

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

November 4 - November 10, 1968

EUROPEAN INTEGRATION

The Hague: An Echoing Tune

Last Friday and Saturday saw the twentieth anniversary of the first European Congress in The Hague celebrated by her in the same building, the 13th Century Ridderzal. More than 500 parliamentarians from 16 European countries attended the Congress, as did the Foreign Ministers of the Five, of Britain, Denmark and Ireland, the Norwegian Trade Minister, and the former president of the EEC Commission, Dr. Walter Hallstein, and the leader of the Conservative party, Mr. Edward Heath.

The Congress came up with all the well-worn arguments about European integration. Despite the ideas and suggestions which were put forward for a summit meeting of European heads of state, for the need to find ways to promote integration whilst progress is blocked, it is hard to see the Congress itself inspiring any new upsurge of European enthusiasm. On the other hand, it would be unjust not to admit that if some of the proposals could be brought to fruition, a revival of the popular interest in integration could take place.

No members of the French government took part, nor did any Gaulist deputies, although they had originally intended to do so, but were unable to come due to "unforeseen circumstances". There were probably two reasons for this, one the fear of being isolated, secondly the need to distract home attention from the Congress; France was however represented by members of the Centre party and the Opposition parties. The attitude taken towards France by those participating varied according to the speakers with some adopting a hawkish line and others a rather more moderate approach. These differences of opinion illustrate one of France's strong points in her own attitude towards integration, for she can have a single-minded approach directed by one man, whilst the other countries, when they try to adopt a line, have to compromise amongst themselves to start with.

On the opening day, the British Foreign Secretary, Mr. Stewart, welcomed the draft resolution which declared that the best and most natural way to unite Europe is to build on the foundations of the European Community, to enlarge its membership through the admission of Britain and other European nations, to strengthen progressively the democratic character of its institutions, to complete economic and social integration, and to extend the political nature of the Community. If a last effort to get European governments to agree on this failed, then "a conference of the Heads of Government should be convened without delay" to consider the establishment of "new institutions dealing with foreign policy, defence, arms procurement and monetary matters." Mr. Stewart once again stated that it was not a question of establishing a rival community but "if we cannot make progress in the economic field, then we must make it in other fields". The British government would back other governments

who believed that the time for action had now come.

The Dutch Foreign Minister, Dr. Luns also backed the idea of a summit meeting, called by some a second Messina, after the conference setting up the Common Market, but considered that any European relaunching should be well-organised. His Belgian counterpart M. Harmel, initiator of the Harmel Plan, favoured a summit of his partners thought this would be worthwhile. He called for European solidarity and said "we must choose between starting the construction of Europe afresh or returning to our own selfish nationalisms Europe should be built wherever possible, and efforts to this end should be concentrated rather than scattered". M. Jean Rey wanted an end to the "paralysing veto system" within the Community. The only way for Europe to assure its independence and strength was through its unification and the strengthening of its institutions. The Mayor of Marseilles, M. Gaston Deferre and one of the French Socialists, regretted the absence of the Gaullists and wondered why the need for dialogue and participation so frequently stressed within France had no application on the European scene.

A well-received speech was made by Herr Franz-Josef Strauss, the West German Finance Minister who said that no European nation had the right to prevent other countries initiating economic and political unification in their efforts if they had given proof of their desire to participate in the construction of the United States of Europe. He also put forward a five-point plan: 1) The enlargement of the Community; 2) a European constitution with federal institutions; 3) the harmonisation of defence and foreign policies; 4) full-scale economic union; 5) a directly elected European Parliament with real powers. For his part, Herr Brandt stressed that Europe could not be built by taking an anti-French line, for "Franco-German reconciliation was one of the most important facts of the postwar period; as are Franco-German relations for the future of Europe" . . . "The Community was not doing so very badly, and on Tuesday (the Council of Foreign Ministers) had decided to study those concrete proposals which had been put forward." In his view, it was more a lack of European solidarity than of institutions, which was one of the major difficulties especially in the defence sphere. Herr Brandt was not against the idea of a European summit provided it was well-prepared but he stressed how the existing treaties should be used as a basis for this. For his part, the Italian Foreign Minister said his government would take the initiative for a summit conference in the first half of 1969.

Some surprise was caused by Mr. Heath whose approach now seems to be at variance with that of the Labour government. Although he made clear his European convictions he also said that "it would be wrong to seek to isolate France by creating new institutions without her" "a Europe without France in the long run makes as little sense as a Europe without Britain". His attitude seems to be closer to Willy Brandt's, especially in the need to use the existing framework of the treaties.

The draft resolution was adopted as the Declaration of Europe, after a fierce procedural struggle over the reference to "institutions outside the Communities". Dr. Mansholt, also secured the adoption of a call "for supernatural institutions with a

solid democratic structure based on direct universal suffrage" and Signor Medici announced that Italy would propose the direct election of the European Parliament.

The success of the Congress will depend on the test of time, but one of its worthwhile achievements has been to show the divergences of views amongst the "Europeans". This factor may help to produce a more realistic approach in the future, instead of the current trend for "speeches and not action".

* * *

THE COMMON MARKET

Council of Ministers Meeting

Apart from its discussion last week on the Debre Plan for strengthening the Community and possible links with other European countries, last week's Council of Ministers dealt with a number of other questions.

The Italian government, whose Foreign Minister Signor Medici was in the chair, presented a memorandum which stressed the "urgent need" for "a basic programme for economic, financial and technical cooperation with the countries of Latin America". Rome has also repeated its call for a permanent mixed commission between both sides. The memorandum has been passed on to the permanent representatives for further examination and will be discussed by the Council at one of its next meetings.

It was also decided that the trade agreement between the EEC and Iran, which is due to expire on November 30 should be extended for a further year. The prolongation will be effected by an exchange of letters between the Council's President, Signor Medici and M. Jean Rey, the Commission's president and the Iranian government's Ambassador to the Communities, Mr. Medi Pirasteh.

Another point of disagreement at the previous meeting in Luxembourg between the Finance Secretaries over the financing of the Communities' own pavilion at the 1970 Osaka International Exhibition was resolved. Previously France had objected to this but despite the fact that the Ministers managed to reach agreement in principle, the actual sum to be allocated under the Community's budget was not fixed. The task of examining how much can be spent on the project has gone to the permanent representatives. Now that the draft budget of \$ 2, 500 million has been adopted it will go before the European Parliament for its opinion.

The Ministers during last week's meeting reached agreement in principle on the first three texts aimed at introducing the common commercial policy. These cover import liberalisation according to countries and products; safeguard measures for the internal EEC market because of excessive imports, and quota administration at the Community

The regulations applying to these three texts are expected to be ready before the end of the year. The scope however of the Council's decisions is limited by the fact that the position of the countries of Eastern Europe has not been settled. These will be covered by the common commercial policy, but the political and practical problems involved require a more detailed examination. The Council has therefore decided to push ahead with those measures which can be implemented without too much difficulty, before turning to the more awkward problem of Eastern Europe, where West Germany's political and trading links are of a considerable importance.

* * *

ENLARGEMENT

France's Small Concession

Given the general alarm in France over her insecurity from the Russian presence in the Mediterranean, moves to form greater ties with countries of the East come as no surprise. (See "France"). But only a minor concession has been made to France's frosty treatment of Britain in relation to the Common Market and reactions in London have been largely negative. The Debre Plan deals largely with the internal condition of the European Community and its amelioration (see No 485), but a rider has since been added which provides a framework for cooperation with other European countries who might wish it. The Debre proposals include a 30% tariff cut towards third countries for industrial goods, spread over four years, that is to say one year more than the period envisaged under Herr Brandt's earlier compromise proposals. Britain remains however unimpressed by this palliative, as it has been by all measures which are not strictly allied to full British membership of the Common Market. In spite of M. Debre's assertions in the National Assembly that France has always done its best to further the real aims of the European Community, Britain is still sceptical about commercial arrangements, technological cooperation and the creation of a European industrial patent system, which form the crux to the nine-point Debre plan. Informed sources in Whitehall have indicated that these proposals are regarded as minimal concessions, moves made by the French just to avoid complete deadlock within the Community.

It is Germany which is at present occupying the key position, standing at the fulcrum of the power see-saw and it is her attitude at the present Nato meeting at Brussels which will prove crucial. Following the recent De Gaulle-Kiesinger meetings in Bonn where German adhesion to much of French policy was ensured, it is understandable that the Germans have welcomed the Debre proposals, as they would any proposals which might possibly destroy the impasse on enlargement, or at least postpone the necessity of solving the problem for a while. British policy has been to bring up the question of enlargement relentlessly at every possible occasion where an audience including the Six (or Five) was present, and French policy has been to oppose this. The opportunity comes up again at the Nato meeting and this time the French chair will be vacant, so it may be possible to

gain concessions from Germany which would otherwise be out of the question. Britain hopes to press for a discussion of the formation of a "European Study Group" as was mooted by M. Harmel, the Belgian Foreign Minister, which would be "within the margin of Nato". As France is philosophically outside the Nato alliance she would find it difficult to justify any opposition to such a move, but on the other hand such a study group might find its functions strictly limited to the military sector. If however the Harmel plan were accepted with its provisions for the formation of the so-called "European Pillar" within Nato, cooperation in the military sector, though fundamental to the plan, would not be an absolute sine qua non. According to M. Harmel, his plan includes cooperation in technology, monetary questions foreign policy as well as in defence, thus bringing Britain closer to Europe as an integral part of the Pillar as well as strengthening the power and cohesion of Nato. Some good will on the part of Germany and a reasonable discussion of Harmel's proposals might lead to a breakthrough here, but implementation will be much more difficult than discussion.

The main reason for the deadlock is the conflict of interests between France and the other member countries. France's main interest is the internal strengthening of the Community, whereas the others, though seeing this as an important aim, want equally the extension of the Community to include the candidate countries and in the minds of these other member countries these two concepts have more often than not gone hand in hand. As Herr Kiesinger has pointed out more than once, much of the stagnation within the Community is due to the tendency of many of the plans put forward to include too many individual proposals under one blanket. If the aim of building up the inner security and good-functioning of the Community were separated from that of widening it, these two aims might be achieved far more easily and quickly. The effectiveness of the Committee of Permanent Representative's discussion of all the proposals to date on the enlargement of the Community and its resultant report will depend on its ability to keep the field of discussion fairly narrow. If the deadlock is not to be continued, Britain must be prepared to accept a small advance on a limited front rather than try to push for enlargement as part of making the Community more effective as a whole.

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INDUSTRY

French Aids to Small Industry Accepted . .

The Commission has not raised any objections to the measures decided upon in France to help the country's small and medium-sized firms overcome the difficulties caused by the May-June troubles. The measures in question were agreed by the French government on June 11, when a decree authorised the "Caisse Nationale des Marches de l'Etat" to intervene so that banks could make special advances.

The Caisse was authorised to guarantee loans made to these firms. The conditions for doing so were as follows 1) Only firms with a turnover of less than F 20 m. could apply; 2) the total sum advanced could not exceed monthly turnover or wages for a quarter; 3) aid could only be given where the normal methods of switching the firm to full-time working had shown themselves to be insufficient; 4) Interest on any loans granted could not exceed 5% and the loans themselves must be repaid within eighteen months.

The Commission's approval of the French measures has been more a token gesture than anything else, since according to the text of the Treaty (Article 93(3)) Paris should have informed the Commission before deciding to establish these aids, but the situation in France was such that the government considered it should act first and explain afterwards.

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Silician sulphur: Doubts over continual aid .

For the first time the Commission has formally expressed doubts about the Sicilian authorities' plans for the island's sulphur mines. For a good many years these have been receiving various forms of aid, aimed at rationalising the industry as well as creating new industries capable of employing those thrown out of work by the progressive closure of the sulphur mines. Furthermore in an area such as Sicily, the social aspects of the problem are also considerable.

The Commission is informed of the Sicilian authorities' proposals by the Italian government in accordance with the terms of the Rome Treaty, and on previous occasions it has authorised the various aid measures. However the overall improvement plan is now well behind schedule. On May 8, 1968 the Commission authorised Lire 13,000 million for the Ente Minerario Siciliano, but only a week later Rome informed the Commission that the Sicilian authorities had realised that their initial estimates were insufficient. They intended to spend a further Lire 15,600 million, thus doubling the cost when compared with previous estimates, and by now in some sectors the delay in introducing certain measures was reckoned to cost around Lire 1,000 million a month.

This increase in aid requirements has been approved because of the regional and social aims involved, allied to the fact that internal EEC competition is unlikely to be distorted as most Sicilian sulphur is processed on the island.

It now seems as if the Commission has decided to take a firmer line. It has pointed out to the Italian government that aid on the envisaged scale, which would keep unprofitable mines working is not itself compatible with the Treaty. Only after a study has been carried out as to the rate that workers can be found other jobs, and the timetable for the closure of the mines, will the Commission be able to decide on its approval for this continual flow of aid.

* * *

LABOUR

Community Labour Market Unified

On November 9, the liberalisation of the labour market in the EEC became official, further to the Council's decision in August (for details, see No 473). Under the decree, which member states have nine months to bring into force (France, for one, has already done so), any discrimination between nationals of the Six as regards jobs, housing and trade union membership is now banned. This means that regardless of his permanent place of residence, a worker from any member state may now expect to enjoy precisely the same conditions of employment as a national of the state in which he is employed. All that is required of him is possession of a work permit, and that he submit to the ministry of the interior in question a request for a residence permit, accompanied by either a certificate of employment or proof thereof, furnished by the employer.

* * *

LEGAL

Scott Paper Licensing Agreement Modified

The Commission has recently issued a statement dealing with two licensing agreements notified to it under the EEC's competition rules. These covered trade mark and know-how licences granted by the American, Scott Paper Company, Philadelphia to two subsidiaries within the Community, Scott Continental S.A., Brussels and Burgo Scott SpA, Turin. The licences incorporate the production and sale of absorbent paper products (towels and handkerchiefs) and waxed packing paper within the Common Market.

Scott-Continental, which is fully-owned by the American group, makes and markets the products under the parent company's trade marks in every EEC country with

the exception of Italy. Burgo-Scott, which is owned 50-50 by Scott Paper and Catiere Burgo SpA, has a licence for Italy, France, West Germany, Austria, Switzerland and Liechtenstein. Although the licences granted by the American group are not exclusive, it has refused to let other countries in the areas under consideration use them. The effect of this agreement is that both Scott-Continental and Burgo-Scott can use the trade marks in France and West Germany, whilst in the Benelux countries it is Scott-Continental and in Italy, Burgo-Scott. However the companies have said that neither impedes a wholesaler selling Scott products imported from the other licensee.

The agreements first notified included rules, and led to practices which under Article 85 (1) of the Rome Treaty, could result in the restriction of competition within the Common Market and were "liable to impair trade between the Member States". When the Commission informed the companies that they would not get the unconditional benefit of exemption from the ban under Article 85 (3), the companies deleted the rules and have also given assurances regarding the practices objected to, so as to obtain negative clearance. The Commission is now expected to make a favourable decision along these lines.

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SOCIAL MATTERS

Progress on ECSC's Housing Operation

Since 1962, the ECSC has been directly involved in tackling the social and economic problems of housing in the Community, and by way of assessing the problems and keeping tabs on what needs to be done in this field it has itself sponsored an ambitious building programme for worker's dwellings. The 100,000th housing unit to come out of this scheme has just been completed in Belgium (109,000 units all told have been planned so far), and the EEC Commission, which has taken over the High Authority's work in this field, has just issued a progress report.

There are six "model projects" in hand in the Community, and of these five are at various stages of completion (at Salzgitter-Lebenstedt and Wulfen in West Germany; Le Croisot-Torcy, Saone-et-Loire; Piombino in Italy, and Heemskerk in the Netherlands). All five projects involve about 400 housing units. A sixth project at Genk in Belgium looks like foundering, as the Zwartberg mine, whose workers it was to house, has been closed. Apart from these six model programmes, there have also been three Community-backed special programmes, and the 109,000 dwellings embraced by Community sponsorship have so far cost the Six jointly some 250,000 dollars. This has come either directly out of the ECSC exchequer or its borrowings, or from funds raised expressly for the purpose at its behest.

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AFRICAN ASSOCIATES

Jean Rey in Senegal

Jean Rey and other members of the EEC Commission are at present in Africa, on an official visit to Senegal, Mali and the Ivory Coast, at the invitation of the governments of these three associated countries. Particular importance is attached by the latter to this visit, which gives them the opportunity to show the Commission at first hand the problems and difficulties that have to be contended with when the Yaounde Convention comes up for renewal next year. M. Rey will find himself sandwiched between, on the one hand, Senegalese anxiety as to the slowness with which disbursements from the E.D.F. become effective, and the financial problems posed by the changing pattern of marketing for groundnuts, its staple crop, and on the other Brussels' misgivings about the apparent over-ambitiousness of certain projects and the lack of care in their preparation, and its need to enforce the Community's common market rules for produce.

As far as aid is concerned, Senegal received rather over \$ 40 million from the first EDF, which issued credits to a total of \$ 581 up to its closure in June 1964. Only \$ 32 million of this have, however, been put to effective use so far. Up to April 1 last, Senegal had also received appropriations to the value of \$ 58 million from the second EDF (disbursements then standing at \$ 501 million), of which 13 million were earmarked for investment, particularly in roads, a campaign against rinderpest and a scheme for improving water supplies to Dakar. A further \$ 20 million is to be put towards aid for groundnut production (price support, improving productivity and various investments) and another £ 5 million to promote crop diversification, mainly into rice, cotton and bananas. Since April, another \$ 8 million or so has been granted for groundnut support in the facing of a declining world market, but up to then only 21 million of the \$ 58 million granted had in fact been paid out from the second EDF, with barely a half-million each going to the key spheres of investment and diversification promotion. This dangerous time-lag is certain to rank high on the Senegalese agenda of matters to submit to and discuss with the EEC Commission president.

No doubt the occasion will also be used by M. Rey to assess for himself the viability of projects that have been submitted to Brussels for aid appropriations and about which there has been some scepticism. Senegal feels that it is to some extent getting into Brussels' bad books, and is keen to use this occasion to demonstrate its good faith and to restore mutual confidence between it and the Community.

A final and most important aspect of the present situation that needs attention is the matter of the groundnut market: since France has had to fall in line with Community rules for produce, she has been unable to support Senegalese groundnuts against difficulties, and Senegal has had to bring her prices steadily into alignment with world prices. What she wants now is assistance with diversifying her market, backed by greater price support than she now obtains, and for a specified period. The situation is not helped by the fact that Senegal herself must match much of what is paid out of the E.D.F. in the form of aid if she

is to realise the projects put forward. It is to be hoped that the present round of visits by M. Rey will help to clear the air between Brussels and the three associates in question, and that his resumption of this African tour, to other states next spring will bring all parties concerned in a more amenable mood to the Yaounde conference table.

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E.I.B.

\$ 15 Million Loan Issue in Belgium

On November 14 the European Investment Bank issues a Bf 750 million loan in Belgium. This will be in the form of debentures of a nominal value of 5,000 or 10,000 francs, and will carry interest at the rate of 6.75%. The loan matures at 14 years, and will be redeemable at par as from 1974 either by prize drawing or purchase on the bourses.

The loan has been underwritten by a banking consortium comprising the Societe Generale de Banque, the Banque de Bruxelles, the Kredietbank, the Banque de Paris & des Pays-Bas (Belgique) and the Banque Lambert.

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E.D.F.

Six New Grants for Africa

On November 7, the EEC Commission approved six new financing decisions from the European Development Fund totalling some \$ 8,254,000. These had already been approved by the EDF Committee in the middle of October. The total commitments now come to \$ 567,761,000 for 280 decisions. The latest credits are:

- 1) Some \$ 393,000 for a pilot project aimed at elimination of the tsetse fly in the Central African Republic through sterilizing the male by irradiation before his release. If this is successful, it may be extended to other areas of Africa.
- 2) A special term loan of \$ 2,754,000 for the extension of the Nouakchott wharf in Mauritania, so that it can handle copper exports in the immediate future and cope with later increases in commercial freight.
- 3) Some \$ 732,000 for the fourth and last part of the Niger Republic's production aid programme. This involves rationalisation and improvements in groundnut and cotton farming.

- 4) A sum of \$ 980,000 will be provided for training around 550 officials of the Congo (Kinshasa) Transport Office .
- 5) Somalia is to receive around \$ 3,275,000 towards the construction of a modern telecommunications system . This will include two urban telephone exchanges .
- 6) \$ 120,000 has been allocated for the extension of an information programme on the activities and achievements of the EDF .

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YUGOSLAVIA

Embarrassment of the C.A.P.

The Six set considerable store by the prospective trade agreement with Yugoslavia (see No 484), which would be the first such agreement with a Communist state, at a time when relations between various of the East European satellites' relations with Moscow are becoming strained. However, the impasse that has been reached during talks over the question of including agriculture, and specifically the beef sector, is now casting a shadow over the issue. On November 11 President Tito himself alluded to this fact in a speech when, in mentioning the country's good relations with most West European countries, he laid much of the blame for the current stagnation in Yugoslav agriculture at the door of the Community, whose restrictive and protective measures to cover home agriculture were stifling Yugoslav imports of high-quality beef, (especially to Italy). This was coupled with a veiled threat that Yugoslavia would not hesitate to bring in restrictions of her own by way of retaliation, should the situation not improve (presumably during the course of the present negotiations), and this would be felt distinctly by Western Europe, not least Germany, for which Yugoslavia is a valued market for industrial goods. A measure of the seriousness of the present situation to Yugoslavia is the fact that her total trade gap is now equal to the total value of annual sales to the Six.

While such parties as Germany look with sympathy on the Yugoslav case, however, there are others such as Italy that have a direct interest in the modification of the EEC's farm trading regime with her. Next year the Community will be facing a degree of production difficulty for beef, and it now seems likely that Italy at least may be allowed to reduce her levies on these imports. The crux of the problem is of course the Six's measures and rules for protecting the home market, and the fact that an existing arrangement in this sector between Denmark and West Germany is already deemed an exception. Austria and the Argentine are continually requesting similar treatment, and this places the Community in a very awkward position when it comes to Yugoslavia. One solution might, however, be to add Yugoslavia to the four representative countries (Britain, Ireland, Denmark and Austria) whose beef prices form the basis of calculation for the Community's variable levies on this product.

Any threat of tariff retaliation by Yugoslavia, moreover, is further strengthened by the fact that she is now beginning to find alternative markets for her key farm product. There has been cooperation between Britain and the country in this sector in the past, and although Yugoslavia swung round from Britain as a main market to the Community in 1961 (easier transportation, higher prices etc) she is now apparently preparing to reverse the trend, which could stimulate the Italians to more radical action within the Community, faced with the loss of a preferred import. Indeed, this year the United Kingdom may purchase as much as 35,000 tons of chilled and deep-frozen beef from Yugoslavia against a mere 200 tons last year, and it is rumoured that the Yugoslavs are aiming at a steady annual British import figure of 50,000 tons. Again, Italian imports in this sector have dropped by 50% this year, while those to France have dropped from the first half of 1967 by five-sixths, to a gross value of \$ 83,000 for the first six months.

With export meat surpluses growing by 12 to 14% a year for Yugoslavia, the problem is clearly becoming critical, and with the prospect of supply difficulties arising in the Community in 1969, there seems little doubt that Brussels will find a way round the legislative and political (French opposition) difficulties that stand in the way of what would appear to be logical arrangement: a needy market and a willing supplier. Already the Council has asked the Commission to request of it a mandate to include agriculture in the next round of talks, and it is to be hoped that this may at least lead to some rationalisation of the levy structure early next year, at least as far as Italy is concerned.

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FRANCE

Defence: One Azimuth Uncovered

In the face of increased Soviet presence in the East (Czechoslovakia) and in the South (Mediterranean). France has been forced to reconsider its defence doctrines and strategy. No longer can it afford to stand aloof from the Atlantic Alliance and hide behind the indistinct veil of its non-alignment philosophy. At its first encounter with the facts of power politics and strategics the French ideal of the independent "force de frappe" has faltered, such that at a recent press conference given by Monsieur Messmer, the Minister of the Armed Forces declared that, were an international power crisis to come about, France would deal directly with the United States, presumably by-passing the intermediary of Nato. He then went on to say that France was ready to embark on talks with the United States with a view to building up a framework to make such negotiations possible.

The prime spur to Franco-American cooperation in this sphere has been the build-up of Soviet forces in the Mediterranean and especially in Algeria, France's former colonial possession. It appears that Russia now has a fleet of some 30 ships in the Mediterranean including some ten submarines as well as between 6,000 and 15,000 troops in Algeria,

and now considers herself to be a Mediterranean power. According to Soviet strategic logic, Russia is "a Black Sea power and as such a Mediterranean Power too" (Izvestia), and wished now to ensure the peace and security of the area. Russian control of key sectors in Algeria is becoming quite comprehensive; they have made a deal with the Algerians whereby they will buy a substantial part of the local wine harvest, which previously the French had bought to fortify their own wines in times of bad harvest. This recourse will no longer be available to the French, or at least not to the same extent. The Russians now dominate the University at Algiers and have gained a firm hold over the ailing economy which in any case is only kept buoyant by massive infusions of French aid. Of crucial importance to the French are the extensive deposits of mineral oil whose supply was assured to France, in theory anyway, by the Evian peace agreement with the Algerians in 1962. The blockage of this pipeline to France would have serious repercussions in this country.

With France's relationship to Nato ill-defined (she has not chosen to opt out of the Alliance although this option has been open to her since August 24), the Atlantic Alliance feels itself threatened at its weakest part, the underbelly of Europe. Nato diplomats know of Russian plans to train their own pilots on Algerian airfields and they also fear that the old French base at Mers El Kebir, much of which was paid for out of Nato funds, may fall into the hands of the Russians. More important still to French pride perhaps is the fact that the Russians have recently sent technicians to look over the former French base at Colomb-Bechar, as well as to the atomic test centre at Reggane on the edge of the Sahara.

Without the firm economic base that France needs to build up her independent deterrent, France then finds herself forced to turn to the United States for help to exclude the Russians from the South. Although she is at present in the course of constructing a medium-range missile site in Provence, not far from the Mediterranean coast, she does not have the necessary additional funds to make this a dual direction site with missiles facing both South and East. With this hopeless vulnerability in mind and the general alarm it has created in France, the French president has made a number of friendly gestures towards American, Britain and his European allies. He has sent M. Debre to see President Johnson in an effort to ameliorate France's relationship with that country; he has permitted the French Navy and Air Force to take part in a Nato exercise in the Mediterranean; he has allowed France to continue her cooperation with Nato in the technical field and he has given concrete evidence of France's eagerness to cooperate with Italy in the Mediterranean. France has recently rented 2,000 kg. of enriched uranium to Italy for use as fuel in her new nuclear naval vessel, Enrico Fermi, the first time France has contributed nuclear materials for military purposes to a Nato ally.

Thus with M. Debre attempting to patch up some of the old differences with both the United States and Britain ("It is impossible for our interests to coincide all the time" said he euphemistically with reference to the USA last month), it is possible that we are witnessing a major new slant in French foreign policy, but it is unlikely that the French will actually jump into the arms of the Americans all the same. In spite of rumours circulating in European circles and reported in this week's "Die Zeit", that France may already be negotiating with the United States over the purchase of nuclear war heads, she will do all in her power to maintain her policy of strategic independence - at least as far as it is practically possible.

STUDIES AND TRENDS

"Le Defi Italien"

Part II

The competitive pressure which Italian industry has been exerting upon European markets has not been limited to the turbulent domestic appliances and automobile sectors. It has also been affecting other consumer durables such as radio receivers and television sets (see No 486).

The television sector is at the moment passing through a phase of reasonable fluidity, such that any generalisation would be dangerous. The Italian industry appears to be much more segmented, much less integrated than its French or German counterparts. Although it is difficult to give an exact figure, it would appear that there are between 80 and 100 manufacturers in Italy whilst there can only be an eighth or even a tenth of this number in France or Germany. Moreover, the first Italian companies to take an interest in the French market seem to have been medium-sized affairs.

This being the case, as soon as the price of French television sets rose above F 1,000, there began to appear on the French market Italian sets such as those made by FIRTE, Uranya etc., which retailed at about F 800. But time has since shown that the majority of these sets, sold during the first wave of Italian imports, were not covered by an adequate after sales service and that the provision of parts has been a hit and miss affair, which made things all very difficult for French consumers troubled with breakdowns. This became such a problem that sales began to fall off and the sales figure for the period August 1 1966 to July 31 1967 was only 10,000. At this time then sales were never enough to worry the French industry unduly.

However, over the past year things have changed greatly. Perhaps this is because the Italians have got better financial backing, or because they want to make a distinct and permanent incursion into the French market. Whatever the reason, the Italians have certainly changed their base of attack: they are offering higher quality goods and better sales and after sales services. It was not long before this new approach began to take effect, and the sales curve for Italian T.V. sets started a major upswing so that for the period August 1967 to July 1968 some 27,000 sets were sold. Taken in isolation this sales figure is not that impressive, but it is worthy of note that it has already surpassed the B.L.E.U. figure and that it is creeping up on the German figure. Moreover, and this is a fact which is causing not inconsiderable concern in the French television industry, during the period 67/68 the average FOB price of an Italian set (black and white, the Italian industry not having embarked upon colour manufacture - see European Technology No 480) was in the region of F 360, whereas the average price for a similar set exported to Germany was almost double, that is F 691.

Thus what has been called the "second wave" of Italian imports into France is well under way. It differs greatly from the first wave, especially in one particular: although their price at the French frontier is on an average fairly low, by the time the sets reach the French customer they are in general much more expensive than the comparable French model. For example, a Brion-Vega 23" dual-standard set priced at F 2400, sells now in Paris at about F 1,700 (including the standard 25% discount rate), which immediately puts it at a price considerably above comparable French models, which now sell at between F 1,200 and F 1,500. The eleven inch portable model made by the same company sells at about F 1,400 as against F 1,000 for a similar model manufactured by Philips or Radiola.

Two of the leading Italian companies Voxson and Zanussi, are making preparations to break into the French market towards the end of 1968 and the former has already formed a subsidiary in Paris to lead the sales campaign. It has not however attempted to hide the fact that its prices will be higher than comparable French models, that is to say F 1,290 for an eleven inch model and F 1,600 for its 17 inch model. These are then much the same prices as those it demands for its products on the Italian market, Lire 155,000 for the former and Lire 175,000 for the latter, prices that a number of French manufacturers such as Pizon Freres and Radiola have no difficulty in undercutting.

However, amongst the pioneers of the second Italian export drive into France, there is a general feeling of optimism. Quite apart from the various attractive selling points that the Italian manufacturer can offer his French customer, such as the stylish appearance of the sets, the Italians feel themselves very much at home on the French market, unlike the majority of their competitors and especially the Germans. In a number of important aspects the Italian and French markets are very much alike. In absolute terms, there are slightly more televisions in France than in Italy: on December 31, 1967, there were 8,316,000 black and white sets in France compared with 7,686,000 in Italy, but the rate of annual sales (1.3 million) is much the same in both countries. The Italians had to overcome certain disadvantages before they could break in to the French market, since French standards are different from the Italian ones, the dual 819 and 625 line system in France being a particular example of this. This all means added complications and added costs. At the same time, the fact that the tax burden on turnover is greater in France is offset by the possibility of getting some of it back under the AVT system, whereas Italian tax, which is paid at each stage of production, is not returnable.

At the same time, the practice of granting discounts to the purchaser is as widespread in Italy as it is in France. In Italy it can amount to as much as 30 or 35% compared with 25 to 30% in France. Italian law, like its French counterpart, forbids price fixing, but it is still allowed in West Germany. In both Italy and France the common practice is for the manufacturer to give a "recommended price", which the retailer, or his equivalent, can adopt or reject as he sees fit. The result in these two countries is somewhat chaotic, and the buyer has difficulty in finding any concrete relationship between the "normal" price and the "discount" price, between the various price tags where a higher price has been scratched

out and substituted for a lower one, and those tags which only show one price. Whereas the role of the wholesaler is still relatively great in Germany, it has been considerably reduced in France and Italy. Often now the manufacturer sells direct to the retailer, thus providing him with a sort of banking service, a practice which is hardly known in Germany.

There is another aspect to this question and a delicate one at that - the question of labour and labour costs. It is moreover a question where it is difficult to see clearly through to the truth. In both countries costs have risen appreciably in recent years, and perhaps even more so in Italy, where expansion has been more rapid. The Italians have taken pains to put any critics right on this point: to insist on speaking of the low cost of Italian labour, when it has become a thing of the past, is completely unrealistic and the increased sales price can by and large be traced to this increased labour cost.

As for the inequalities of the domestic tax systems, which are often blamed for Italian ascendancy, studies carried out in both countries have failed to come up with any really conclusive evidence. It is in any case difficult to determine how far French middlemen, who obtain Italian receivers at an FOB price lower than the French factory price, reflect or do not reflect this difference in their prices. This is perhaps why a company of such importance as Voxson prefers to entrust its sales in France to a custom-made subsidiary.

As the French manufacturers are at present engaged upon an intensive sales campaign on their home market, and several Italian manufacturers, including some of the biggest ones, are also preparing a vigorous attack on the same market, it would be safe to say that 1969 will probably be a very significant year in the black and white television sector.

According to the figures recently published by the ORTF in conjunction with French industry, the French market is capable of absorbing a total of one and a half million receivers between August 1, 1968 and July 31, 1969. This figure is broken down thus: 1) black and white: 1.4 million of which 130,000 will be 25 inch models, 780,000 23 inch models, 260,000 17 inch models, and 130,000 11 to 12 inch models; 2) 100,000 colour sets.

Thus in this expanding market the Italians feel that, whether they offer models at high or low prices, they will be able to sell them. They have almost tripled their sales in France during the period 66-67 and 67-68 and the trend will almost certainly continue into the next period, possibly more so. It is highly likely that the Italians' vigorous push into the French radio and refrigerator market will be repeated in the television market, but it is early days yet to make any firm pronouncements on this matter. The best we can do is to keep a close watch on developments as the dynamism of the Italian export drive comes face to face with German competition and French economic nationalism.

November 14, 1968

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AEROSPACE

** The Italian aircraft concern, PROGAER-PROGETTI COSTRUZIONI AERONAUTICHE SpA, Milan,, has made a technical and financial cooperation agreement with ALLIED AERO INDUSTRIES INC, New York, for research and development of equipment that will probably go into production in the USA.

To implement the agreement, a joint subsidiary will be formed in Milan under the name of ALLIED AERO INDUSTRIES ITALIA SpA, with Mr Alexander Berger as president and Sig. Rico Neef as managing director.

AUTOMOBILES

** The Heinkel family has made over its 90% controlling interest in ERNST HEINKEL AG, Stuttgart-Zuffenhausen (see No 481) to the Stuttgart-Untertürkheim motor group DAIMLER-BENZ AG. Heinkel has Dm 4 million capital and employs about 900 people in the production of engines, parts and equipment for the motor, engineering and aerospace industries. It has two manufacturing subsidiaries in Berlin (100% and 60% respectively), Deka Aggregatebau Dr Inf Erich Klockenberg & Co (generating sets) and Heinkel-Tenner Maschinenfabrik GmbH, & Co KG (materials-handling, lifts and generating sets).

Daimler-Benz, the most recent foreign move of which was to set up a production subsidiary in Iran (see No 482) employs about 85,000 people in the manufacture of about 20,000 vehicles a month at the present time.

BUILDING & CIVIL ENGINEERING

** Under an agreement signed between the HOUILLERES DU NORD & DU PAS-DE-CALAIS SA, Douai, (a member of the State group CHARBONNAGES DE FRANCE) and the Danish firm CONBOX A/S, Aalborg, the French organisation will exploit throughout the world a new system of prefabricated dwelling units developed by the Danish concern.

The "Conbox" process has been acquired for northern France - where it will be called I.D.L. - by L'INDUSTRIELLE DU LOGEMENT - I.D.L. SA, Douai, Nord, which was formed (see No 472) by an association of S.I.C.C.A. - Ste Industrielle & Commerciale du Cuivre & de l'Aluminium SA, Paris (a member of the C.d.F. group through Houilleres du Bassin du Nord & du Pas-de-Calais) Entreprise Campenon Bernard SA, Paris and Entreprise de Genie Civil & Travaux Publics SA, Lens, Pas-de-Calais.

** A link-up between three Dutch civil engineering concerns NV AMSTERDAMSCHE BALLAST MIJ., Amsterdam (see Nos 478 - 40%), J.P.ANELISSEN GROEP NV, Haarlem (see No 483 - 40%) and "AMIJ" AANNEMINGSMIJ J.H.ROZESTRATEN NV, Amsterdam (20%) has resulted in the formation of the property development company MIJ. TOT STEDBOUW BANERO NV, Amsterdam (authorised capital Fl. 10 m. - 20% issued). This is under Mr. P. Boudewijns.

** A 50-50 agreement concluded by The Hague firms BUCHSBAUM NV (see No 264) and ORANSEBERG NV with NV APPARATENFABRIEK H.M.C., Krimpen a.d. IJssel, has resulted in the formation of HOBUCON NV, The Hague (authorised capital Fl 100,000, 30% paid-up). This will distribute building materials, metal assemblies and petrochemical equipment, and will also carry out their installation.

** BELLROCK NEDERLAND NV (capital Fl 350,000) has just been formed at Gasselte to act as agent for and distribute plaster panels made by the British group BELLROCK INTERNATIONAL LTD, Glasgow. The new company is backed by local interests: Messrs Pepping, Oosterhuis and Rhijnsburger.

Bellrock itself is a member of the London GRAMPIAN HOLDINGS LTD group (see No 406), through Grampian Technical Development Ltd. This group's interests are wide-ranging, covering engineering, electrical, textiles and advertising activities. Since the beginning of 1965 it has had a Genevan subsidiary, Holorib SA, which promotes its "Holorib" metal shuttering internationally. The agency for this line in the Netherlands is held however by NV Scheeps Controle Bedrijf V.J. Mooijen, Rotterdam, which formed Holorib-Holland NV, specifically to handle the account.

** Six European companies headed by the Swiss industrialist Ernest Ischy have rationalised by linking up in Paris under GISOR - GROUPEMENT ECONOMIQUE SOLETANCHE - RODIO, which will be run by M. Ischy. The firms are SOLETANCHE SA Paris (see No 469), which carries out main water, river and harbour works, civil engineering and site preparation contracts; SOLEXPART AG, Zurich, linked 40-60 with the former in Solexpert International SA; SWISSBORING SA, Zurich and HOLDING RODIO SA, Zurich; plus ING GIOVANNI RODIO & CO - IMPRESA COSTRUZIONI SPECIALI SpA, Milan, and CIMENTACIONES ESPECIALES SA, Madrid.

** GLAVERBEL CANADA LTD, Montreal (of the Belgian group GLAVERBEL SA, Watermael-Boitsfort - see No 485) has joined with CLOISALL OF CANADA LTD (subsidiary of the aluminium extrusions group SHULLY'S INDUSTRIES LTD, Toronto) in forming a Canadian subsidiary to make retractable acoustic shuttering, the patents for which are held by the Belgian CLOISALL SA, Forest-Brussels.

The last-named was formed in 1960 by MM. J. and M. Grisard, who are still the owners, and at Braine-l'Alleud it has a factory producing the shuttering. There are also licensees the world over, with thirteen in Europe (including Cloisall Pollet SA, La Madeleine-Lille, Nord for France), while in Canada its products are distributed by the 14 subsidiaries of Shully's Industries and Glaverbel Canada. The latter (run by Mr. R. Pootmans) heads a number of concerns including Charlebois Ltd, Martel Glass Ltd and Verber Ltd etc.

** CANNON BRAND CEMENT WORKS SA, Brussels (see No 420) and SA CIMENTERIES C.B.R. (see No 468) have decided in principle to merge within the latter, which already has a 51% stake in Cannon Brand (capital Bf 200 m.)

Cimenteries C.B.R. is a member of the GENERALE DE BELGIQUE group, and in 1967 made over to Inter Beton SA of Kraainem (capital Bf 1,090 m. - see No 420) its

interests in the pre-processed concrete sector, together with a number of companies, including Cannon Brandt, wherein the stake has been 37.5%, and their holdings in the Haccourt-Jemepe concrete works, which produce over 950,000 tons a year.

CHEMICALS

** CASSELLA FARBWERKE MAINKUR, Frankfurt (colorants and raw materials for varnishes, plastics, pharmaceutical products, etc - see No 393) has formed a British subsidiary called CASSELLA DYESTUFFS LTD, Manchester (capital £ 1000). The directors of the new concerns are Herr Werner Slood, Frankfurt and Mr. Leonard Holland, Oldham.

The Frankfurt concern (capital Dm 34.1 m - turnover exceeding Dm 130 m p.a. - 2,200 employees) is the joint subsidiary (25.1% each) of the three leading West German chemical groups Farbwerke Hoechst AG, Frankfurt (see No 486), B.A.S.F. -Badische Anilin-Sodafabrik AG, Ludwigshafen (see this issue) and Farbenfabriken Bayer AG, Leverkusen (see No 483). Until now its foreign subsidiaries were Fabbrica Lombarda Colori Anilina SpA, Milan (94 %) and Soutex Chemical Co Inc, Mount Holly, North Carolina (63.3%). Bayer itself already has two Manchester subsidiaries, Bayer Dyestuffs (Manufacturing) Ltd and Bayer Dyestuffs Ltd (see No 476).

** NV BELEGGINGS MIJ LAURA & VEREENIGING, Eggelshoven (see No 476) is to join 40-60 with the British J.H. FENNER & CO (HOLDINGS) LTD, Marfleet, Hull (see No 434) in forming a Dutch subsidiary named NV PIONEER-LAURA, with Fl 5 million authorised capital. This is to make junctions for cars, farm machinery, hydraulic equipment and domestic appliances, and will work in close cooperation with the British backer's subsidiary PIONEER OILSEALING & MOULDING CO LTD, Barrowford, Lancs. Payroll at first will be about 100, though the workforce may eventually be increased to about 500 people.

The Eggelshoven concern is a subsidiary of Laura & Vereeniging SA, Brussels (of the Generale de Belgique group), and recently took over a company making iron mountings and steel strapping, NV Ijzerwerk Hollander, with which it had had cooperation links since 1967. It is now changing the name of this firm to Laura-Metaal, and plans to provide it with a 25% interest in the Ijmuiden steel group Kon Ned Hoogovens & Staalfabrieken NV.

** PENNSALT CHEMICALS CORP, Philadelphia (see No 436) has increased its financial backing of two Paris affiliates to assist their expansion: PRODUITS CHIMIQUES PENNSALT LANDY SA (capital raised to F 100,000) and PENNSALT GARDINIER SA (up to F 500,000).

Gardinier was formed in 1965 through the Rueil-Malmaison subsidiary Sharples France SA (see No 310), and is controlled by Ste de Participations Gardinier - Sopag SA (see No 448); it makes anti-corrosive and de-oxidising agents, detergents, solvents etc. Landy (formerly Matieres Colorantes du Landy SA) produces pigments and chemicals for industry, having as its president M. Jan Sieger Wierenga, who runs the Dutch subsidiary Fabriek Van Chemische Produkten Vondelingenplaat NV, Rotterdam.

** The French company CARBONISATION ENTREPRISE & CERAMIQUE SA, Montrouge, Hauts-de-Seine (see No 478) has acquired from a group of British shareholders, the 62% control of the West German concern KERAMAG-KERAMISCHE WERKE AG, Ratingen (see No 429). This is one of the leading producers of sanitary ware in West Germany after the Villeroy & Boch, Keramische Werke AG group, Mettlach (see No 472). With a capital of Dm 12 million and around 1,500 on the payroll, it had a 1966 turnover of Dm 48 million.

The French company is a 34.27% affiliate of Cie de Compteurs SA, Paris (see No 486) - itself linked to the American group Robertshaw Controls Co, Richmond, Virginia - and it specialises in refractory materials, ceramic and sanitary ware, industrial and coking ovens. It recently formed BELFOND SA, Uccle-Brussels (underground works and civil engineering) in association with a token shareholder, Bureau Industriel P. Charlier Sprl, Uccle (see No 478). In France its latest moves include the acquisition of Ceramique de l'Aube SA, Villeneuve-au-Chene and of Ste Nouvelle des Ets Emile Muller SA, Ivry, Val-de-Marne.

** Herr Walter H. Schaechterle, Stuttgart has been appointed director of the now formally established D.L.W. NEDERLAND NV, Amsterdam (capital Fl 25,000). This is a subsidiary of the West German floor - and wall-coverings group DEUTSCHE LINOLEUM-WERKE AG, Bieltingheim, Württemberg (see No 478).

The group has also formed two other sales subsidiaries in Britain, DLW (BRITAIN) LTD, Poole, Dorset (capital £ 20,000) and in Norway, DLW NORGE A/S, Oslo.

** STEUBER CO INC, New York (organic chemicals - see No 469) has decided to close one of its Belgian subsidiaries, STEUBER CO EUROPE SA, Schaerbeek (capital Bf 250,000 - see No 449 - cumulative losses of Bf 3.87 m by end of 1967). Messrs Ch. Russell and P. Meiboom are responsible for implementing the decision.

The American firm will still keep its interest in Soprochim SA, Schaerbeek and Interorgana Chemiehandle Belgien NV, Antwerp, through its Cologne affiliate Steuber Europa Chemiehandel GmbH.

** The Frankfurt chemical and metallurgical processing group DEGUSSA - DEUTSCHE GOLD- & SILBER SCHEIDEANSTALT VORM ROESSLER AG has set up in Iran by forming an import and distribution subsidiary named Degussa-Iran, Teheran.

One of the group's most recent moves abroad was to form the Antwerp manufacturing subsidiary Degussa Antwerpen NV (see No 484).

** CIBA AG, Basle (see No 453) has made an agreement with STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY - S.B.A., Renory-Ougree (see "Plastics"), which will give it, in addition to its present sales franchise for a number of S.B.A. products, the distribution rights for its synthetic resins, produced by the "Chimiplast" division (urea-formaldehyde, melamine, phenol etc.)

One of the Swiss group's most recent EEC moves was to take 22% in the French Ste des Procedes Sublistatic SA (a new firm specialising in chemical printing on textiles at Roubaix), control of which is shared 55-23 between Filatures Prouvost-Masurel & Cie, La Lainiere de Roubaix SA, and Trentesaux-Toulemonde SA, Tourcoing.

** The Marseilles fats concern UNIPOL - UNION DES INDUSTRIES DE PRODUITS OLEAGINEAUX SA (see No 485) has decided to streamline by absorbing its subsidiary NOUVELLES SAVONNERIES FRANCAISES & FOURNIER-FERRIER SA, Paris (see No 476). This has F 8.98 million capital, and in 1967 took on the soaps division of Parfumerie & Savonnerie Gilot SA, while more recently (see No 469) it made over its Janville, Seine Maritime factory to Union Generale des Glycerines SA, Puteaux, Hauts-de-Seine, which it formed in association with Ets L. Morel SA, Ivry, Val-de-Marne, and Ste Francaise des Glycerines SA, Puteaux, in December 1967. The latter is a member of the Centrale de Dynamite group.

** FRANCOLOR BELGE DE MATIERES COLORANTES & PRODUITS CHIMIQUES SA, Brussels (a member of the Paris UGINE-KUHLMANN SA group - see Nos 338, 484) has formed a property company at Schaerbeek, Brussels, called STE IMMOBILIERE DE HELMET SA (capital Bf 100,000).

There are "Francolor" textiles dyes companies in Düsseldorf, Baarn in the Netherlands and in Milan.

** The Paris group PETROFRANCE SA (see No 461) has formed a subsidiary under the name of Petrofrance Chimie SA (capital F 100,000) with M. Elie - J. Nahmias as president to import and wholesale chemical products, which it will also store and distribute.

One of the group's recent moves was to join the American BUCKEYE PIPELINE CO, New York, in taking 59% in raising the capital of the pipeline and oil storage administration company Pipeline Management SA, Luxembourg, to \$ 170,000: this was then renamed Europe SA.

COSMETICS

** The Norwich, New York chemical and pharmaceutical group NORWICH PHARMACAL CO, a 10% affiliate of the Atlanta, Georgia group REVLON INC (see No 451) plans to boost its Common Market interests with the takeover of JEAN D'ALBRET SA, Paris and Clichy, Hauts-de-Seine. This is headed by M. Jacques Beguin, and with F 5 million capital produces perfumes, essences, cosmetics and toilettries (trademarks "Orlane" and "Babylane").

The Norwich group has a manufacturing subsidiary in the Netherlands (Orphahell NV) and a trading subsidiary in Belgium (Norwich Benelux SA - see No 365). A few months ago it concluded an agreement with the Courbevoie group EXPANSCIENCE SA (see No 304), whereby it now has U.S. distribution rights for the products of Parfums Lubin SA, Paris, which is owned by Expanscience.

** PARFUMERIE MONEPLAS STEINFELS & CIE SA, Vincennes (capital F 1.11 m.) is to take over KOLMAR COSMETIQUE FRANCE SA, Vincennes (capital F 970,000 - gross assets F 2.77 m.) Both firms make beauty products (laquers, creams, talcs, lipsticks, etc) and are linked to the Zurich group FRIEDRICH STEINFELS AG (headed by M. Daniel Steinfels, president of KOLMAR COSMETICS - EUROPA AG, Glarus, formerly in Zurich - see No 356). This is the European representative of Kolmar International Inc, Milwaukee, a member of the Kolmar Laboratories group, Port Jervis, New York.

ELECTRICAL ENGINEERING

** The West German low-tension electrical equipment firm KAUTT & BUX, Stuttgart-Vaihingen has formed a British distribution company KAUTT & BUX (U.K.) LTD, London (capital £ 1,000). The Stuttgart concern is represented in France by J.E. Canetti & Cie Neuilly, Hauts-de-Seine.

** Following the agreement it made recently with a group of banks (see No 481) envisaging the phased takeover of ETS CLARET Sarl, Colombes, Hauts-de-Seine, the THOMSON-HOUSTON-HOTCHKISS-BRANDT SA, Paris group (see No 486) is negotiating the acquisition of SUD-AVIATION'S domestic appliances division, run by its subsidiary CIE FRANCAISE FRIGEAVIA SA, Paris. In 1967 this had a turnover of F 65.9 million from the sale of its "Frigeavia" fridges, "Giravia" washing-machines and "Teleavia" television sets.

** The negotiations in London between the Dutch group PHILIPS' GLOEILAMPEN-FABRIEKEN NV, Eindhoven (see No 484) and the British HAWKER SIDDELEY GROUP LTD, through the latter's subsidiary CROMPTON PARKINSON LTD over strengthening their interests in the lighting industry (see No 484) have resulted in an agreement being reached in principle. Under this it is intended to establish two joint subsidiaries, one making light-bulbs and the other lighting accessories. Although they will have a joint share of some 32 % of the British market, their sales networks will remain independent.

** A manufacturing and financial agreement has been signed in Italy between PHILIPS' SpA, Milan (see No 474) the subsidiary of the Dutch group PHILIPS' GLOEILAMPEN-FABRIEKEN, Eindhoven (see this issue) and G.B. PARAVIA & CO SpA, Turin with the aim of merging their respective interests in the audiovisual field. A joint subsidiary called TECNODATTA SpA, Aprila (capital Lire 200 m) has been formed with Signor Enrico Zanelli as president, which will be responsible for the marketing of scientific and educational materials.

The Turin firm is headed by Signor T. Vigliardi, being mainly involved in publishing, and it is linked with the Arnaldo Mondadori Editore SpA, Milan (see No 483) with Cetem SpA (educational tests).

** The West German group VARTA AG, Hagen (see No 483) which is also the leading Common Market producer of accumulators and batteries, has extended its interests to South Africa. It has taken a 48 % stake in a newly-formed subsidiary called INTERNATIONAL BATTERIES CORP, Rosslyn, Pretoria which will run a factory costing an initial Dm 5.6 million.

The founder is also a member of the Quandt group and in 1967 it had a consolidated turnover of around Dm 621 millions. It controls manufacturing subsidiaries in Belgium, Brazil, Canada, France, Italy, the Netherlands, Spain and Sweden.

** The Dutch group NV PHILIPS' GLOEILAMPENFABRIK, Eindhoven (see No 486) is continuing to rationalise its British interests by unifying the vacuum tube and light manufacturing interests of CATHEODEON LTD, Cambridge - but not those of its subsidiary CATHEODEON CRYSTALS LTD, Linton - with those of PYE UNICAM LTD, Cambridge. Both are controlled directly by PYE OF CAMBRIDGE LTD, Cambridge, a member of the group through the holding company PHILIPS' ELECTRONIC & ASSOCIATED INDUSTRIES LTD (see No 477).

Pye Unicam was itself formed by the merger in July 1968 of Unicam Instruments Ltd and W.G. Pye & Co Ltd, when it also acquired some assets belonging to M.E.L. Equipment Co Ltd, Crawley, Sussex.

ELECTRONICS

** GENERAL INSTRUMENT CORP, Newark, New Jersey (electronic component and equipment) has decided not to carry out its proposal (see No 480) to manage - through its subsidiary General Instrument Europe SpA, Naples (see No 431 - and lease the Palermo premises of EL. SI. ELETTRONICA SICULA SpA (see No 455).

The latter has been under a receiver for several months already and is the former subsidiary of the American group, Raytheon Co, Lexington, Massachusetts. It is expected that it will be taken over by the Italian state-backed concerns, I.R.I. SpA, Rome, SPI SpA, Palermo and I.M.I. SpA, Rome.

** The American electronic measuring instruments concern BRUN SENSOR SYSTEM INC, Columbus, Ohio (president Mr D.C. Brunton) has made an agreement covering European distribution of its products with BRITISH SIDAC LTD, St. Helens, Lancs, in association with which will be formed two subsidiaries, one in Britain and the other in Switzerland.

British Sidac produces cellulose wrapping film, and is controlled by the Belgian U.C.B. - UNION CHIMIQUE SA (through Ste Financiere de la Cellulose SA, Luxembourg - see No 482) and the British IMPERIAL TOBACCO CO LTD, and BATS - BRITISH AMERICAN TOBACCO CO LTD (through their joint subsidiary Mardon Packaging International Ltd, headed by Mr. H.T.F. Carter).

** ROCKE INTERNATIONAL CORP, New York (import - export of electrical, electronic and scientific equipment - see No 476) has strengthened its Common Market sales network by forming a direct Milan sales subsidiary ROCKE INTERNATIONAL ITALIA Srl (capital Lire 500,000). This is under Mr. L.A. de Barros of New York.

The founder already has a number of European sales subsidiaries in Paris, Munich and Ixelles-Brussels.

ENGINEERING & METAL

** Dutch interests represented by members of the Schneider, Dordrecht family have backed the formation in Belgium of WELDING SERVICE PvbA, Borgerhout (capital Bf 250,000). This will carry out a wide range of work connected with the engineering and metal industries.

** The American heavy engineering group KOEHRING CO, Milwaukee, Wisconsin (see No 482) has raised its interest in the German civil engineering equipment manufacturers MENCK & HAMBROCK GmbH, Hamburg-Altona (levelling equipment and mechanical shovels - see No 408) from 70% to 99.9%. The Hamburg firm in which the minority shareholder was the DEMAG AG, Duisburg group, has a capital of Dm 9 million and employs around 1,700 staff. The American group (1967 turnover \$ 185 m.) has other Common Market interests including Koehring SA, Paris (which has recently gained control of Ste Des Ets Andouart SA, Bezons, Val d'Oise - see No 477) and Lorain NV, Appeldorn.

** The newly-formed Zurich sales company INKOOB GmbH (capital Sf 50,000) is the 20% affiliate of the West German pneumatic systems and materials-handling firm ENGELBRECHT & LEMMERBROCK MASCHINENFABRIK KG, Melle. This has some 500 employees and a turnover of around Dm 20 million.

Other shareholders in the new concern are the Swiss company EXPOGEM GmbH, Luxembourg (70%) and Herr Manfred Randocker, Neu-Ulm (10%).

** The Dutch company MUNSTERS MACHINEFABRIEK V.O.f., Erp, (equipment for the building industry, cement mixers, hoists cranes etc.) has backed the formation of a British subsidiary MUNSTERS (G.B.) PLANT LTD, Bromley, Kent (capital £100). This is under Messrs Augustinus and Wilhemas Munsters, directors of the founder.

** The American company GORDON & PIATT INC, Wilfield, Arkansas (oil, gas and combined burners) has formed a Dutch subsidiary called GORDON PIATT EUROPE NV (authorised capital Fl. 250,000 - 20% issued). Under Mr. Helmar Gueldner this will employ some 15 persons to assemble at Tilburg the founder's equipment for sale in the Common Market.

** The British equipment installation and plant construction firm W.G.I. LTD, Manchester (see No 373) has formed an indirect Milan subsidiary called WEST'S ITALIA SpA (authorised capital Lire 500 m.). This will carry out all operations connected with incineration, industrial drying and zinc pyrites processing, and with Mr. John E. Tully as president, it is directly controlled by the subsidiary WEST'S (MANCHESTER) LTD.

W.G.I. already has an indirect Common Market subsidiary (through Westspiling & Construction Co Ltd, Slough, Bucks) in the Netherlands, Westpaal NV (concrete construction). Its main foreign agents are Carbonisation Entreprise & Ceramique - C.E.C. SA, Paris; A/S Nordische Auer Kompagni, Copenhagen and Balne & Co Ltd, Johannesburg.

** The British company PRECISION SCREW & MANUFACTURING CO LTD, Willenhall, Staffordshire, which specialises in precision fixings ("Anchor" and "Blanc-Lok" trade-names) has formed a West Germany sales subsidiary PRECISION FASTENERS FUER VERBINDUNGSTECHNIK mbH, Bad Godesberg (capital Dm 20,000). The managers of the new concern are Messrs James Tildesley and Jack Coverman. The founder is owned by the Tildesley family and employs around 100 persons.

** The French engineering company BERTIN CIE SA, Plaisir, Yvelines (see No 479) has now carried out its decision to form a Canadian subsidiary (see No 466). This has been established in Montreal under the name of BERTIN RECHERCHES & DEVELOPPEMENTS LTD with MM P. Colombani and M. Hasensher as directors.

Among the interests of the French company are the development of the aerotrain and the French hovercraft or naviplane.

** The London company JACK MIDHAGE & CO LTD has acquired from the Frankfurt company JACK MIDHAGE GmbH, subsidiary of the Swedish concern JACK MIDHAGE A/B. Stockholm (see No 269) its minority shareholding in the latter's Paris subsidiary JACK MIDHAGE (FRANCE) Sarl (capital raised to F 20,000).

The French company was formed in 1964 in Villiers-sur-Marne, Val-de-Marne and it imports and sells engineering equipment.

** The Paris group TUNZINI-AMELIORAIR SA (see No 479) has acquired a large shareholding in SCHEEBELI CHABAUD SA, Courbevoie, Hauts-de-Seine (150 on payroll - annual turnover around F .7m.). The latter company makes heating, defrosting, ventilation and air-conditioning equipment. Its president M. Jean-Roger Chabaud has now been appointed a director of one of the group's subsidiaries Air-Industrie SA, Paris which itself is represented on Scheebeli Chabaud's board. M. Jean-Roger Chabaud will also take over control of the group's transport interests.

Tunzini-Ameliorair is affiliated to Cie Financiere de Suez SA (8.3%) Ste Lyonnaise Des Eaux & De L'Eclairage (7.2%) and Cie de Pont-a-Mousson (17%).

** French and Swiss interests have linked to form BVS-JONNERET SA, Geneva (capital Sf 100,000) with M. Hean-Laurent Delpech as president, and the new concern will manufacture and export fluid control and engineering equipment. The founders are ATELIER DE CONSTRUCTION JONNERET SA, Geneva (capital Sf 600,000) and B.V.S. SA, Grenoble (see No 397).

The latter (capital F 3 m.) is the 55% subsidiary of S.F.A.C. - Ste Des Forges & Ateliers Du Creusot SA, Paris (see No 479) a member of the Schneider SA group. The remainder is held by the family group Ets Bouchayer & Viallet SA, Grenoble (see No 410).

** The British manufacturer of lawn mowers and gardening equipment G.D. MOUNTFIELD LTD, Maidenhead, Berkshire, has formed a sales subsidiary under its own name at Troisvierges, Luxembourg. With a capital of Lux F. 3.6 million this has its own chairman Mr. Denis Selby as president.

** The New York company PRIMARY STEEL INC. has formed an almost wholly-owned Brussels subsidiary PRIMARY STEEL SA (capital Bf 5 m.) with Mr. Victor Burhardt, Auderghem as president. This will trade in and manufacture steel and metal products as well as chemical products and accessories.

** The French company SA ETS. A.C. SCHOLAERT, Tourcoing, Nord (textile machinery and equipment - see No 473) has backed the formation in Belgium of A.C. SCHOLAERT SA, Mouscron (capital Bf 10 m.) which is directly controlled by members of the Scholaert family. Mr. Albert C. Scholaert will be in charge of the new concern which will manufacture, process and trade in textile machinery and equipment.

The founder also has an interest in the international textile machinery concern Combitec, Vereinigung Von Textilmaschinenfabriken GmbH, Düsseldorf, along with numerous West German and Dutch firms in the same sector.

** The Belgian FONDERIES DE MAGOTTEAUX SA, Vaux-sous-Chevremont, Liege, has joined 50-50 with the Spanish VICTORIO LUZURIAGA SA, Pasajes, Guipuzcoa, in forming MAGOTTEAUX LUZURIAGA SA, to run a plant at Urdiain, Navarra making bearings, lining plates for cement crushers, and refractory and stainless steel. The new firm will have access to its Belgian founder's technical know-how in the fields of casting, heat treatment and plant installation.

The Spanish founder has 3,000 people in its pay at works in Usurbil, Renteria and at head office. Its main products are castings, boilers and engineering equipment.

** The DAVUM SA group (joint subsidiary of MARINE FIRMINY SA, SIDELOR SA and CIE DE PONT-A-MOUSSON SA) has backed the formation of COFRATOL SA, Vitry-sur-Seine (capital F 800,000) through its subsidiary S.C.I.E.P. -STE DE GESTION IMMOBILIERE D'ETUDES & DE PARTICIPATIONS SA, Villeneuve-la-Garenne (see No 391). The new company will market in France the Swedish "Spiro" plastics (pipe-making machinery for the building and civil engineering industries).

The European licensees of "Spiro" machinery are affiliated to Spiro Investment AG, Fribourg (formed in 1960) whose president is Mr. E. Jensen. The Swiss company and two of its directors, Mm R. Chapuis and L. Rouiller are directors of the new concern, whose president is M. Jean Remy.

** The merger taking place in France between CIE FINANCIERE DELATTRE-LEVIVIER SA, Courbevoie, Hauts-de-Seine (see No 385) and CHAVANNE-BRUN FRERES SA, St. Chamond, Loire will result in both firm's cylinder block interests being based at Delattre-Levivier's factory at Frouard, Meurthe-et-Moselle.

Chavanne-Brun (some 250 on payroll) specialises in cylinder blocks and is affiliated to Delattre-Levivier, itself a member of the Paris group Schneider SA (see No 484) as well as to Banque de Paris et des Pays-Bas SA (see No 486) and Forges de Chatillon Commentry & Neuves Maisons SA (see No 476). Its main interest is in Cie Universelle d'Acetylene & D'Electrometallurgie SA, Clavaux, Isere (see No 451) whose chief shareholder is the Ugine-Kuhlmann SA group.

** The London company GEORGE MELLER LTD has set up a subsidiary in The Hague, GEORGE MELLER NV, with an authorised capital of Fl 100,000 (25% paid-up). Headed by Messrs George Meller, London and M. Smith, Ottershaw, Surrey, this will import, export and distribute equipment and machines.

** An agreement has been signed between the "Heat Transfer" division of WESTINGHOUSE ELECTRIC INTERNATIONAL Co (a member of the WESTINGHOUSE ELECTRIC Co group, New York (see No 484) and the Genoa plant construction firm STA ITALIANA IMPIANTI SpA. This covers the construction in Italy and abroad of sea-water desalination plants.

The Italian firm (a member of the I.R.I. group) was formed by the merger of two of I.R.I.'s plant construction subsidiaries, COSIDER SpA, Genoa and SIDERFORNI SpA (see No 346) with the interests in the subsidiary of ANSALDO SAN GIORGIO SpA, Genoa. The American partner already has a branch under Signor G.R. Buseo of its international division, and there are numerous licensees and distributors in Italy. Its main shareholdings are in Combustibili Per Reattori Nucleari-Coren SpA, Saluggia, Vercelli (see No 423) and in Magrini-Fabbriche Riunite Magrini-Scarpa & Magnano - M.S.M. SpA, Bergamo (see No 384).

** The British engineering group (ventilators, compressors, turbines, heat exchangers) JAMES HOWDEN & GODFREY LTD, Glasgow (see No 478) has strengthened its stake in the Netherlands by buying from HOLIMA BELEGGINGS- & BEHEERMIJ NV, Amsterdam the 35.5 % shareholding it needed for complete control of HOLIMA INGENIEURSBUREAU VOOR WARMTE - & KOUDETECHNIEK NV (see No 432).

The group (formerly James Howden & Co Ltd) acquired its existing name when it merged with Sir George Godfrey & Partners (Holdings) Ltd, Hanworth, Middlesex (see No 432). The latter has a Belgian subsidiary, Godfrey (Continental) SA, Andenne, Namur (formerly Godfrey-Pegard & Cie SA). The Amsterdam company was formed in 1961 as a 51-49 venture between the Glasgow group and Holima Beleggings- & Beheermij (formerly Hollandse Ingenieurs Mij. Holima NV, Laren).

** The merger which was decided upon some time ago in the French and Belgian wire-drawing industry (see No 475) between the French FORCES DE SAULNES & GORCY SA, Paris and the Belgian STE METALLURGIQUE HAINAUT-SAMBRE SA, Couillet with its 51 % French subsidiary STE DE ACIERIES & TREFILERIES DE NEUVES-MAISONS CHATILLON SA, Neuves-Maison, Meurthe-et-Moselle will be formalised with the formation of the management company TREFILERIES DE CHATILLON-GORCY SA (capital F 100,000).

With M.B. Labbe as president and run by M.R. Derclaye, this will increase its capital to F 27.6 million following the acquisition of assets from its founders: 1) from Saulnes & Gorcy its wire-drawing facilities at Gorcy, Meurthe-et-Moselle, at Bigny, Cher and Brevilly, Ardennes; 2) from the Hainaut-Sambre group, its interests in the French, Trefileries du Closmortier & d'Eureville SA, Closmortier, Haute-Marne and in the Belgian, SA Clouterie Alexandre Bauxoc, Fontaine-L'Evêque (see No 396) as well as in the wire-drawing plant at Vierzon, Clermont Acieries & Trefileries de Neuves-Maisons Chatillon. An affiliate of the latter group, Copevam SA, Paris (also affiliated to the Banque de Paris & des Pays-Bas) is the administrator of the new concern.

** The French manufacturer of hydraulic shovels and cranes YUMBO SA, Genas, Rhone, a member of the Paris GEVELOT SA group (see No 399) has opened a Brussels subsidiary under Mr. Peter Kooij, Strombeek-Bever.

Yumbo SA (750 persons on payroll - capital F 9 m.) has four factories and also controls a West German sales subsidiary Yumbo Deutschland Hydraulikbagger GmbH, Neu Isenburg. It has made licensing agreements covering its product with the Japanese group Mitsubishi Heavy Industries Ltd, Tokyo (see No 466) and the Spanish company Talleres Unidos SA, Zaragoza.

FINANCE

** MANUFACTURERS HANOVER TRUST CO, New York, having decided recently to form a merchant bank in London with £ 2 million capital - Manufacturers Hanover Ltd - has made its long-established Frankfurt agency up to a branch.

The American bank has a stake in the Athens, Banque Nationale d'Investissement pour le Developpement Industriel (see No 329) and Banque de Credit Commercial SA (see No 387), plus agencies in Paris, Brussels, Rome and Madrid, and two branches in London.

** A rationalisation of the financial interests of C.G.E. - CIE GENERALE D'ELECTRICITE SA, Paris (see No 486) will benefit ELECTRO-CREDIT SA, Paris (which it has an 83.75% controlling interest, 72.7% directly). The latter will absorb U.F.C.I. - UNION FRANCAISE DE CREDIT POUR LE COMMERCE & L'INDUSTRIE SA, Paris, and will then increase its capital from F 9 million to F 15.3 million. U.F.C.I. (capital F 5.25 m. - gross assets estimated at F 86.69 m.) is the 83% subsidiary of the C.G.E. and it is affiliated to S.G.E. - Ste Generale d'Entreprises SA, itself a 51.7% subsidiary of the C.G.E. (see No 448).

** DRESDNER BANK AG, Frankfurt, has strengthened its position in Hesse by acquiring a majority stake in OBERHESSISCHE BANK AG, Friedberg. This was formed in 1929 (capital Dm 800,000) and had assets of Dm 27 million at the end of the 1967 financial year.

The Frankfurt bank has over 600 branches throughout West Germany, and it recently formed a Boston subsidiary, the German-American Securities Corp (see No 484).

** The DEUTSCHE UNIONBANK GmbH, Frankfurt (see No 466), a 51% subsidiary of the Swedish holding company SVENSKA TAENDSTICKS A/B, Jönköping, (see No 453) has opened a branch in Düsseldorf under Herr Karl Vollmer.

The German bank has Dm 14 million capital, with declared assets in 1967 of Dm 280 million, and its other shareholders are HESSISCHE LANDESBANK GIROZENTRALE, Frankfurt (25%) and the New York, BANKERS TRUST CO (24%). The Swedish group, whose main interests are in the matches sector, employs about 32,000 people and realises over 60% of turnover from exports (Kr 1,536 million in 1967).

** The London banking group KLEINWORT BENSON LTD (see No 436) has formed an indirect Brussels subsidiary under the name of NUCLEAR FUEL FINANCE SA - NUFFIN, to grant credit and sureties to companies and undertakings active in the nuclear sector. The new firm is chaired by Mr. George K. Young and directed by M. R. Van Octeghem and has Bf 500,000 capital, paid up by the Brussels subsidiary Kleinwort Benson (Europe) SA, which was formed in 1964 (see No 378).

A recent move by the group in Europe, after months of negotiations, was the taking of 91.5% control of BANQUE INTRA SA in Geneva (capital Sf 20 m.), at which time a subsidiary was set up under the name of Kleinwort Benson (Geneva) SA.

** ASTRAL INVESTMENT HOLDINGS LTD, London, subsidiary of the MONTAGU TRUST LTD, London (see No 484) has made over to the Luxembourg portfolio company MONTAGU HOLDINGS SA (capital raised 900% to \$ 2 m. - see No 430) a 45% holding in the Zurich concern GUYERZELLER ZURMONT BANK AG (see No 373), which has Sf 5 million capital.

Montagu Trust was formed in 1963 as a holding company by Samuel Montagu & Co Ltd and the Pearl Assurance Co Ltd. It has for a year been affiliated to the Midland Bank (see No 478), and recently sponsored the formation in Luxembourg of the insurance investment company International Insurance Broking Holdings SA, which is under the direct control of Ets Sofinte, Vaduz and Bland, Welch & Co Ltd, London.

** Seven Japanese banks have received government authorisation to open new offices abroad, as a result of which MITSUBISHI BANK LTD, Tokyo, will set up in Paris, SUMITOMO BANK LTD, Osaka, will take offices in Düsseldorf, and the SANWA BANK LTD, Osaka, will start business in Frankfurt.

All three banks already have premises in London. The first is a member of the Tokyo, Mitsubishi group (see No 472), which is directly represented in Paris by the subsidiary Mitsubishi France SA. The second, whose business is administered by the Osaka, Sumitomo group, is active mainly in South-East Asia and the USA (mainly through its affiliate Sumitomo Bank California, San Francisco). The third has branches or agencies in New, San Francisco and Taipeh, Taiwan.

** The San Francisco group, TRANSAMERICA CORP, (see No 411) has considerably strengthened its French interests by gaining almost complete control of CIE EUROPEENNE DE BANQUE SA, Paris (capital F 20 m. since end 1966) in which it already had a large shareholding.

The expansion of this subsidiary, whose minority shareholders remain with 2.5% each, the Ste Centrale de Banque SA, Louis Dreyfus & Cie and Ste Hypothecaire Belge & Caisse d'Epargne D'Ippa SA, Antwerp (see No 477) will involve the opening in the near future of three new branches in Toulouse, Beziers, and Nice raising the total outside Paris to five.

Transamerica Corp recently extended its leasing interests by gaining control of the Chicago-based, Budget Rent-a-Car Inc (branches at Hounslow, Middlesex and Brussels - see No 337). It already controls Cie Europeenne de Bail - C.E.Bail SA (formed in 1967 with a capital of F 15 m. by Cie Europeenne de Banque).

** The YUGOSLAV INVESTMENT BANK, Belgrade, which has just been granted credits to the value of £10 million by BARCLAYS BANK LTD, London, has received authorisation to open agencies in Paris and London. This move parallels plans of the CREDIT & SAVINGS BANK, Ljubljana, to open a branch in Munich.

Since 1967 (see No 427), the Yugoslav External Trade Bank, Belgrade, has had a stake in I.H.T. Vienna - International Handels- & Treuhand GmbH (capital Sch 4.5 m.), where it is linked on a par with the German and Austrian trade union banks, BfG - Bank für Gemeinwirtschaft AG, Frankfurt (see No 484) and Bank für Arbeit- & Wirtschaft, Vienna (see No 457).

** The Paris equipment leasing concern LOCAFRANCE SA (see No 394) has backed the formation of LOGEMAT SA (capital F 100,000) with M. Claude Baisse as president. This will purchase, sell, transport and lease all types of equipment, machinery, plant and vehicles.

Locafrance recently increased its capital to F 31.5 m from F 47.25 m., and its main shareholders are Banque de l'Indochine SA, Paris (see No 483), La Paternelle SA (a 20 % affiliate of the previous company - see No 472), Ste Centrale de Banque SA (linked to Credit Foncier de France SA and to Banque de l'Indochine, its main shareholders - see No 436), B.N.P. - Banque Nationale de Paris SA (see No 486), Banque de l'Union Europeenne Industrielle & Financiere SA (see No 472), Banque Francaise du Commerce Exterieur SA (see No 485) as well as the Pont-a-Mousson SA group (through Union Bancaire & Industrielle - I.B.I.). Its main subsidiaries are; Locafrance Service SA (capital recently raised from F 5 m to F 8 m - transport equipment, lorries, rail-trucks, aircraft and ships); Lomico SA (capital goods) with a capital of F 4 million; Locaroute SA (capital raised from F 1 to F 3 m - private cars) as well as a 25 % affiliate (in association with several of its own shareholders): Locamur SA (capital F 2 m) involved in property, industrial and commercial financing. Some months ago Locafrance took part in the formation of Concorde Leasing Co (an international consortium for leasing industrial equipment) in South Africa. Others involved in forming Concorde Leasing were Barclays Bank Ltd, London (through National Bank Development & Investment Corp. Pty Ltd - see No 472), Messina Development Co Ltd, French South African Investment Trust Ltd.

FOOD & DRINK

** The Düsseldorf industrial furnaces builder FRIEDRICH SIEMENS INDUSTRIEOFENBAU GmbH, has sponsored and taken a direct 21% interest in the formation in Switzerland of a mineral waters sales concern named LAHN HANDELS- & ANLAGE GmbH, wherein the balance of the capital is shared between several members of the Siemens family, who reside in West Germany, Austria and the USA.

The parent company here has no connection with the electrical Siemens. It has Dm 510,000 capital, and is affiliated chiefly to Demag AG, Duisburg (see No 468) and to Ofenbau Union GmbH, Düsseldorf (see No 378). It has one foreign subsidiary, in Milan.

** UNILEVER NV, Rotterdam (see No 482) has increased its already numerous Belgian interests by having its Antwerp subsidiary, UNION NV (see No 471) take a majority shareholding in the cheese and yoghurts concerns NV LE PRINTANIER and NV JACKY, Groot-Bijgaarden, Brabant (total payroll 500).

A family concern directed by Mr. Louis Leuppens, the second of these companies (formerly Jacky Sprl) recently took a 50% interest in the Spanish firm, JACKY ESPANOLA SA, Alcobendas (capital Pts 10 m). Its new parent company, which has just made over its ice cream department to Iglo-Ola SA, Brussels, has as its principal interests in Belgium: Nouvelles Huileries Anversoises NV, Nouveaux Magasins de Merksem NV, NV Brunita, Cascon NV etc.

** The German spirits firm HERM. G. DETHLEFFSEN KG, Flensburg, has set up a subsidiary in Denmark, HERM. G. DETHLEFFSEN IMPORT A/S, Asberaa, Copenhagen to distribute its "Balle", "Bommerlunder" and "der echte Flensburg Dokator" products in Scandinavia.

** The merger which has been under consideration for nearly a year (see No 447) between the two leading French pasta and ready-cooked meal groups, ETS LUSTUCRU SA, Grenoble, Isere and PATES ALIMENTAIRES RIVOIRE & CARRET Sarl, Marseilles will take place when the latter becomes a holding company called RIVOIRE & CARPET -LUSTUCRU SA, whose capital will be raised in two separate moves from F 10.5 million to F 28 million. This will have a 70 % controlling stake in Lustucru as well as in SEPREC Sarl, Marseilles, (formerly Rivocca Sarl, which acquired its present name following the take-over of Ste Industrielle de Pates Alimentaires - S.I.P.A. SA). Separec already had control of the manufacturing and sales interests of Pates Alimentaires Rivoire & Carret in Marseilles, Lyons and Paris.

The new company will coordinate the financial, manufacturing and sales policies of the group, which with a turnover of some F 200 million, also accounts for more than 50% of French pasta exports. Production facilities are at Grenoble, Lyons, Marseilles, and Colmar, whilst a new unit is being built at Chiry-Ourscamp, Oise.

Lustucru recently took a large shareholding in Ste Lyonnaise de Rizerie-Solyriz SA, Lyons which makes rice flour, rice semolina, rice by-products and pre-cooked rice ("Somyriz" and Baobob"). It also has an interest in S.O.D.A.V. -Ste Pour Le Developpement de l'Aviculture du Sud-Est, Grenoble. Rivoire & Carret recently became linked with Lustucru within the Spanish production and sales company, Rivoire & Carret Espanola SA (capital Pts 75 m) along with other French interests. It also has a stake in Famo. Rivoire & Carret, Casablanca.

** The British chocolate and confectionery group JOHN MACKINTOSH & SONS LTD, Norwich and Halifax has granted its exclusive German distribution rights as from January 1, 1969 to the Alsbach, Bergstr. firm of JOSEPH WOLF KG (see No 450).

The British group's present German agent, LEONARD MONHEIM SCHOKOLANDEN-FABRIK GmbH, Aachen, will continue to manufacture for Mackintosh under licence. This is the largest German chocolate company, with a payroll of 8,000 and a turnover of around Dm 300 million.

** S.A.F.R. - SA DES FERMIERS REUNIS, Paris (see No 459), wholly-owned subsidiary of the Paris dairy group GENVRAIN SA, has decided to set up its own West German sales network, which will centre on SAFR - DEUTSCHLAND VERTRIEBS GmbH für KAESE & MILCHPRODUKTE, just formed in Düsseldorf with Dm 20,000 capital and M. Lucien Lequeux as manager.

SAFR, the capital of which has been raised from F 58.2 m. to 58.5 m. by its absorption of the sister company NOLAIT SA, Paris, runs 54 milk and 13 cheese processing factories, and is best known for its "Port-Salut" products. Until now its cheeses have been sold on the German market by KRAFT GmbH, Lindenberg, Allgau, a member of the New York NATIONAL DAIRY PRODUCTS CORP. Agreements made between the latter and Genvrain in 1965 (see No 303), and covering French distribution of Kraft cheeses were terminated in May of this year.

GLASS

** The Belgian glass company, GLAVERBEL SA, Watermael-Boitsfort (see No 486) has consolidated its West German interests by buying from the Swiss company, PARAFINANZ AG, Berne (a subsidiary of the Berne, BANK PARAVICINI-PARABANK AG - see No 471) its 60% stake in the industrial glass concern BAUGLASINDUSTRIE AG, Schmelz, Saar. In a further move this stake will be increased to 66%, when the Saar firm's capital is raised to Dm 6 million from Dm 5 million. It was formed in 1965 with a capital of Dm 2.5 million (see No 324).

The Belgian company is controlled by Boel, Glaceries de Saint-Roch SA, Verreries de Mariemont SA (see No 468) as well as by the French B.S.N. group (see below) and its Belgian affiliate Mecaniver SA. Its existing West German interests include a stake in the microsphere production and sales concern Ballotini Europe (Deutschland) GmbH, Kirchheimbolanden - through Ballotini Europe SA, Charleroi (see No 424).

** The French glass group B.S.N. - BOUSSOIS-SOUCHON-NEUVESEL SA (see No 482) is to strengthen its stake in the German flat glass sector (see No 421), where it already has direct/indirect control of DEUTSCHE LIBBEY-OWENS GESELLSCHAFT FÜR MASCHINELLE GLASHERSTELLUNG AG (DELOG), Gelsenkirchen-Rotthausen, which covers about 40% of the pane glass market. It has now made an agreement with DEUTSCHE TAFELGLAS AG - DETAG, Fürth, which, after a rather complicated process of negotiations should lead to the taking of crossed shareholdings, with the French stake in this company raised to 25%, and to nearly 75% in the investment company DALBUSH VERWALTUNGS AG, Gelsenkirchen-Rotthausen (president Herr Hermann J. Abs, director of B-S-N), which will take charge of the previous holding.

Detag (capital Dm 30 m.) had a 1967 turnover of Dm 225 million, from production at its factories in Weiden, Witten, Ruhr; and Wernberg, Oberpfalz of over 29 million square metres of glass (mostly laminated and mirror glass, double glazing etc), plus a considerable quantity of plastics ("Thermodet", "Durodet" etc). It has four subsidiaries or affiliates in West Germany, and a number of interests abroad: 50% in the Austrian, Erste Oesterreichische Machinglasindustrie AG - Eomag, Brumm am Gebirge (balance held by Delog - see No 407), and 40% in the Danish A/S Cudoglas, Korsør.

INSURANCE

** HISSINK & CO NV, Amsterdam (assurance and financial administration) has opened a branch in Antwerp, which will be headed by Mr. Jozef C.G. Mertens, Wilrijk.

** A merger between five Dutch insurance concerns will result in the formation of a group having gross premiums in the Fire, Accident and General Risks sector of some Fl. 81.6 million and it will rank seventh amongst Dutch insurance groups. The founders are: 1) NV LEVENSVERZEKERINGSMIJ BTL, The Hague (formerly BOEREN & TUNIDERS LEVENSVERZEKERING NV - see No 486), through which the new group will rank 10th in the Life sector with premiums totalling Fl. 29 million; 2) Four mutual insurance concerns who already cooperate closely with the bank COOPERATIEVE CENTRALE BOERENLEENBANK, Eindhoven: ONDERLINGE VERZEKERING MIJ. VAN DE ATB, Arnhem, VERZEKERINGEN VAN DE LTD, Legden, LIMBURGSE ONDERLINGE VERZEKERINGSMIJ, Roermond and VERZEKERINGEN NCB, Tilburg.

OIL, GAS & PETROCHEMICALS

** The London group SELECTION TRUST LTD (see No 423) has joined 40% with CAST DEVELOPMENTS LTD, London in forming NORDZEE SELECTIC NV in the Hague with Fl 1 million capital (25% paid-up) to search for and exploit oil deposits and natural gas. The new company will also take over the British group's 18.5% stake in Noordwinning - Netherland North Sea Group, the Hague, wherein it will replace North Sea Selection Co Ltd, London.

Noordwinning was formed in 1964 for oil and gas prospection on the Dutch North Sea continental shelf: its other main backers are: 1) 18.5% each - Amax Petroleum Corp (of the group American Metal Climax Inc, New York, itself an 11.9% affiliate of Selection Trust), Delfzee NV (subsidiary of the German group Wintershall AG, Kassel and Celle) and United Overseas Production Corp (of the group Pennzoil United Inc, Detroit, Michigan); 2) 9.2% each - NV Billiton Mij, The Hague, and Kon Ned Hoogovens & Staalfabrieken NV, IJmuiden; 3) 6% - Falcon Seaboard Drilling Co, Houston, Texas, and 4) 1.6% - Industriële Handelscombinatie Holland - I.H.C. Holland NV, Rotterdam.

** B.A.S.F. - BADISCHE ANILIN- & SODA FABRIK AG, Ludwigshafen (see No 482) has, by taking control of WINTERSHALL AG, Kassel (see No 424), much improved its petroleum supplies problem, and also its access to fertilizers raw materials.

Wintershall (capital Dm 176 m.) was until now a 50% subsidiary of the mining concern GEWERKSCHAFT WINTERSHALL, Celle, and in 1967 it made a turnover of Dm 1,600 million, about two-thirds of which was realised in the petroleum sector (26% and 14% respectively of German natural gas and petroleum production) and one-third in fertilisers (almost 49% of German nitrates production). Its chief foreign investments are in France: 100% in Ste des Petroles Wintershall Sarl, Neuilly, Hauts-de-Seine (hydrocarbon production and transport), 50% in Pec-Rhin Produits & Engrais Chimiques SA, Ottmarsheim, Haut-Rhin (balance held by Entreprise Minière & Chimique SA, Paris); the Netherlands - 100% in Delfzee NV, Amsterdam (oil prospection); in Canada - the wholly-owned subsidiaries Hercules Oil Co Ltd, and Opera Mundi - Europe No 487

Wintershall Oil of Canada Ltd, both of Calgary, Alberta etc...

** The research and prospection subsidiary that SNPA - STE NATIONALE DES PETROLES D'AQUITAINE SA, Paris (a member of the public group ERAP - Entreprises de Recherches & D'Activites Petrolieres) had decided to set up in Switzerland (see No 483) has now been opened in Bienne, Berne. The new concern PETROLES D'AQUITAINE (BERNE) SA (capital Sf 0.3 m.) is headed by M. Claude Mentrrier, and will be associated in its activities with the local group BEAG-BERNISCHE ERDOEL AG, Berne.

PAPER & PACKAGING

** PAPETERIES DU PONT-DE-LA-ROQUE & BOUTON-BROCHARD SA, with works at Orval, Manche and Corbeil, Essonne (fine andhygienic papers - headed by MM. Georges Bouton and Roger Brochard) is coming under the control of SCOTT CONTINENTAL SA, Brussels (see No 485).

The Belgian firm is a former joint subsidiary of the groups Papeteries de Belgique SA (see No 423) and the Scott Paper Co, Philadelphia, which gained outright control of it in 1967 (see No 408). It recently gained control of a similar firm in Belgium, Mide Europe SA, Tiselt, which formerly belonged to The Mead Corp and Bufa.

** The Belgian company VERRERIES DU BRABANT Sprl, St-Josse-ten-Noode has formed a French subsidiary called SOFOMECA - STE DE FOURNITURES DE MATERIEL D'EMBALLAGE & DE CONDITIONNEMENT SA, Roubaix (capital F 100,000). This will market its equipment for packaging glass and other materials.

The new company has Mme A.M. D'Halluin as its president and its directors are MM. A.A. Roskam, Jette-Brussels and L.A. Waroulers, Grimbergen, who both hold similar positions in the founder concern.

** The leading Dutch paper group and the country's sole manufacturer of newsprint, KONINKLIJKE PAPIERFABRIEKEN VAN GELDER & ZONEN NV (see No 466) intends to expand considerably into the packaging paper sector (it has just acquired NV LEEUWARDER PAPIERFABRIEK, Leeuwarden) as the result of an agreement with the American firm CROWN ZELLERBACH CORP, San Francisco, California. Together they have formed a new company called CROWN VAN GELDER PLASTIC INDUSTRIE NV, which will operate a plasticised paper packaging factory (for foodstuffs and consumer goods) at Apeldoorn. This will require the investment of some Fl. 15 million and should begin operations during 1969.

Both partners were already linked in two 50-50 subsidiaries, Crown-Van Gelder Papierfabrieken NV, Amsterdam (manufacturing) and Crown- Van Gelder Papier AG, Zurich (sales). In the latter, the American stake is held through its Zurich subsidiary Crown Zellerbach.

PHARMACEUTICALS

** The merger recently decided upon in Italy (see No 485) between SCHELABOR SpA, Milan and G.I.A.C. GESTIONI INDUSTRIALI AGRICOLE CHIMICHE SpA (see Nos 435, 436) which has boosted the position of SCHERING SpA, Milan (a member of the Berlin and Bergkamen chemicals and pharmaceuticals group SCHERING AG) will result in the latter's capital being raised. This will now stand at Lire 4,050 million compared with the previous Lire 75 million.

PLASTICS

** STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA-S.B.A., Renory, Ougny (see No 477) (a member of COFININDUS/BRUFINA, Brussels) has set up a 50% subsidiary in Angleur, Liege - AZOTHERM SA (capital Bf 30 m.) for converting hard PVC plastic into adhesive strips of 30-40 microns, using the techniques of the Swiss company VELIPLAS SA HOLDING, Lugano (formed in Chiasso early 1968), which is a shareholder of the new concern for the remaining 50%.

PRINTING & PUBLISHING

** The Swiss I.D.C. INTER-DOCUMENTATION CO AG, Zug (headed by Mr. John Ohlin, a Swede living in Geneva) has formed a F 20,000 Paris subsidiary (90%) named INTERDOCUMENTATION CO Sarl, in which it is linked with Mr Anders R. Oehman of Stockholm. The new company, managed by M. Gerard Walter of Paris will produce, print, publish and distribute literary and scientific works on microfilm.

RUBBER

** Two French rubber manufacturers whose products are complementary have agreed in principle to closer links. They are ETS HUTCHINSON SA, Paris (see No 433) and MAPA-FIT SA, Villiers-le-Bel, Val d'Oise. The move will be carried out by Hutchinson making a convertible issue reserved for Mapa-Fit and by an exchange of directors. The new rubber group, which does not cover tyres, will be open to other firms who wish to join, and it will have a turnover of around F 380 million making it eighth in the Common Market.

With a capital of F 31.15 million, Hutchinson has factories at Langlee, Loiret; Puteaux, Hauts-de-Seine, Persan, Val d'Oise, Joue-lez-Tours, Indre & Loire as well as workshops at Dordives and Coulons, Loiret. It makes industrial rubber products (drive-belts, joints, tubes and rubber-backed cloth) shoes and boots ("A l'Aigle") motorcycle and cycle tyres. It recently took over the footwear interests of the group Pneumatiques, Caoutchouc Manufacture & Plastiques Kleber-Colombes, Colombes, Hauts-de-Seine (see No

486). There are two subsidiaries in West Germany, Gummiwerke Hutchinson, Mannheim and Saarlandische Hutchinson, Saarbrücken and as well as a Milan subsidiary, Soc. Italiana Industria Gomma & Hutchinson SpA. Mapa-Fit was formed by the merger in 1967 of Ste des Procèdes Fit SA, Paris and Mapa SA. With some 2,000 employees it makes rubber gloves and latex goods, shoe soles, moulded and extruded industrial rubber products for the building and car industries.

SERVICES

** NV ZWEEDS-NEDERLANDS ACCOUNTSKANTOOR WAHLBERG & WAHLBERG, Haarlem, a Swedish-backed firm of Dutch accountants has formed ZWITSERS-NEDERLANDSE AGENTUREN MIJ (Z.N.A.M.) NV in Groningen. This has Fl 25,000 capital, and with Mr Carl O. Fruuh of Stockholm as manager it will administer industrial patents and copyright.

The parent company is owned 90% by Mr Wahlberg of Stockholm, who shares his backing with Tore Wahlberg Recisions - Byra A/B, Stockholm, which he also owns.

** PRODATA PROGRAMMIERUNG & DATENERFASSUNG GmbH, formed in Frankfurt in August 1966 (organisation and E.D.P. consultants) linked with American interests - Messrs James Kirwan and Frank Loeb - forming a company in Frankfurt, PRODATA INTERNATIONAL DATENVERARBEITUNG GmbH (capital Dm 0.4 m.)

The founder company (capital Dm 20,000) has Herren Jürgen Fietze, Manfred Buchner, Jürgen Engelbrecht, Hans Emmekheinz and Hans Schmidt as shareholders.

** The New York car-hire concern HERTZ CORP (see No 435) a member of the RADIO CORP. OF AMERICA group, New York (see No 470) has formed a Brussels subsidiary called HERTZ CENTRAL BILLING -HERTZ C.B.SA. This is under the direct control of HERTZ INTERNATIONAL LTD, New York and has a capital of Bf 500,000. It will establish and run a central account-clearing system for all the group's European affiliates and subsidiaries. These include Hertz Italiana SpA, Bologna and Turin; Hertz France SA, Paris; Hertz Autovermietung GmbH, Frankfurt; Hertz Belgium SA, Brussels.

TEXTILES

** The Dutch textiles making-up concern, CONFECTIE - ATELIERS CHAS MACINTOSH NV, Stein (see No 393) has expanded by taking control of the Nijmegen concern ATELIERS VOOR REGEN- & SPORTKLEDING DE KIEWVIT NV (raincoats and sportswear - see No 479). The latter has about 250 people on its payroll, some Fl 300,000 capital (20% paid-up), and run factories at head office and at Ewijk, plus a making up business at Ieper, West-Vlaanderen in Belgium since October 1968.

The Stein group (over 3,500 on payroll) is also preparing to set up a subsidiary in Spain, output from which will go to EFTA countries.

** RHOVIL SA, Paris and Thionville-en-Barrois, the French manufacturer of P.V.C.-based fibres, a member of the RHONE-POULENC SA group and an affiliate of PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN (see No 464) has concluded an agreement with the Milan company, CHATILLON SpA (part of the Montecatini Edison group - see No 473) to sell its new PVC fibre in France under the name of "Stavinyl". The new product is of particular interest because of its resistance to high temperature as well as to organic solvents used in dry cleaning.

A few months ago (see No 459) Rhovil sold to Polymer Chimiche SpA, Milan (a subsidiary of Montecatini Edison) a licence to produce its "Clevil" synthetic fibres and threads.

** The New York group J.P. STEVENS & CO INC (see No 472) is to widen its Common Market interests by purchasing a majority holding in the Italian textiles group MANUFATTURA ROSSARI & VARZI SpA, Galliate, Novara, which was only recently bought up by Sig. Michele Sindona's FASCO group.

Rossari & Varzi has six cotton spinning and weaving mills, is backed by Lire 1,000 million capital, and will have as its new president Sig. L. Francolini, former vice-president of Banca Privata Finanziaria SpA, Milan (see No 466). It has considerable property assets, administered by the subsidiary Immobiliare Novarese - Lombarda SpA, Milan, plus several Italian interests: Contex - Confezioni Tessili Export SpA, Borgomanero; Tessi-Tessile Siciliana SpA, Palermo; Impresa Cotoniera Etna SpA, Catania; Silda SpA, Gola; Industriale Cotonicola Sciacca SpA, Sciacca; Industriale Cotonicola Meridionale SpA, Metaponte and Cotonificio Ligure SpA, Milan. There are others in Latin America (Argentine, Brazil etc). Until now, the American group's Italian agency was held by CECCARTEX INTERNATIONAL Sas, Milan (headed by Sig. F. Ceccarini).

** A merger has taken place within the French FILATURES PROUVOST-MASUREL & CIE - LA LAINIERE DE ROUBAIX SA group (see No 467). CREATIONS TEXTILES DE MARQUES FRANCAISES SA, Tourcoing (capital raised to F 1.82 m.) has taken over TRICOTS & MAILLES SA, Paris (gross assets - F 3.29 m.) which has branches in Tourcoing and Valenciennes, Nord.

TOURISM

** The negotiations started recently (see No 453) between K.L.M. - KONINKLIJKE LUCHTVAART MIJ. NV, The Hague, and J.LYONS & CO LTD, London (through its hotel subsidiary The Strand Hotel Ltd) with a view to the joint construction of a 600-room hotel in Amsterdam calling for an investment of Fl. 12 million, have now resulted in the formation of a joint Fl. 12 million subsidiary, STRAND HOTEL (NEDERLAND) NV, Amsterdam. 20% of the new company's capital has been paid up, and rather over 25% is held by the Dutch partner, the balance being retained by J.LYONS (LUXEMBOURG) HOLDINGS SA.

At the same time, K.L.M. has taken a token interest in association with its subsidiary K.L.N. Nordzee Helikopters NV, The Hague, in the formation of a property company named Weblok NV (capital Fl 150,000).

** The Luxembourg investment company UFITOUR-UNION FINANCIERE INTERNATIONALE POUR LES INDUSTRIES DU TOURISME SA (see No 384) and one of its shareholders COFININDUS SA, Brussels (see No 479) have taken respective shares of 27.5% and 10% in DRUGSTORE DE PARIS SA, which has just been formed in Paris to promote the establishment of drugstores and shopping centres.

The latter company's name is being changed to INTERDRUGSTORES-CIE INTERNATIONALE DE DRUGSTORE SA (capital raised to F 2.5 m.) and it is affiliated to Cie d'Expansion Commerciale Saint-Lazare-Cecla SA, Paris and Club Mediterranee SA, itself an affiliate of Ufitour.

** The Paris insurance companies LA MONDIALE ACCIDENTS SA (formerly CIE FRANCAISE D'ASSURANCES & DE REASSURANCES - VIE SA - see No 263) and LA VIE NOUVELLE SA (formerly LE PATRIMOINE SA, of the "DROUOT" group, which in late 1967 merged with LA CONFIANCE SA - see No 467) have respectively taken stakes of 40% and 10% in the formation of SERAFRANCE - STE D'EQUIPEMENT DE RELAIS AUTOROUTIERS DE FRANCE SA (capital F 500,000). The president is M. Michel Junot, already managing director of Cie Generale Pour L'Equipelement Des Autoroutes - C.G.E.A. SA which was formed in 1965 (see No 319).

The new company will back the construction of a motorway services site at Morainvilliers, Yvelines, where the hotel side will be run by the Franco-Belgian group Cie Internationale des Wagons-Lits & du Tourisme SA, Brussels, through its two new Paris subsidiaries SO.GE.RE.HO. SA and S.E.H.R. SA (see No 483). Serafrance is also the 30% affiliate of Ste d'Etudes Financieres & de Realisations Immobilieres - SEFRI Sarl, managed by M. J.C. Aron and one of the shareholders along with La Mondiale Accidents of C.I.F. Consortium Immobilier de France SA, Paris.

** A reciprocal representation and holiday village exploitation agreement has been signed between the French company CLUB MEDITERRANEE SA, Paris (see No 474) and the West German concern TOUROPA GmbH & Co KG, Ruhpolding (now merging with three other firms in the same sector, SCHARNOWREISEN GmbH & Co KG, Hanover, HUMMEL REISE GmbH & Co KG, Hanover and DR TIGGES FAHRTEN KG, Wuppertal (see No 480).

The French group, in which the American Express Co, New York is taking a 15%, was until now represented in France by Club Mediterranee Gesellschaft Für Touristik mbH, Munich. The German group has been represented in France since since June 1968 by Touropa Sarl, Paris (see No 471).

** The Chicago group, HILTON HOTELS CORP (see No 412) intends to extend its West German business by building three new luxury hotels in Frankfurt, Hamburg and Munich. Costing a total of some Dm 255 million, this will be organised by a company now being formed in Frankfurt, VHH - VEREINIGTE HOTEL HOLDING GmbH (capital Dm 500,000 m.) in which HOTEL BERLIN AG, Berlin (capital Dm 1.25 m.) will also have a stake. The American group already has a Frankfurt subsidiary, Deutsche Hilton Hotels International GmbH, and it runs a hotel in Berlin with another due to open in Düsseldorf during 1969. In Europe the group's most recent move has been in Switzerland where it received permission to build a hotel near Zurich in September of this year.

TRADE

** The London sales company GILMAN (HOLDINGS) LTD has taken a 70% stake (with the remaining share held by the West German founders) in GILMAN & CO GmbH which has been its West German representative for several years.

The London concern is an affiliate of the INCHCAPE & CO LTD group, and its main interests are in the Far East. There are around ten subsidiaries in Hong Kong.

** The international trading group BORSUMIJ-WEHRY NV, The Hague (see No 477) has gained almost complete control of the Enschede firm in the same sector NV TWENTSCHE OVERSEE HANDEL MIJ.-TO H.M. in which it was already a 28 % shareholder following a takeover bid made a few weeks ago in competition with NEDERLANDSE OVERZEE BANK NV, Amsterdam, a member of the BANK & ASSURANTIE ASSOCIATIE NV group. This offer was made on behalf of NV VEEM-VERENIGDE EINDHOVENSE EXPLOITATIE MIJ. Eindhoven.

TRANSPORT

** An important merger has taken place between three of the biggest seagoing tug firms in France, STE PROVENCALE DE REMORQUAGE SA, Marseilles, its affiliate, LES ABEILLES, STE DE REMORQUAGE & DE SAUVETAGE Sarl, Le Havre and the latter's subsidiary, CIE CHERBOURGEOISE DE REMORQUAGE & DE SAUVETAGE Sarl, Cherbourg.

This operation, which has given rise to a group of Common Market dimensions, with substantial holdings in tug concerns in France and abroad, has been centred around Ste Provencale de Remorquage, which will assume control of the other two and change its name to PROGEMAR-STE PROVENCALE DE GESTION MARITIME SA (capital F 21,83 m). With M. Andre Blohorn as president, the company plans to set up autonomous firms in Marseilles, Le Havre, Cherbourg and Nantes.

** A 50-50 link-up between the Brussels company LOUIS GHEMAR SA and the Rotterdam concern NV TRANSPORTMIJ. EUROCONTINENTAL (see No 410) has resulted in the formation of a national and international container transport concern called GHEUCOM CONTAINEREXPLOITATIE - & TRANSPORTMIJ NV, Rotterdam, (authorised capital Fl 300,000 - around 25% issued).

The Dutch partner has a one-third stake in the Bologna concern Eurocontinental Italiana Srl which it formed in June 1966 in association (one-third each) with the Italian transport concern Brugher & Co, Srl, Trieste and the Swiss transport concern Verga SA, Chiasso, Ticino and Geneva.

** The Zug holding company INSULA AG, having a few months ago linked 50-50 with the Amsterdam transport group BLAAUWHOED NV (headed by Pakhoed Holding - see No 485) in forming INTERBLAAUW BELGIUM SA (capital raised recently to Bf 25 from 5 m. - see No 451), has now repeated the move in forming INTER-BLAAUW HOLDINGS NV in Rotterdam with Fl 500,000 capital(20% paid up), a finance company.

** The construction and operation at Antwerp of a new terminal for 70,000 ton ships and storage facilities for liquid products (especially chemicals) has been agreed in principle between the GENERAL AMERICAN TRANSPORTATION CORP, Chicago and New York (see No 403) and PHS. VAN OMMEREN NV, Rotterdam (see No 483). A joint subsidiary called GATX MATEX "GAMATEX" Antwerp will be formed as a result.

The American group (1967 turnover \$360 m.) formed a medium-term financing concern for ships, aircraft, trucks, petrochemical complexes and computers called Gatx Boothe Finance AG, Zurich in May 1968 with an initial capital of Sf 5.5 million. In October 1968 it formed a direct London subsidiary called Gatx Boothe Finance (U.K.) Ltd. When the Swiss company's capital is raised to Sf 45 million at the end of the current year, it will become a 50 % interest of an American and European consortium headed by the London merchant bankers, Hill, Samuel & Co Ltd, London.

** PAKHOED HOLDING NV, The Hague, (see this issue) which heads the shipping and warehousing concerns PAKHUISMEESTEREN NV, Rotterdam and BLAAUWHOED NV, Amsterdam intends to acquire control of the Rotterdam concern VLISMAR NV (petrochemicals- capital Fl 3.2 m - see No 374). This is a shareholder in Pakhoed following its sale to Pakhuismeesteren of its 50 % stake in the oil storage concern N.O.M.-Nederlandse Opslagmu NV, Rotterdam.

Vlismar will become an investment company. It has two other subsidiaries, Beleggingsmij.Vlismar NV and Straatsteenfabriek Nederhemert NV, Brakes.

** A reciprocal representation and cooperation agreement has been signed between two international transport concerns, GENERAL EUROPEAN ROAD SERVICES LTD, London formed in April 1967 with a capital of £ 1,000 and a German firm, RHENUS GESELLSCHAFT FUER SCHIFFFAHRT SPEDITION & LAGEREI mbH, Frankfurt.

The latter has subsidiaries in the Netherlands and Belgium (see No 452). It is controlled by the Mannheim transportation group Fendel Schiffahrts AG, itself a member of the Bonn group VEBA-Vereinigte Elektrizitäts & Bergwerks AG, through Hibernia AG, Herne.

** The Dutch transport company INTERNATIONALE TRANSPORTMIJ. PAX NV, Leeuwarden has backed the formation in Leeuwarden of NV DISTRIBUTIE & CONTAINER-CENTRUM (authorised capital Fl. 100,000, 25% paid-up). Headed by Mr. Jan Ober and managed by Mr. Pieter Plantinga, a director of the founder company, this will cover all activities involved in containers shipments.

VARIOUS

** The French cleaning (office, domestic and other premises) and floor levelling and sanding contractors, INDUSTRIELLE DE NETTOYAGE SA, Paris whose president is M. A. Cambay has opened a branch in Luxembourg. Under the name, UNIVERSAL CLEANING SERVICE, it will be directed by M. O. P. Mantz who has been seconded from the agency at Metz, Moselle under M.G. Scaillet.

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** FRANKISCHE PELZINDUSTRIE MAERKLE & CO, Fürth, Bavaria (skins and furs for the clothes industry - see No 282) has set up a commercial subsidiary in Milan, MARCO ITALIANA SpA (capital Lire 3 m.) control of which it shares 90/10 with its Swiss subsidiary Marco Pelz AG, Zurich.

** INTERNATIONAL SWIMMING POOL SA, Paris (sales and installation of prefabricated pools) has formed a Frankfurt sales subsidiary under the name FLORIDA - INTERNATIONAL SWIMMING POOL GmbH (capital Dm 60,000), with M. Jacques Audier as manager.

The parent company was formed in January 1967 with F 100,000 capital by COGE-FRANCE SA, Paris (capital F 180,000), which took 48%, and by the latter's president (the above-named) with 13.5%, the balance being held by various private French interests.

** MAYFAIR MINK CORP, New York, has formed a West German sales subsidiary named Mayfair Mink Rauchwarenhandels GmbH, Frankfurt (capital Dm 20,000), to be managed by Messrs Alfred Schlanger of New York and Harold Kolleng of Frankfurt.

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Glaverbel	C,Q	Libbey-Owens	Q
Gordon & Piatt	I	Limburgse Onderlinge Verzekerings	M
Grampian Holdings	C	Litton Industries	H
Guyertzeller Zurmont Bank	N	Locafrance	O
		Lustucru	P
H.M.C. Apparaten	C	Luzuriaga, Victorio	K
Hainaut-Sambre	L		
Hawker-Siddeley	G	Macintosh, Chas	U
Heinkel	B	Mackintosh, John - Chocolate	P
Hertz	U	Maerkle & Co	Z
Hilton Hotels	W	Magotteaux, Fonderies de	K
Hissink & Co NV	R	Manufacturers Hanover Trust	M
Hobucon	C	Mapa - Fit	T
Hoechst	D	Mardon Packaging	H
Holima	L	Marine, Firminy	K
Hotel Berlin	W	Marly - S.B.A.	E, T
Houilleres du Nord	B	Mayfair Mink	Z
Howden & Godfrey	L	Meller, George	L
Hutchinson, Ets.	T	Mellonics Systems Development	H
		Menck & Hambrock	I
I.D.C. Zug	T	Midhage, Jack	J
I.R.I.	L	Mitsubishi Bank	N
Imperial Tobacco	H	La Mondiale Accidents	W
Inchcape	X	Moneplas Steinfels & Cie	F
Industrielle & Nettoyage	Y	Monheim, Leonard	P
Inkoop	I	Montagu Trust	N
Insula	X	Montecatini-Edison	V
Inter documentation	T	Mountfield, G.D.	J
International Swimming Pool	Z	Munsters	I
Italianta Impianti	L		
		N.C.B. Verzekeringen	R
Jacky NV	P	Neuves-Maisons Chatillon	L
Jonneret	J	Norwich Pharmacal	F
		Nuffin - Nuclear Fuel Finance	N
Kautt & Bux	G		
Keramag	E	Oberhessische Bank	M
Kiewvit	U	Oranseberg	C
Kleinwort Benson	N		
Koehring G	I	Pakhoed Holding	X, Y
Kolmar	F	Parabank	Q

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Paravia, G.B.	G	Soletanche	C
le Patrimoine	W	Solexpert	C
Pax Transportmij	Y	Spiro	K
Pechiney-St-Gobain	V	Steuber Co.	E
Pennsalt Chemicals	D	Stevens, J.P. & Co	V
Petrofrance	F	Sud-Aviation	G
Philips NV	G,H	Sumitomo Bank	N
Pioneer Oilsealing	D	Svenska Tändsticks	M
Pont-a-Mousson	K	Swissboring	C
Pont-de-la-Roque, Papeteries	S		
Precision Screw & Manufacturing	J	Tecnodatta	G
Primary Steel	K	Thomson-Houston Hotchkiss-Brandt	G
le Printanier	P	Touropa	W
Procaer	B	Transamerica Corp	N
Prodata Programmierung	U	Transportmij Eurocontinental	X
Prouvost-Masurel	V	Tunzini-Ameliorair	J
Provencale de Remorquage	X	Twentsche Overzee Handel	X
Pye of Cambridge	H		
		U.C.B.	H
R.C.A.	U	Ufitour	W
Revlon	F	Ugine-Kuhlmann	F
Rhenus Gesellschaft	V	Unilever	P
Rhone-Poulenc	V	Unipol	F
Rhovil	V		
Rivoire & Carret	P	V.H.H. Frankfurt	W
Rocke International	H	Van Gelder & Zonen	S
Rodio, Holding	C	Van Ommeren, Phs.	Y
Rossari & Varzi	V	Varta	G
		Veliplas SA Holding	T
S.A.F.R. -Fermiers Reunis	Q	Verreries du Brabant	S
S.F.A.C.	J	la Vie Nouvelle	W
S.N.P.A.	S	Vlismar	Y
Sanwa Bank	N		
Saulnes & Gorcy	L	W.G.I. Ltd.	I
Scheebeli Chaband	J	Wahlberg & Wahlberg	U
Schelabor	T	Welding Service	I
Schering AG	T	West's (Manchester)	I
Scholaert	K	Westinghouse	L
Scott Paper	S	Wintershall	R
Selection Trust	R	Wolf, Joseph	P
Serafrance	W		
Shully's Industries	C	Yugoslav Investment Bank	O
Sidelor	K	Yumbo	M
Siemens Industrieofenbau	O		

