations. The new company is headed by Messrs W.R. Miller (president of Bristol-Myers Srl, Milan - see No 385), A.A. Whittaker, A. Sabelli and A. Virgilio.

The group, which in 1967 gained control of the American dietary and pharmaceuticals concern Mead Johnson & Co (having subsidiaries in West Germany, France and Belgium - see No 425) already controls Bristol Italiana SpA, Verona, which is chaired by Mr. H. Sokol and directed by Sig. G. Fracasso. It is represented in Italy for its cosmetics (deodorants, toothpastes, hair preparations etc) by Aescolapius, Laboratorio Chimico Farmaceutico SpA, Vimodrone, Milan.

PLASTICS

** The imminent construction of an ethylene pipeline (see No 471) to supply the Marl complex in Germany run by CHEMISCHE WERKE HUELS AG (see No 489) with its raw material produced by the state-run NEDERLANDSE STAATSMIJNEN N.V., Heerlen (see No 486), is to give rise to the creation of AETHYLEN-ROHRLEITUNGS GmbH at the former's headquarters. With a capital of Dm 36,000, this link company has Messrs. Christian Isting, Mark and Georg Kardaun, Stein, Netherlands as directors.

The other companies directly interested in the deal are Farbenfabriken Bayer AG, Leverkusen (see No 489), BP Benzin & Petroleum AG, Hamburg (British Petroleum Co Ltd. London group - see No 481) and their 50-50 subsidiary, Erdölchemie GmbH, Leverkusen, as well as Scholven Chemie AG, Gelsenkirchen-Buer (member of the Veba-Vereinigte Elektrizitäts- & Bergwerks AG, Bonn and Berlin.

PRINTING & PUBLISHING

** Two Dutch printing concerns have decided to strengthen their already long-established cooperative links. These are DRUKKERIJ. J.W. DE GRUYJTER NV, Sassenheim and DRUKKERIJ. STEENS NV, Schiedam who together employ some 100 persons. They have previously been linked within GRAFISCH & VERKOOP - & ADVIES-BUREAU STAD STEENS-DE GRUYTER NV, The Hague.

** The Chicago publishing group FIELD ENTERPRISES EDUCATIONAL CORP ("The World Book Encyclopedia"- see No 270 - publication and sale of periodicals and books) intends to invest some Lire 3,000 million in the Mezzogiorno on behalf of IL GRANDE LIBRO DEL MONDO SpA, Aprila, Latina.

The latter was formed in 1967 by a Rome subsidiary of the American group IL LIBRO DEL MONDO SpA, which is headed by Messrs W.T. Branham and Aron H. Franco. The Mezzogiorno project will involve printing facilities for educational publications.

TEXTILES

** The French children's (trademark Absorba), mens and womens knitwear (Guitare and Jantoen) producer ETS PORON SA, Troyes, Aube (see No 477) has extended its Italian interests by forming PORON ITALIA GUITARE P.I.G. SpA in Rome with Lire 50 million capital to make and sell textiles and plastic materials for clothing manufacture.

The new company is headed by MM. Jacques Dupas, Troyes; G. Tommasone, Rome, and R. Hennion, Troyes, who already run Ste Abbigliamenti Francese - S.A.F. SpA, Rome (see No 468), formed in association between Poron (30%), Ets Prevot Sarl, Vandeuvre sur Barre, Aube (40%) and Swegex Sarl, Paris (subsidiary of the Banque Francaise du Commerce Exterieure SA - see No 485).

** A manufacturing agreement has been concluded between the German textile concern, JAKOB-KREBS-TUCHFABRIK KG, Anrath, Krefeld and a South African firm in the same sector, FINE WORSTED (PTY) LTD, Le Cap, by which the latter has gained a licence to manufacture the former's materials and suitings.

The German company (payroll 600) has had a 15% interest in the Paris firm, TEXTILES FRANCO-ALLEMANDS SA, in conjunction with four other German companies.

A cooperation agreement reached in the men's clothing sector between two Dutch firms UNITED HOLTEX MILLS NV, Tilburg and TWEKA TRICOTFABRIEKEN NV, Geldrop (see No 461) will result in the formation of a joint subsidiary to which both will make over their technical and sales know-how.

The first-mentioned concern is the joint subsidiary of three textile firms Hollandsche Textiel Industrie NV, Goirle, Janssens de Horion's Wollenstoffenfabrieken NV, Tilburg and Nederlandsche Kamgarenweverijen NV, Meerveldhoven which have been linked since 1968 by a close cooperation agreement (see No 449). The Geldrop partner (750 on payroll) in the new venture formed in March 1968 a subsidiary called Tweka Confectie Ateliers NV, Geldrop (capital Fl 25,000).

TOURISM

** The London-based AIRPORT CATERING SERVICES LTD (see No 452), the 60-40 subsidiary of FORTE'S (HOLDINGS) LTD and B.E.A. - BRITISH EUROPEAN AIRWAYS LTD, has formed an Amsterdam subsidiary called AIRPORT CATERING SERVICES (HOLLAND) NV. This is an investment company and with 20% of its Fl 5 million authorised capital issued, it is under Mr. H.G.W. Worst, Amsterdam.

In September 1968, the founder acquired majority control of STE DES GRANDS HOTELS ASSOCIES SA, Paris, which is run by M. Rene Lambert, owner of the Paris hotels George V, Plaza-Athenee and La Tremoille. The first two are managed by the Hotel George V SA and the Hotel Plaza-Athenee SA. It has also recently formed a subsidiary called BEA - Forte Hotel Ltd to act as a pivot for the international expansion of the hotel interests of its two founders. The latter have begun talks with Deutsche Lufthansa AG, Cologne, Alitalia SpA, Milan and Swissair-Schweizerische Luftverkehr AG, Zurich aimed at agreeing on joint development plans.

** The American BELTON DEVELOPMENT CO INC, Dayton, Ohio, has wound up its Brussels subsidiary HOTEL MACDONALD SA, the $ 50,000 assets of which are mainly tied up in a Brussels hotel. M. Cesar Paponti has been delegated to the operation.

TRADE

** The La Plaine-St-Denis, Seine-St-Denis mail order concern FABRIQUE-UNION SA, which is controlled by LES GRANDS MAGASINS DE LA SAMARITAINE Sca, Paris (capital F 37 m) has formed two new companies. The first is called INNOVATION SA, Paris, the second to bear this name, has F 2.7 million capital, and has received from the founder its travel, furnishings, sporting, jewellery, toys, cosmetics, leather goods etc business, centred in Paris. It has M. Pierre Bouchard as president, and will be run by its parent company plus La Samaritaine and Docks Modernes de Bercy SA, Paris (capital F 500,000).

The second new company, LE COUVERT FRANCAIS SA, La Plaine-St-Denis has F 800,000 capital, and receives from Fabrique Union its trading interests in precious metal goods, table ware etc. These activities are based at l'Isle-Adam, Val d'Oise (offices in Paris) and use the trade names "Ste de Mecanique Generale" and "Orfevrerie Monopole"; its president is M. Jean de Lanauze, and it has the same directors as the first new company.

** SADAL-STE D'ALIMENTATION D'ALSACE-&DE LORRAINE SA, Strasbourg-Koenigshoffen has, as the result of a rationalisation within the Franco-Belgian chain store group (sales outlets in the North and East of France and in the South of Belgium) DOCKS DU NORD-LES ECO SA, La Madeleine-lez-Lille (see No 348), received sales assets from its sister companies, ETS CANUS SA, MIELLE-CAILLOUX SA, Metz, CORA SA, and ETS SUNAC SA. As a result of the move it will increase its capital of F 4.5 million to F 13 million and will be under the direct and more broadly based control of Mielle Cailloux.

The other principal members of the group are Sanal-Ste Nancienne d'Alimentation SA, Nancy, Ets B. Mielle, Les Eco SA, Chalons-sur-Marne, Ste Francaise de Participations Immobilieres & Commerciales SA, Paris and in Belgium, Louis Delhaize, Ransart-lez-Charleroi.

TRANSPORT

** The international transport group AMERICAN EXPORT INDUSTRIES INC, New York, through its subsidiary NATIONAL CARLOADING CO, has formed a company in Rome named ITALCARGO CONTAINERS SpA, to run a new container service between Italy (where the new firm has branches in the main ports and trading centres) and the U.S.A.

** The London group, WINN INDUSTRIES LTD has set up an almost wholly-owned subsidiary in Amsterdam, WINNIC HOLLAND NV (capital Fl 20,000), which under the direction of Mr. Rudolf Visser of Amsterdam is to specialise in the renting, usage and maintenance of containers and other transport media.

The founder company has about fifty subsidiaries throughout the United Kingdom, engaged in four principal sectors: mechanical engineering, building materials, printing and packaging equipment (Winn International Containers in particular) and services (finance of credit sales, renting and sale of automatic vending equipment etc.).

VARIOUS

** The newly-formed Rotterdam company NV GEMEENSCHAPPELIJK BEZIT AUGUST KOEPCKE & CO (capital Fl 100,000) has backed the STICHTING AUGUST KOEPCKE & CO foundation in association with Swiss interests represented by M. Hans Strelin, St-Legier, Vaud and Scandinavian interests represented by Messrs E. Heuschien, O. Bjarmer and O. Gundersen. It will act as an investment management concern, chiefly for the Rotterdam trading company AUGUST KOEPCKE & CO NV, (see No 284).

The latter is linked 50-50 (through its Rotterdam import-export subsidiary Köpcke Agenturen NV) with the Norwegian company Mar-Kem Service & Products, Drammen in an industrial and marine chemical and technical cleansing concern called Mar-Kem Service & Products (Holland) NV, Rotterdam. There is also an Antwerp subsidiary, August Kopcke & Co (Antwerpen) NV.

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