Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

July 22 - July 28, 1968

THE COMMON MARKET

Tying Up the Ends

The last two EEC Council meetings before the summer recess were held in Brussels on July 29 and 30, the first to discuss social affairs, and in particular the elimination of remaining barriers to an open labour market in the Community, and the second to debate a whole range of matters outstanding, mainly to provide the Commission with certain key mandates, and to schedule vital questions for discussion later in the year. As sometimes happens with the Council, the talks, especially on Tuesday, steered clear of any intensive discussion, and this very avoidance of high-powered debate seems of itself to have lulled the ministers into a mood of give and take that lends hope for their work in the Autumn.

The chief items on the agenda on Monday were the question of suppressing "national priority" on the labour markets of the Six, and attempting to create "Community workers" in as real a sense as there are now national workers. This would involve the elimination of work permits in all member states but Germany, where the usage would remain for statistical purposes, though only as a formality, as far as obtaining permits is concerned. Again, workers from one member state employed in another should be allowed the same union rights as their fellows in the host country. Another goal to be achieved was that of priority for community workers over those from third countries seeking employment in the Six. This could very largely be achieved practically by the expedient of improving Community information services on availability of jobs: the community worker would have much better access to this than one from outside the EEC area. The final main question for debate - and one where difficulties are likely to be posed by the stand France is taking - is that of organising some sort of consultative system between the ministers of the Six and labour leaders from the Community. It is difficult to see how communist unionists could be excluded from such talks. It is to be hoped that the Monday talks will provide a springboard for significant community work in this direction in the Autumn.

The chief event on Tuesday was the agreement between the Six that talks be started for the first time with a view to establishing a trade pact with an Eastern European country, in this case Yugoslavia (see No 454). A mandate was given to the Commission to negotiate acceleration of Kennedy Round tariff cuts with Yugoslavia on about twenty manufactured products, and on certain agricultural items, though it is not yet clear how far France is prepared to go along with the second category, having at least said that she will reduce her tariffs on imports of Yugoslav horses to comply with the CET.

This was perhaps a minor concession, but it did make possible a positive Community step, its first real trade liberalisation move with the East. As far as the scope of the agreement is concerned, it should be noted that trade with Yugoslavia in the EEC in 1967 was $657 million outgoing and $372 in imports. There will, under the arrangements, probably be EEC preferential treatment for Yugoslav fish, glass and leather goods.

While France's concession was modest, however, the fact that progress was made in this direction stems mainly from Italy's gesture, in deciding to step down from her former position, whereby she would not give the go-ahead for any trade talks between the Community and Mediterranean countries until France had agreed to opening talks with Britain, and in general allow action to be taken on the "Northern problem". This, of course, means that Britain has had once again to carry the can for any progress to be made immediately in foreign relations in the Community, as the British dossier, still on the ministers agenda, has now been relegated to a discussion to be held in October.

Having opened the gate, as it were, Italy also enabled progress to be made on action concerning a number of other Mediterranean states: Turkey, Malta, Morocco, Tunisia and Algeria. It was agreed that the association agreement with Turkey should now be allowed to move into its second phase, - a 12-year transitional period from 1969 - and at the same time the go-ahead was given for the Commission to start exploratory talks with the Maltese authorities regarding their twelve-months old application for association links with the Community (see No 427). As far as the Maghreb States are concerned, the Community is now to negotiate partial association agreements with Morocco and Tunisia, and a quota agreement for imports of Algerian wines into all member states but France.

Other topics discussed were the matter of financing food aid from the Community, as agreed under the Kennedy Round - there was no agreement here, and the question of whether this aid will be financed nationally, as desired by Germany and the Netherlands, or whether it will become a wholly Community project, will not now be resolved until later in the year. The Common Commercial Policy was another point to be dealt with, and in particular the formulation of a common Community list of items free from quantitative restrictions, and a single system for the Six of evaluating and administering import quotas on goods from state-trading countries, though Germany is opposed to the latter, as she looks upon sovreignty in this field as a vital lever in her relations with the East Bloc. Harmonisation of port tariffs, discrepancies between which are still distorting the Community shipping trade somewhat, and the removal of personal baggage inspection at internal community frontiers were also on the agenda. As far as Euratom was concerned, the meeting had only to go through the formality of voting this year's supplementary budget of $8.3 million, and to note the intention of Italy and the Benelux countries to sign the N.P.T. before the end of August.

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COMPETITION

Commission Announces More Flexible Policy on Inter-Company Agreements

The more the process of integration between the member countries progresses, the more important it is to ensure that the natural workings of free competition are not frustrated. At the same time, it is all the more important to help companies in their efforts to adapt to the development of the Community and to the increased competition on the world markets.

During the course of a press conference held last week, M. Emmanuel Sassen, Commissioner responsible for questions of competition within the Community, commented upon a policy statement which the Commission had just published on this subject. The idea behind this policy statement was not to announce a new doctine, but merely to lift the mantle of uncertainty which covered these questions of competition and cartelisation, based on Article 85 of the Rome Treaty. This particular article had been designed as a piece of anti-trust legislation for the Community, but in practice has hampered certain logical moves towards amalgamation. At least this seems to be the opinion of a number of company directors who have sought therein a pretext to avoid certain structural reforms on which they were not particularly keen.

The Commission thus decided to bring the whole matter out into the light, so that the Commission could no longer be blamed for the companies' lack of initiative. The Community approach to the matter seems to be very liberal, based on economic realities and not on juridical sophistry, as M. Sassen took pains to show.

In the Commission's statement two particular points are conspicuous. Firstly, the Commission will now look "with favour" upon agreements between small and medium sized firms in as much as they facilitate more rational, more productive and more competitive operations within the enlarged market. The Commission feels that it is its task in particular to facilitate cooperation between small and medium-sized firms, whilst not overlooking the fact that inter-company agreements between larger concerns may also be economically desirable, provided that the forces of competition are not thereby frustrated. Secondly, the Commission feels that cooperation does not fall within the scope of Article 85 of the Rome Treaty or Article 65 of the ECSC Treaty when the total market share of the participating companies is too small to produce a "significant" reduction of competition in the Common Market, or affect trade between the Six.

These views of the Commission have been reflected in the three decisions which the Commission announced at the same time as it made its policy decision. These concern three agreements which have been made by French companies: 1) an agreement between French machine tool manufacturers. Here the Community authorities were able to make a"negative" judgment (that is to say, they gave the agreement the go-ahead), given that the collaboration between these two concerns which included joint exploitation of the market, and production specialisation, would not have the effect in this case of "significantly restricting" competition. 2) for the same reason the Commission gave the go-ahead to the formation of SOCEMAS (Societe Commerciale et d'Etudes des Maisons d'Alimentation et d'Approvisionnement a Succursales). This company includes a number of smaller concerns in the food distribution sector, such as "Casino" and "Paridoc" and carries out purchases in response to tenders from abroad. It appears that the sales carried out by this company represent but a very small portion of the total production of the particular goods concerned.

The third of these test cases concerns a contract concluded between Berliet and the Ateliers de Constructions Electriques de Charleroi (ACEC) to cover the fields of research, manufacture and sales of a new electric transmission system for public service vehicles. To all intents and purposes it seemed to contain certain restrictions on competition, but in spite of this the Commission has decided to authorise it.

This decision to change the official policy has been influenced above all by the need to modify overall Community policy on the manufacturing industries. Brussels has published a list of agreements between companies which it has authorised: agreements on market research, agreements on joint credit programmes, agreements on R & D, agreements for the joint exploitation of production facilities, agreements to share warehousing facilities, sales organisations, and even labels.

Conscious of the difficulties which the member countries are encountering in their efforts to harmonise their taxation systems, which at present often militate against mergers and amalgamations, and in their efforts to formulate legislation for a European company, the Commission has done its best to make full use of the means at its disposal, and of which it alone is mistress - competition policy - so as to facilitate European industrial structural reform.

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TRANSPORT

More Spadework on the C.T.P.

Although last week the Council of Ministers achieved its first real breakthrough on the common transport policy for the Community (see No 471), the Commission has from the outset busied itself with a host of subsidiary questions relating to the harmonisation of transport conditions in the Community, and two more sets of proposals have just been issued to this end.

The first concerns the protracted quest to abolish discrimination in transport rates and conditions in the Community, the basis for which is provided in Article 79 of the Rome Treaty, and in Regulation No II, adopted in 1960. At this stage, the regime was a rudimentary one designed to remove discrimination over the nationality of transport users or the origin or destination of goods in transit - rudimentary, because it only related to similar goods carried on similar routes, without taking stock of other forms of differential in rates and conditions. Subsequent action has harmonised conditions for domestic, transit, import and export traffic, and in particular the Commission submitted a proposal in October 1965 designed to remove many of the other differential practices still remaining in Community transport: these included special rates for port-specific destination traffic; indirect discrimination exercised through rates for ancillary services, inequalities in national definitions of certain activities as to whether these in fact fall into the transport sector, preferential treatment in the form of toll-rate differentials on inland waterways, and the channelling of rail traffic into rational routes rather than leaving alternatives and thus a more open pattern of competition. These and other practices were banned by the 1965 proposed regulation.

However, submission of this proposal to the Economic and Social Committee and the European Parliament made it clear that it would not be acceptable, and what the Commission has just done is to submit its amended version of this series of proposals to the Council. In particular, the ban differentiated rates for port traffic is lifted, and from now on, should the proposal be endorsed, the Commission will be empowered, on application, to authorise member states to exercise non-standard rates and conditions designed to combat discrimination liable to upset the running of the community market by transport interests in third countries. The proposed regulation will be subject to the same implementing conditions as Regulation II.

The second set of proposals made by the Commission, and submitted to the Council for endorsement as directives concerns the alignment of legislation on motor vehicles on four scores:

1) Official approval of motor vehicles and trailers.
2) Lighting and signalling equipment on the same.
3) Noise levels and limits of tolerance on exhausts.
4) Specific items of equipment such as fuel tanks and rear bumpers.

The Commission, regarding 1) above, has suggested a procedure, to be uniform throughout the Community, for official approval of vehicles and trailers: it aims to establish the mutual recognition of inspection tests by means of standardising the documents that manufacturers will have to supply for completion by the authorities concerned. In order to achieve progress on 2) to 4) above, it will be necessary to have specific directives as to what the approval procedure throughout the Community will have to be, in terms of technical requirements, standards, minimum tolerances etc. Harmonisation of legislation will then be brought about either by allowing national rules and the community system to work in parallel for a period of time, or, if national legislation is fairly similar, to have mutual recognition of one member country' requirements by the other.

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AGRICULTURE

Veterinary Committee

It was not until the small hours of Tuesday, July 23, that the Agricultural Ministers managed to reach agreement on the question of setting up a standing veterinary committee for the Community (see No 471), which would come into action as soon as any member state saw fit to restrict or ban the import and transit of livestock and meat because of an epidemic. Following a compromise proposal by Herr Hocherl the Council agreed that the Commission itself would meet and propose whether the individual national measure was to remain in force, be lifted or modified. The EEC veterinary committee consisting of officials from member states would meet forthwith. If it agreed with a qualified majority with the Commission's proposals these would be accepted. If a qualified majority decision was not reached the Council would decide, likewise subject to a qualified majority, within 14 days. However a negative vote by the Council would not invalidate the Commission's decision unless the governments of four of the six member states had spoken against it. In order to achieve unanimity on this emergency procedure, Dr. Mansholt agreed on behalf of the Commission that the standing veterinary committee would not be concerned with the standardisation of veterinary and food laws governing trade in livestock and meat. The assimilation of natural legislation would in future be subject to an unanimous decision of the Council.

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Import Policy for Fruit & Vegetable Products

The final EEC policy to be adopted concerning imports of processed products with a fruit and vegetable base (preserves, jams, fruit juices etc) with and without additional sugar from third countries should be decided upon before December 31, 1968. Free intra-EEC trade in processed products with a fruit or vegetable base came into effect on July 1. However, at the last meeting of the Council of Six, the agricultural ministers could not reach agreement on the financial aspects of trade with third countries, which will be covered by a further regulation. Each member state therefore continues to apply its own national regulations in exchange with third countries, subject to obligations under the Kennedy Round agreements. However, the levy on sugar contained in produce of this category now comes into force with the exception of pineapple preserves and pineapple juice originating from the Associated African States or Madagascar.

The final decision regarding third countries ought in principle, to be adopted before the end of 1968 so that regulations may be put into force before July 1, 1969, but certain observers already regard these dates with scepticism. Among the delicate questions to be resolved, is the problem of export refunds which the French Overseas Departments wish to enjoy as well as the institution of a minimum price system for a certain number of products.

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AFRICAN ASSOCIATION

The Arusha and Yaounde Agreements

On Friday last, July 26, the European Community and the three East African countries which make up the East African Economic Community, Tanzania, Kenya and Uganda, formally signed a preferential trade agreement, following some three years of negotiations in Brussels (see Nos 383, 448, 461, 466). The agreement, known as the Arusha Agreement after the Tanzanian town where it was signed, is primarily to strengthen economic relations between the two contracting parties. Followin g the Yaounde Convention and the Lagos agreement with Nigeria, this new agreement confirms the importance of reinforcing the existing links between the African countries and those of Europe on the basis of the principles of parity and reciprocity. The main provision of the agreement is of course that exports from the African associates will be subject to the same customs duties as the member states apply among themselves. As these duties have now been abolished for almost all products, East African exports will get a duty free access to the Common Market, the only major exceptions being coffee and cloves, which will be subject to quotas, and tinned pineapple which will have special treatment.

The East African grouping which contains some 27 million inhabitants has been functioning as a loose economic unit for some twenty years now, known as the East African Joint Services Organisation. This agreement covered finance, communications, industry and commerce, labour and social services. So as to organise their means of production in the most efficient way the three countries entered in upon a certain level of specialisation: Kenya produces light bulbs, Uganda produces nitrate fertilisers and parts for bicycles, whilst Tanzania assembles radios and manufactures sheet aluminium.

The new agreement expires on May 31, 1969, the same day as the Yaounde Convention and the Lagos agreement, thus coming into line with these two agreements. The Arusha Agreement does however differ in principle from the older Yaounde Convention, in that the three East African countries are by and large further down the road of development than the majority of the Eighteen and so have not asked for financial aid to be included in the agreement, which does however include liberalisation of the right of establishment and movements of capital.

The agreement will certainly have the effect of swinging the old pattern of trade away from the old suppliers (the United States with about 7% of the EAC market and the UK with 36% of the market) to new suppliers in the Common Market, Japan too, which in recent years has become a big seller in this part of the world will have to work harder to expand her market here, a market which has been in recent years expanding at the rate of 7% per annum. The new arrangement benefiting suppliers from the Common Market countries will largely erode the advantage gained by British firms in November due to devaluation of sterling.

On Tuesday of last week the first formal meeting between the member countries of the Community and the representatives of the Yaounde Associates took place under the auspices of the Association Council, at Kinshasa, in order to discuss the re-formulation of the Yaounde Convention. According to the Convention these discussion were to have begun 12 months before the expiry of the agreement, but as the Six have found themselves unable to agree upon a common standpoint on this issue, the commencement of discussions has been held up. In addition to this there have been the complications in the political scenes of Belgium, Italy and France during the last few months, and the serious disagreements between member countries concerning the whole future of the Community's relationship with the African countries. The Eighteen countries on the other hand have been anxious to get down to the serious business of negotiation and to obtain from the Community the best conditions possible.

The Eighteen associates are far from happy with the association as it stands. Whilst paying homage to the certain success that the association has achieved, several of the governments of the Eighteen have noted with regret the stagnation of their sales within the Community, whilst trade between the Common Market and their competitors in Latin America is expanding at a rapid rate. M. Falilon Kane, secretary of O.C.A.M. (the French speaking group within the Eighteen), put this grievance into concrete terms: "As regards trade, the African countries are far from satisfied. We have noted that between 1958 and 1966 trade between the Six and Africa has only increased by 4.6% whilst there has been an increase of 7.4% in trade between the Six and Latin America."

The principal grievances voiced at the Kinshasa meeting concerned the expansion of trade outlets within the Community, a more systematic application of preferences as well as more efficient support for the old "colonial" products in spite of an unfortunate drop in the world market for these commodities. There is no real reason why the Eighteen countries should not obtain concessions fn all these fields, for it is to the advantage of the Community, in both political and economic terms, that the association agreement should work efficiently and impressively. The meeting closed after only two days (three had been envisaged), with the promise that negotiations proper would begin as soon as possible, and in any case before December 15, in Brussels. These negotiations will have to include the vexed problem of whether the new arrangement will include under one new agreement, all three of the present agreements. Such an agreement would bring together 22 African nations under one umbrella, consisting of a total population of 136 million consumers, that is almost half of the total African population of 300 million.

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E.D.F.

Another $8 Million For African Associates and Territories

On July 23, the EEC Commission approved another ten grants for African associates of the Community, the projects having been endorsed by the EDF Committee on July 8. This brings the total disbursements to date from the Second Development Fund up to 560,244,000 units of account, the precise total of the latest grants being $8.154 million. The projects are as follows:

1) DAHOMEY: $729,000 to develop the fisheries sector, and specifically to improve the harbour at Cotonou.

2) $1.013 million for farm development in the Atakora region, through technical assistance and infrastructural improvements.

3) CENTRAL AFRICAN REPUBLIC: $1.082 million for improvement of Damara-Sibut road over 57 kilometres.

4) RWANDA: $447,000 for technical assistance and elimination of the tsetse fly.

5) $524,000 for 150 hectare extension to the Mulindi tea plantation.

6) CHAD: $723,000 for improving cotton productivity (fertilisers, insecticides etc).

7) DJIBOUTI: $1.026 million for infrastructural development of the Salines region.

8) SOMALIA: $318,000 for installing 65 pumps received from first EDF.

9) NIGER: $204,000 for price support of 4th production aid programme (groundnuts).

10) BURUNDI: $70,000 for hydroelectric power plant for the Teze tea factory.

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STUDIES AND TRENDS

THE E.E.C. & ITS ASSOCIATED AFRICAN STATES

Part IV - Towards Self-Sufficiency

The level of the Community's financial and technical aid should at least be maintained, and it should if possible be made more easy to obtain. Increasing concern is being shown in Brussels as to the indebtedness of the developing nations and this is putting a new face on the Community's financial aid to the associates. The following suggestions for reform have been mooted.

The tendency of the Second Development Fund, as far as it is laid down in the Yaounde Convention, is towards increased assistance for the modernisation of agriculture within the associate countries. This is not surprising, for at least 80% of the population of the associates works in agriculture. Very low productivity in the agricultural sector is dragging down the progress of the whole economy. Agriculture must be made to give a lead in the development of these countries. The EEC must therefore, now more than ever, impress upon the governments of the Eighteen the need to increase productivity in the agricultural sector, and must adapt its aid accordingly. It is at present considering how a long-term advisory service can be set up which would effectively and continually influence the position of the farmers. These long-term considerations will not hinder any of the short-term measures which may be formulated within the next economic year, such as the provision of additional aid, should the need arise.

Apart from this, basic structural changes in agriculture have gained a valuable breathing space thanks to the lessons learnt last year. The authorities will be considering whether to set up large non-agricultural concerns, run on modern lines and by an administering company should this become necessary in the future. If this is in fact the form which the new agreement will take, then the EEC will be embarking upon a new and far-reaching structural development which will have not only economic, but also social consequences.

The industrial development aid granted by the European Development Fund should be put on a sure footing and the cooperation with the European Development Bank and other lending agencies should be intensified. It is a characteristic of the Fund that it is at present financing projects that are not wholly profitable in themselves, but which create an opening for future and more advanced projects. In Brussels it has been said that this characteristic is not the disadvantage that it might appear to be at first sight, because capital can always be found from other sources for building or industrial projects that give really lucrative returns.

Most financial aid in the industrial sector will in future be poured into the building of small and medium-sized undertakings. Everything possible will be done to promote close cooperation with all the development banks that are willing to offer their services; the EEC ought to profit from the lessons learnt by the World Bank in this field. A new factor to take into consideration is the increasing tendency to link the domestic markets of individual Associate states in one united market. This might at first sight appear to be a measure dictated purely by trade policy, but behind it lies one of the most important postulates for the building up of viable industry. Only by dint of widening the markets can the stream of industrial goods be sufficiently developed within Africa.

The new agreement should make allowance for the possible granting of loans from private sources, so that aid can be made both greater in quantity and more flexible in form. As the Commission has itself said, the procedures involved in floating a private loan ought to be made more simple. All these investments organised through the EEC can only have any real meaning if the developing countries themselves can give guarantees for private investments.

Brussels would like to see the importance of financing further infra-structural improvement plans fully recognised. Pressure has been building up for a new agreement which would contain a framework within which it would be much more possible for the associate countries to take their own initiatives. At the same time the associate governments should be prevailed upon to maintain their projects financed by the Fund in the most effective way.

Technical cooperation between the EEC and the associate countries should concentrate above all on the preparation of development projects. In addition general training and educational programmes should be supported, so that skilled European labour may be relieved and be replaced through a process of Africanisation. As long as this programme fails to supply the need for African skilled labour, it will have to be reconsidered whether European volunteers can be sent to the associate countries within the framework of the Yaounde Convention. The partnership between European and African teaching professions promises much success: both parties must be encouraged to realise the full potential of this partnership.

Brussels has however been following a misguided policy for the allocation of capital for technical aid. European money has been paid out in the guise of EEC financed projects, but has been channelled into supporting African national budgets.

New agreements should then be introduced to deal with the problems of aid for production and price stability. The former fixed period of five years that had to elapse before goods from the associates could be accomodated on the market was too short. This all brings to the fore the necessity of organising the market, both in regional terms and throughout the whole world. The second agreement should make sure that aid for production improvements and to alleviate the untoward effects of a fall in prices for exports from the African countries will be freely available. This aid ought not moreover to lead to overproduction problems. The previous system of loans repayable to the stabilising funds should be continued, not least to help solve the problem of liquidity.

Aid which is to promote the "marketing of goods" should concentrate on the technical sphere and on educational programmes, on trade fairs and exhibitions, on the professional training of administrators, on advertising campaigns on the organisation of examinations and on studies to promote trade.

The achievements of the Fund to date have shown that the association agreement has made available many more special loans. The new accent which has been put on special loans must not be overlooked in this discussion. A way is being sought to reduce the associated states' monetary indebtedness to the Community countries. In order to achieve this special credits ought to be granted which could be paid back in national currencies. Redemption and interest sums should be utilised in order to facilitate new credits in national currencies. A credit clause worked into the new agreement might well upset the African states' cosy monetary policy.

Brussels is at present considering a modification to its previous rulings on the allocation of EEC projects to private firms. Most important of all, private firms ought to be given the chance when new industries are being set up of contributing to the capital in the form of tangible assets (material or planning systems). If this were the case the Development Fund would limit its function considerably - to the task of building up infrastructures. It is however important that the old taxation conditions should be changed or relaxed, and that local taxes should be exempted from this. A general, binding schedule of charges would be accepted as valid in law by the associated states.

All these measures would remain however unilateral, in favour of the EEC, if no improvements on the present agreement are decided upon by the governments of the associated states. In their trade dealings the associates must undertake to work for a duty-free importation of all goods from the EEC. The present situation involves certain difficulties. Protective tariffs for particularly sensitive industries can still be introduced.

The same must go for import quotas. In the new agreement there must be an exact definition of the conditions under which import quotas to the EEC may be erected. The most favoured nation clause should only be altered if regional structural changes and improvements of the domestic African markets are achieved. It is however essential that the old principle of raising investment taxes in the associate states must be given up. To this end the Commission is to recommend that the associate countries should reduce the rate of their investment taxes. When tenders are invited for construction work and when goods are delivered and financed by the EEC, no taxes of a purely fiscal nature should be levied. On the question of taxes the EEC for its part is foregoing increases in the excise duties for tropical goods from the associate countries. By increasing consumption the actual excise duties in the EEC countries will be lowered.

This long list of plans, suggestions and improvements cannot be presented and implemented by the EEC on its own. It demands cooperation with the associates imbued with understanding and partnership, but it must not evoke the old neo-colonial resentments. The next months will show to what extent a common standpoint within the EEC and between the EEC and the associates has been reached.

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DEVELOPING COUNTRIES

UNCTAD IN RETROSPECT - Part II

We saw last week how there are two fields in which action may be taken to redeem UNCTAD from the near-impotence into which, as the New Delhi Conference illustrated only too well, it has fallen of late. The first thing is to improve the actual functioning of the institutional machinery of the organisation itself, and the second to make the intervention of the industrialised countries more effective. But clearly any action taken in this sort of direction stands no chance of endowing it with the sort of powers its founders envisaged as long as public opinion, especially in the advanced nations, remains as apathetic as at present to the problems of the developing world.

III : A "Hearts & Minds" Campaign

Since the Second World War, development aid has become one of the issues of the day almost the world over: one of those nagging responsibilities that nobody can, with an easy conscience, put out of his mind. Until the late forties, this has tended to be the preserve of the specialist, but it has since been brought more and more effectively into public awareness, and the various campaigns against hunger have certainly achieved some signal successes. Can this breakthrough - albeit superficial at times - be attributed solely to the sense of guilt that the inhabitants of technically advanced countries, with all their material benefits, feel when confronted with the indigence pervading underdeveloped areas? In fairness, the members of advanced societies do appear to comprehend the gravity of the situation, now that the gap has widened so far as to leave even the subsistence of three-quarters of the world population in question. With this, however, they feel themselves at a loss before the sheer enormity, complexity and technicality of a problem that no longer affects them directly in their daily living.

The problems must therefore be brought home to them by means of presenting the solutions in simple terms, such that the maximum number possible of laymen will divine the implications...

a) Development aid is not a work of charity - contrary to the generally held impression, which, if not looking upon it as a corporate act of generosity, at least tends to think of it as some sort of expression of international solidarity. Thus we must attempt from the very start to bring it home to the man in the street that the basic motive behind development aid is , paradoxically perhaps, the instinct of self preservation in the provider. After all, it takes not much wit to appreciate that those who live in the advanced countries will not be able to go on savouring the comfortable delights they have accrued while all about them there are hungry and desperate folk that have already begun to get restless, indeed to rise against the minorities on their doorstep who have monopolised local wealth and privilege. The day must inevitably come when these countless masses will threaten the whole order of a world in which the richest countries are getting an ever larger slice of the cake. Whatever minor discrepancies there may be between the living standards of the advanced nations, they will sooner or later find themselves en masse threatened with the loss of their comfort, progress and security. History shows that even within nations too unfair a distribution of wealth from time to time engenders trials of strength, if not full-scale revolutions. This being so, there can be no abiding peace between nations if the international balance of wealth remains as inequitable as at present.

Public opinion must therefore be made wholly aware of a phenomenon that makes the global situation described so much worse: that the under-developed countries are all the time being made the milch-cows of the rich, by the mere workings of the market. For instance, has the consumer ever enjoyed the benefits of a slump in world cocoa bean prices, in the form of a cheaper bar of chocolate? No: those who cash in on such occasions are the importers, manufacturers and traders, who boost their own margins - or indeed the authorities, who take the opportunity to increase their revenue from taxation and duties.

The crux of the third world development problem in fact lies in the securing of fair returns for the poorer countries for the work they carry out. We must eliminate the need for them to rely on sporadic, disinterested acts of largesse on the part of the advanced countries, not least because the cash for these gestures is raised, in part at least, from a trading system that betokens a predilection for the colonial regime rather than any adherence to the philosophy of fair returns for services rendered. Indeed, the free trade system itself fails to ensure in any way that in trade between under-developed and industrialised countries there is a fair share-out of returns, and it is the poorer again who go to the wall, simply because of the immense gap in economic power between the trading partners. Thus what we must aim for is the calculated and progressive organisation of a form of trade with in-built mechanisms for obviating these inequalities, and giving developing countries a fair return on their exports. This will then enable them to resolve their own problems, not through gifts or grants from outside, but to an increasing extent from their own resources as their place in world trading expands.

Such is the sort of case that should be put to the public at large in the advanced countries, in bringing it home that the under-development problem is a world-shaking one. The facts are really straightforward, and moreover have the virtue of being specific: they allow for no beating about the bush, nor playing around with specious devices like comparing living conditions in the third world with those in run-down industrial suburbs in the developed world. This is a non-starter, as in the second case we are talking of "well-being" and amenities, whereas in under-developed countries it is subsistence itself that is the goal. There can be no comparison between the quest to bring the least privileged classes abreast of the more fortunate in our own societies and that to secure development in the poorer nations.

b) Consumers in the service of the development problem: It is to be hoped that once the general public has latched on to these few guiding notions there will be a greater willingness to put words into action. At first, this will probably mean no more than renewed efforts on the part of the religious institutions and private organisations to step up their assistance with famine relief, community help, schools, hospitals and cooperatives, and training in needy areas of Asia, Africa and Latin America. But whilst the worthiness of these efforts remains unquestioned, they are wholly inadequate and desperately lacking in coordination. Furthermore, they really only scratch the surface of a problem that is altogether too immense to be dealt with in this way, as they only ever attempt to cure the outward symtoms of a condition whose cause remains, and which needs fundamental measures, not running repairs, to be eliminated.

With conditions as bad as they are, it would clearly be folly to inhibit aid in whatever form, but above all steps must be devised, taken and extended to allow the third world to increase its exports, receive fair prices for them, and so accrue its own resources for tackling the problem. Scope should be given to consumers in the advanced countries to play their part in this quest.

The consumer's normal pattern is to seek an item of the desired quality at the lowest price for which it can be obtained, regardless of where it came from. What must therefore be done is to instil into buyers' habits the concept of origin, even though this also entails some modification of tastes. Thus without any very untoward effects on their budgets, consumers may be able to improve sales for the developing countries, in particular with food, by going for cocoa, coffee, bananas, vegetable oils, pineapples and so on, that they know to have been imported from the countries where help and development are needed. Campaigns should be organised to remind consumers on the implications of their buying such products, and showing how, in their household purchases, they can be instrumental in tackling the problem of development.

Indeed, if consumers can be persuaded to contribute to existing forms of charitable aid, they should surely be amenable to the idea of slight increases in prices, if they know for sure that these are going to raise the export returns of the countries that badly need the additional capital. This is a straightforward case of voluntary sacrifice, but it could be made to work, if the consumer is kept up to date, in facts and figures, with the scope and importance of the work, with reminders of how the incomes of the developing countries are improving. There should be a direct bid to persuade consumers as much as possible, when there is a choice, to take items originating in developing countries in preference to those produced in the advanced countries: they should be made aware of the direct benefit to the cause of development of their buying Pakistani tennis rackets, Indian silk, Cambodian rice or instant coffee made in Brazil.

When we bear in mind how much more aware of the problems of the world younger consumers in the advanced countries appear to be, in comparison say with their parents, it perhaps is not so unrealistic to muse about their responding to this sort of compaign. The idea is at least feasible, and it does have the virtue of being exploitable by all, without undue sacrifice, and without any need for comprehension of the technicalities of development programmes. It needs only minimal perseverance on the part of consumers in the advanced countries to show a real change for the better in monetary resources of the third world, getting under-developed countries on at least the first rung of the ladder to self-improvement. Another consideration, of course, is that the economic betterment of the developing countries may in the long run serve the interests also of the industrialised nations: this would be no more or less, on the international scale, than the sort of thinking behind the wages policies of an industrialist like Henry Ford.

In closing, however, we must stress that any action taken to improve the running of UNCTAD and make it more effective as a force for world-wide improvements, however sustained and energetic this action may be, will never of itself be sufficient to resolve the problems of the third world. It is what the developing countries manage to achieve themselves that will always determine the final outcome. We would be wrong to conclude, simply because these countries tend to squander so much on military effort and prestige projects, that they are not themselves working hard to improve their lot; it is simply that so many of their efforts are being hampered by outmoded social structures, and by the persistent vestiges of feudalism. However practical the form of help given by the advanced countries becomes, we must first be assured that the countries of the third world will be able to demonstrate their ability adequately to administer their own domestic affairs , to eradicate old, cramping traditions, and to commit themselves wholly to the difficult and often heartbreaking apprenticeship that has to be undergone before economic revolutions can achieve success.

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CONTENTS

ADVERTISING

** The thirty-second biggest American advertising agency, THE GRISWOLD-ESHLEMAN CO., Cleveland, Ohio has made a cooperation agreement with NV RECLAMEBUREAU GELDER, Amsterdam, after taking a minority interest in that firm.

The field of cooperation covers reciprocal assistance in sales and technical research and will enable the Amsterdam firm to accelerate its policy of expansion throughout Europe, where it already has subsidiaries in Paris, Gelder Publicite Sarl (formed in 1962) and in Brussels, Gelder Sprl.

AUTOMOBILES

** MARCOS CARS LTD., Bradford-on-Avon, Wiltshire, makers of the Marcos Mini and GT, both of which have a fibre glass bodyshell, have set up a subsidiary in Belgium BELGIUM MARCOS SA, which is to assemble the company's cars (some 400 units p.a.) in that country. These Belgian produced cars will be mostly for the export market and some of them will even find their way back to Britain.

Marcos already have two subsidiaries in Great Britain, Marcos Cars Components Ltd. and Marcos Racing Ltd.

** R.N.U.R. - REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 408) has formed a motor credit subsidiary in Madrid under the name of RENAULTFI SA (capital Ptas 15 m.) under the direct control of FASA RENAULT - Fabricacion de Automoviles Renault de Espana SA, Valladolid (see No 462).

Fasa Renault recently absorbed its subsidiaries F.A.C.S.A. - Fabricacion de Carocerias and F.A.M.E.S.A. - Fabricaciones Mecanicas, both of Valladolid. In 1967 it produced 72,350 vehicles, or about 21.6% of the entire Spanish car market.

BUILDING & CIVIL ENGINEERING

** The German ceramics and refractories concern VILLEROY & BOCH KERAMISCHE WERKE KG, Mettlach has streamlined its Italian interests by making over the recently-acquired business of S.P.I.C.A. - STA PRODOTTI INDUSTRIE CERAMICHE & AFFINI Srl (see No 459) to its subsidiary VILLEROY & BOCH ITALIANA SpA, Teramo, Abruzzi. This has thus had its name changed to Villeroy & Boch Italiana Spica, and its capital raised from Lire 1 million to 701 million.

** ARMCO-EUROTEC GmbH has now been formally established at Voerde in West Germany with Dm 4 million capital to run a prefabricated steel building sections factory (see No 463), as a subsidiary of the American ARMCO STEEL CORP, Middletown, Ohio. It will be managed by Herr Jürgen Dremmin.

** CIE GENERALE DE GEOPHYSIQUE SA, Paris (see No 416), a 15.95% affiliate of BANQUE DE PARIS & DES PAYS-BAS, Paris (see No 471), is currently subscribing to the increase in capital from F 1.4 to F 1.5 million being raised by the French underwater civil engineering concern, STE DES PLONGEURS AUTONOMES FRANCAIS SA, Chatillon-sous-Bagneux, Hauts-de-Seine, in which its interest will thus stand at 6.66%.

Plongeur's present chief shareholders are: 1) 25% - STE FRANCAISE DE DRAGAGES & DE TRAVAUX PUBLICS SA, Paris (see No 259); 2) 15% - SOPE - STE DE PARTICIPATIONS D'ENTREPRISES SA, subsidiary of the Ste Financiere HERSENT SA, Paris (see No 425), and linked by a crossed minority interest with Grands Travaux de l'Est SA, Paris: 3) 12% - C.A.M.O.M. - CONSTRUCTEURS ASSOCIES POUR LE MONTAGE D'OUVRAGES METALLIQUES SA, Paris (capital doubled recently to F 8 m.), an affiliate of Babcock-Atlantique SA, Paris (itself a 62.4/37.6 subsidiary of Ste Francaise des Constructions Babcock & Wilcox, member of the London group Babcock & Wilcox Ltd, and Chantiers de l'Atlantique (Penhoet-Loire) SA); 4) 5% - SOGETRAM - STE GENERALE DE TRAVAUX MARITIMES & FLAVIAUX SA, Paris, whose main interest is in Germany: Sogetram - Allgemeine Ges. für Meer- & Flussarbeiten GmbH, Kehl; 5) 4% - STE AUXILIAIRE DE TRAVAUX TECHNIQUES POUR LE BATIMENT & LES TRAVAUX PUBLICS - SETTEC.

The balance of Plongeurs' capital is then held mainly by CEGEDUR - G.P. SA (of the Pechiney group - see No 465); ALSTHOM SA (since it absorbed Ets Neyrpic SA, Grenoble - see No 417) and ASSAINISSEMENT RATIONNEL & DE POMPAGE SA. The latter has been an affiliate (over 35%) of Cie Generale des Eaux SA, Paris, since April 1968 (see No 437). Generale des Eaux recently formed a subsidiary at Nantes, Loire Atlantique, called Ouest - Controle des Eaux SA (capital F 1 m.).

** SOFICO-SOC. FINANCIERA INTERNACIONAL DE CONSTRUCCIONES SA, Madrid (foreign sales of Spanish-built apartments) has set up a subsidiary in Frankfurt, SOFICO DEUTSCHLAND GESELLSCHAFT FUR VERKAUF & VERMIETUNG VON APPARTEMENTS IN SPANIEN mbH. This has Dm 100,000 capital and Messrs. Eugenio Salmeron of Madrid and Antoine Leblanc, Paris as its directors. The founder company already had an important subsidiary in Paris, Sofico-France-Ste Financiere Internationale de Constructions France Sarl (formed in Dec. 1964 - see No 285) and another in London, Sofico (Gt. Britain) Ltd., formed in February 1965 with a capital of £1,000.

** L'INDUSTRIELLE DU LOGEMENT - I.D.L. SA has just been formed at Douai, Nord with F 6 million capital to build prefabricated factory premises, and to make, sell and assemble buildings and sections, as well as to promote building schemes. This has M. F. Pot as president, and will be directed by M.G. Nortier. Those having a stake in it are: S.I.C.C.A. - STE INDUSTRIELLE & COMMERCIALE DU CUIVRE & DE L'ALUMINIUM SA, Paris (see No 444), a member of the CHARBONNAGES DE FRANCE - C.D.F. group, through Houilleres du Nord & du Pas-de-Calais; ENTREPRISE DE GENIE CIVIL & TRAVAUX PUBLICS SA, Lens, Pas-de-Calais (capital F 10.5 m.) and ENTREPRISE CAMPENON BERNARD SA, Paris (see No 326).

** LES EDITIONS SABLON SA, Brussels, with 27.2%. DE SMEDT & KNUGENER "DESKA" Sprl, Molenbeek-St-Jean, with 14.3, and M. Guy van Praet with 27.2% (president) have just joined with local backers - mainly M. Pellegrini-Spandre and Mme Mertens, in forming SODECO SA as a property company at Waterloo (capital Bf 2.8 m.).

** CIE FRANCAISE D'ENTREPRISES SA, Paris (20% affiliate of Cie Financiere de SUEZ & DE L'UNION PARISIENNE SA, Paris - see No 401) and S.E.D.A. - STE D'ETUDES & D'APPLICATION DES TECHNIQUES MODERNES SA, Maisons-Alfort, Val-de-Marne, have just joined in forming FRANCE-PAROI SA in Paris with F 2 million capital. The new firm is directed by MM. F. Lug, J. Dubois and M. Whaltiel, and is to plan, design and carry out primary building projects (site preparation, foundations, steel rigging etc), involving pile-sinking and concrete casting. Its capital is partly tied up in supplies of material from Francaise d'Entreprises (30%) and the pre-cast sections division at Maisons-Alfort of S.E.D.A. (22.5%).

CHEMICALS

** The Hungarian state concern, CHEMOKOMPLEX, Budapest, which specialises in chemical plant, has granted a licence to CONTINENTAL ENGINEERING NV INGENIEURSBUREAU VOOR DE PROCES INDUSTRIE, Amsterdam (see No 349), for its process for producing sorbitol, which is used in the pharmaceuticals, cosmetics, paper, textiles and leather industries.

Continental Engineering is the chemical plant subsidiary of the Hengelo group V.M.F. - Verenigde Machinefabrieken NV (see No 471) and has had a Mexican subsidiary since 1966: Ingeniera Continental SA-de-CV, Mexico City.

** TRIFAK NV BAKKERIJGRONDSTOFFEN, Weesp (yeast and chemical constituents for bakeries) has formed a sales subsidiary in Düsseldorf under the name of TRIFAX GmbH (capital Dm 20,000 - manager Mr Jacobus Lieshout of Amsterdam).

The parent company has Fl 3 million capital, and is affiliated to the Rotterdam group INTERNATIONALE CREDIET- & HANDELS VERENIGING "ROTTERDAM" INTERNATIO NV (see No 449).

** The Brussels group, SOLVAY & CIE SA (see No 428) is going into a 50-50 association with the "Sadaci" division of the Belgian group A.C.E.M. - APPLICATIONS DE LA CHIMIE DE L'ELECTRICITE & DES METAUX SA (see No 463) in order to run a factory producing oxidising agents and sodium chlorate(8,000 tons p.a.) which is at present being built at Landerbrugge and is due for completion at the end of 1969.

In order to carry out this move, Solvay, in collaboration with two of its affiliates, Mutuelle-Solvay-Solvay, Boel & Cie Scs, Brussels and Sels & Produits Chimiques-Selchim SA, Ixelles (see No 392), has formed a 50% subsidiary, ELECTROCHIM SA (capital Bf 36 m.), whose president is M.P. Fastre. Sadaci, which holds the balance of the equity, and Cobeal SA (see No 395) have recently been taken over by Chameb... SA to form a new concern, A.C.E.M. (capital Bf 500 m.).

** PROGIL SA, Paris and SUD-CHEMIE AG, Munich are to implement their recent agreement concerning sulphocarbonic anhydride (see No 471) within a joint distribution subsidiary to be formed in Frankfurt, which will handle much of the material produced by the two companies' joint factory.

** The Dutch animal fat refining and processing concern EERSTE FRIESCHE VESTMELTERIJ GEBR, SMILDE NV, Heerenveen (see No 468) has formed a company in London named SMILDE BROS (U.K.) LTD to make and trade in fats. This has £100 capital, and will be run by Mr Dirk Smilde, a director of the parent company.

Smilde, which has a Dutch sister company, NV v/h FA H. SMEDING JR, Harlingen, is controlled by the recently-formed holding company, MILDIS HOLDING NV, Heerenveen, in which the Amsterdam investment company, NED. PARTICIPATIEMIJ NV (member of The Hague finance group De Nationale Investeringsbank-Herstelbank NV)recently became a 25% (app.) shareholder.

CONSUMER DURABLES

** The French group, USINES & FONDERIES ARTHUR MARTIN SA (see No 461) has formed an association with the Belgian company, A.C.E.C. - ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA (part of the Empain group - see No 467) in order to run conjointly its new washing machine factory (500 units per day) at Revin, Ardennes. A joint subsidiary, (84/16) will be set up to this effect. This move forms part of the broader re-organisation of Arthur Martin's internal structure, the purpose of which is to change the firm into a holding company after making over the activities of its various branches to new subsidiaries. This re-organisation programme, has also included, a few months ago (see No 454), negotiations with the Paris group, C.G.E. - Cie Generale d'Electricite SA, Paris.

The motors for this factory, some 650 per day of which will be needed when peak production has been achieved, at the end of this year, will be provided by Elnor-France Sarl, Mons-en-Baroeul, Nord, a subsidiary of the Belgian firm, Elnor-Electroconstructies van Noord-België, NV, Wespelaar, Louvain (see No 391), which is itself 64.8% controlled by A.C.E.C. The two other main subsidiaries of Arthur Martin are Faure & Cie SA, Revin, which manufactures kitchen equipment and Saprime SA, Rheims, refrigerators.

COSMETICS

** In raising its capital from F 500,000 to F 11.5 million, LES PARFUMS DE MOLYNEUX Sarl, Paris (see No 433), has enabled WEDDEL & CIE SA, Clichy, Hauts-de-Seine to become a new associate, and CIE GENERALE FRIGOROFIQUE SA, Paris to increase its stake. The cosmetics firm has now changed its statutes to SA (president M. Pierre Boissard), and has reduced its capital to F 1.5 million in writing off losses.

Molyneux recently obtained the French manufacturing and distribution rights for male toiletries produced by ALFRED DUNHILL LTD, London, and affiliate of the Basildon, Essex group CARRERAS LTD, through John Sinclair Ltd, Newcastle-upon-Tyne.

It has since 1959 been controlled by Generale Frigorifique, itself a subsidiary of the London group THE UNION INTERNATIONAL CO LTD, and specialising in the meat and hides trade and cold storage. Weddel & Cie is its sister company, having similar activities and controlling another firm of this type, Union Industries SA, Mazamet, Tarn.

The Union International Co has another French subsidiary, Emile Benezech & Cie Sarl, Mazamet (wool and hide trading) and numerous other EEC interests: Weddel & Cie NV, Antwerp (formerly Weddel Beef Co); Weddel & Co NV, Rotterdam; Weddel SpA, Italy; Weddel & Co GmbH and Union Kühlhaus GmbH, both of Hamburg.

ELECTRICAL ENGINEERING

** BERGMANN-ELEKTRICITAETS-WERKE AG, Berlin is to buy its 46-54 partner DEUTSCHE CONTINENTAL-GAS GESELLSCHAFT of Düsseldorf out of their joint electrical engineering subsidiary CONTINENTAL ELEKTRO-INDUSTRIE AG, Frankfurt (see No 471).

Since December 1967, the Frankfurt concern has had a subsidiary in Paris, Conti Elektro France Sarl (see No 446), while its most recent move abroad (it has Dm 50 m. capital) was to form Askania Italia SpA in Milan (32% stake). Bergmann is currently increasing its capital from Dm 53 to 70 million, and its main shareholders, with over 25% each are the Berlin SIEMENS group (see No 467), DEUTSCHE BANK AG, Frankfurt and BAYERISCHE VEREINSBANK, Munich (see No 464). It has over 20,000 on its payroll, and in 1967 achieved a turnover of Dm 652 million.

** The British power tool and electronic control equipment for machine tools firm, WESTOOL LTD., Bishop Auckland, Co. Durham (see No 414) has formed a sales subsidiary in West Germany, WESTOOL GmbH, at Offenbach, Main. The new firm's capital will be Dm 200,000 and the directors, Messrs. Arthur Why and Horst Bier.

Under the control of KEYSER ULLMANN HOLDINGS LTD, London, the founder is affiliated 30% to the American company, Warner Electric Brake & Clutch Co., Beloit, Wisconsin, which itself has a subsidiary in West Germany, Warner Electric GmbH, Neuhausen.

** GEORGE KENT LTD, Luton, Beds (measuring and control instrumentation etc - see No 418) is to set up a subsidiary in Milan, KENT INSTRUMENTS (EUROPE) SpA to coordinate the business of its various European offshoots, in Belgium, West Germany and the Netherlands in particular.

The administration of its branches (Brussels, The Hague, Krefeld, Vienna etc) was until now the preserve of a British registered company, George Kent (Europe)Ltd (capital £50,000; formed in 1963 - see No 261). The group was already established in Milan with a manufacturing subsidiary, Kent-Tieghi SpA (factory at Lenno, Como - see No 380).

** The Dutch heating and air conditioning trading company, HOTERMO, Sevenum, has formed a West German subsidiary, MARKOTHERM ELEKTROHANDELS GmbH, Lüdenscheid (capital Dm 21,000 - manager Mr. Hendrick F. de Hont of Sevenum).

ELECTRONICS

** LA TELEMECANIQUE ELECTRIQUE SA, Nanterre, Hauts-de-Seine (see No 439) is at present engaged in negotiations with COTEL Sarl, Paris (capital F 212,000) with the intention of taking it over. If the takeover goes through, Telemecanique's "automation department" will be significantly increased in size. Cotel specialises in the manufacture of automatic equipment for machine tools, speed control equipment, vibrators, simulators and belongs amongst others to S.E.E.M.I. Sarl, Fresnes-sur-Escaut, Nord (capital F 200,000), STE NAVALE & CONTINENTALE D'ELECTRICITE SA and RATIER FOREST SA, Paris (see No 362). This latter firm has as its own main shareholders, Vallourec SA, Paris (2.98% - see No 459), United Aircraft Corp, East Hartford, Connecticut (see No 462), Ste de Participations & de Brevets Pour l'Industrie Mecanique S.O.P.A.B., Paris, Ste Francaise de Participations dans les Industries Mecaniques, Paris, Auxiliare Metallique SA, Paris, etc.

La Telemecanique has been a shareholder (2.5%) for a while in Ste d'Electricite Mors SA, Paris; in return for assets which it had contributed from its automation, television broadcasting and equipment division.

** NV PHILIPS GLOEILAMPENFABRIEKEN, Eindhoven, has made over certain of its British trading interests to ELECTRONIC RENTALS & GENERAL HOLDINGS LTD, New Malden, Surrey, which has bought up the 50% interest held in the TV rentals concern R.V. (HOLDING) LTD, New Malden, by PHILIPS ELECTRONIC & ASSOCIATED INDUSTRIES LTD, to give it control of this firm.

R.V.'s main subsidiary is RENTAVISION LTD, London, whose territory will now be counted with that of another subsidiary, Visionhire (Great Britain) Ltd, New Malden. Electronic Rentals gained control four years ago of Relay Vision Ltd, Accrington, Lancs (formerlsubsidiary of Norcros Ltd), and it now has some fifteen subsidiaries in Britain and N. Ireland.

** Following a decision made earlier this year (see No 446), the Franklin, Park, Illinois, electronics group MOTOROLA INC has transferred the European business of MOTOROLA COMMUNICATIONS INTERNATIONAL INC from Brussels to Wiesbaden. A subsidiary named MOTOROLA NACHRICHTENGERAETE GmbH (capital Dm 20,000) has thus been formed in West Germany, managed by Messrs. William Weisz, Edward Falls, Robert Smith and Daniel Szymanski.

In Wiesbaden, the American group also has a marketing subsidiary for the national market, Motorola Halbleiter GmbH. Its European turnover for 1967 was $630 million, and one of its most recent moves, in April, was to form a British subsidiary: Motorola Control Systems Ltd, Hitchin, Herts (capital £10,000).

** RAYCHEM CORP, Menlo Park, California (electronic components, thermoretractable elements and connectors - see No 389), which was represented in Italy by SPECIAL-IND SpA, Milan, until now, has formed a trading company of its own in Milan under the name of RAYCHEM SpA (capital Lire I m.), in which its own direct interest is of token size, with direct control in the hands of its Belgian subsidiary Raychem SA, Nivelles (see No 383).

The American firm shares control of most of its other European subsidiaries with its Redwood City, California subsidiary Rayclad Tube Inc: these include - Raychem SA, Boulogne-sur-Seine, formed late in 1966; Raychem GmbH, Ottobrunn (formed in 1964 at Boulanden, Württemburg); Raychem AG, Zug (formed early in 1967)etc.

** The American computer peripherals concern INTERCONTINENTAL SYSTEMS INC, Encino, California, which already has a subsidiary in Cologne, M.D.S. DEUTSCHLAND GmbH ELEKTRONISCHE DATENVERARBEITUNGSANLAGEN (formed in Frankfurt in May 1967 - see No 416), has opened a branch in Wiesbaden.

It recently extended its Italian network by opening branches in Turin and Milan to its Rome subsidiary, M.D.S. Italia SpA (see No 463). Its other European subsidiaries are at St-Maur, Val-de-Marne; Forest-Brussels, Zurich and Croydon etc.

** The association links which were recently forged (see No 457) between the British firms specialising in electric and electronic domestic appliances, N.S.F.LTD, Keighley, Yorkshire and the German W. HOLZER & CO KG, Meersburg, Bodensee, have now been clinched with the formation of a joint subsidiary in London called HOLZER CONTROLS LTD (capital £10,000).

The German portion of the equity in the new London firm will be held by Holzer Export GmbH, Zug and the company will specialise in the manufacture of switchgear and time controls for electrical equipment and domestic appliances.

ENGINEERING & METAL

** As the result of negotiations arranged between the Japanese shipbuilding group KAWASAKI DOCKYARDS CO LTD, Kobe (see No 453) and the Rotterdam holding company NV INDUSTRIEELE HANDELS COMBINATIE HOLLAND (I.H.C. HOLLAND) - see No 460 - through the offices of the Japanese import-export group SUMITOMO SHOJI KAISHA LTD, Osaka (see No 455), a licence for drilling rig cranes issued by NV WERF GUSTO v/h FIRMA A.F. SMULDERS, Schiedam, an associate of I.H.C., has been granted to Kawasaki.

The Kobe company is a member of THE KAWASAKI GROUP, Tokyo, and is currently forming close links with two affiliates of this group, Kawasaki Aircraft Co. Ltd. and Kawasaki Rolling Stock Mfg. Co Ltd. Since 1965 it has been linked in Europe with the German shipbuilders Blöhm & Voss, by technical cooperation agreements covering moving cranes. This pact was broadened recently when the partners decided to coordinate their world-wide fitting and repairs services, and extend the technical cooperation to marine engines.

** The Paris group LUCHAIRE SA (sub-contracted work for the motor, building, civil engineering, shipfitting and chemical industries - see No 458), which has a public hygiene division for water cooling by air injection, used water purification and sewage disposal, has set up a 49% affiliate in Madrid, LUCHAIRE ESPANOLA SA. This is under the 51% control of the local concern, ELVIRIRIO SA, and is to assemble and sell purification plant for effluent and contaminated water.

Luchaire (president M.J.J. Wilmot Roussel - capital F 19 m.) has its chief French interests in Fermat SA, Gennevilliers; Union de Services Publics SA, Paris, and Manox SA, Paris (see No 307).

** SIMIT - STA ITALIANA MACCHINE INDUSTRIALI TORINO SpA, Giuliasco, Turin (hydraulic shovels) has raised its capital to Lire 120 million by taking over the Lire 50 million OFFICINE BRUNERI SpA, Collegno, Turin.

** Further to the closing of ties agreed under the auspices of PECHINEY SA (see No 444), and concerning applications of aluminium in the building industry, STUDAL-ATELIERS DE CONSTRUCTION DE MAXEVILLE SA, Maxeville, Meurthe-et-Moselle, has now absorbed A.L.U.B.A.T. - STE INDUSTRIELLE & COMMERCIALE POUR L'EMPLOI DE L'ALUMINIUM SA, Wingles, Pas-de-Calais. The former has now changed its name to CEGEBAT GP, under the directorship of M. Bernard Imhans. Included in the move is its takeover of the sheet and forming works at Faremoutiers, Seine-et-Marne of another company in the group, CEGEDUR GP (see No 455). It will thus have five plant sites - factories at Maxeville and Wingles and workshops at Faremoutiers, Sevran (Seine-St-Denis) - contributed by Alubat, and in Paris. Its range will include standard building elements (roofing, cladding, ceiling sections etc), scaffolding, dry window frames etc. Its director companies are: Cegedur GP and STE DES HAUTS FOURNEAUX DE MAXEVILLE, plus a number of shareholders of the company now absorbed into it: S.I.C.C.A. - Ste Industrielle & Commerciale du Cuivre & de l'Aluminium SA, Paris (of the C.D.F. group through Houilleres du Nord & du Pas-de-Calais); Cie Financiere SA, Paris (member of the Edmond de Rothschild group) and Pillar Holdings Ltd, London (stake in Alubat through its subsidiary Indal Continental Ltd).

In addition, another company in the group, SCAL-GP Ste de Conditionnement en Aluminium Groupe Pechiney SA, has just granted a licence for its "3 C" continuous extrusion process (extrusion from molten aluminium) to both the Japanese MITSUBISHI CHEMICAL INDUSTRIES LTD (of the Mitsubishi group, Tokyo) and the Czechoslovak concern, KOVOHUTE. The latter immediately submitted an order to the engineering concern STE NOUVELLE SPIDEM SA, Paris (see No 389), also a member of the group, for a complete plant for aluminium sheet and strip.

** The London engineering concern, G.H. HADEN & SONS LTD (see No 443) has set up a 60% subsidiary in West Germany, PERMAPIPE GmbH, Wiesbaden, to sell communal heating pipes, in which it is partnered by the two Chicago firms, PERMAPIPE INC. and MIDWESTCO INC.

** The two German mechanical engineering concerns, HANS STILL GmbH, Hamburg (see No 397) and MASCHINENFABRIK ESSLINGEN, Esslingen, Neckar (see No 317) have formed a 50-50 subsidiary in Hamburg, S.E.FAHRZEUGE GmbH (capital Dm.2.m.) Under the direction of Herr Kripp, the new firm is to distribute fork-lift trucks.

With a capital of Dm.15 millions, HANS STILL belongs 40% to the electric accumulators concern VARTA AG Hagen (see No 459), which is a member of the QUANDT group and also 60% to the Swiss holding company, Battau AG, Sarnen (capital Sf 1.5m).

The company employs more than 2,000 and has two wholly-owned subsidiaries abroad, one in France, Still SA, Les Lilas, Seine-St-Denis, and the other in Austria Hans Still GmbH, Vienna. Maschinenfabrik Esslingen is itself a 90% subsidiary of the Daimler-Benz AG group of Stuttgart-Untertürckheim (see No 460).

** CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA, Paris (see No 471) has reduced from 70% to 51% its controlling interest in STE GENERALE DU VIDE - SOGEN SA, Paris (factory at Valence, Drome - see No 455), by selling the shares to CIE DE PONT-A-MOUSSON SA, Nancy (see No 456), which shares the balance of the F10.04 million capital with CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA.

Sogen is about to absorb its subsidiaries SOCOMECO - Ste de Constructions Mecaniques & Electriques de Colombes SA, Colombes, Hauts-de-Seine (see No 419) and VANELEC SA, Choisy-le-Roi (acquired in 1966 - see No 343). It specialises in advanced processes for vacuum, sealing and fluid technology, high precision castings, hydraulic controls for the engineering, aerospace, marine and chemical industries etc. It recently acquired an exclusive licence from Bertin & Cie, Plaisir, Yvelines (see No 468) covering the whole of the Common Market for manufacture of its "Sogiflu" range of fluid technology systems and modules.

** ATLAS STEELS Welland, Ontario, the ferrous metals division of the Canadian company, RIO ALGOM MINES LTD., Toronto (a member of the Rio Tinto-Zinc group, London) has again rationalised its interests within the Common Market (see No 462). It has closed down its subsidiary in Rome, ATLAS STEEL (ITALY) SpA, a sales company with a depot at Baranzate de Bollate, Milan. The liquidator will be Sig. N. Anagnostares.

With sales subsidiaries in Brussels and Paris, Atlas Steels has recently closed down its sales subsidiary in Düsseldorf and two years ago sold out its holding in the French company, Afinox SA (see No 363).

** The Bulgarian state concern, MACHINOEXPORT, Sofia, has formed MACHINOEXPORT GmbH in Mülheim, Ruhr, with Dm 20,000 capital and Herr Rudolf Kröning as manager.

The Bulgarian concern, which specialises in machine tools, backed the formation in Paris late in 1967 of SOBFIM - Ste Franco-Bulgare d' Importation de Material SA (see No 434). In Switzerland it is linked 50-50 with the Italian Gaetano Zocca & Co Sas, Como and Milan, in Sibimex - Soc Italo-Bulgara Importazione Esportazione Srl, Lugano, which itself has just formed a subsidiary in Milan, Sibimex Italiana Spa (see No 459)

** Four of the world's largest manufacturers of re-heating furnaces LEE WILSON ENGINEERING CO, Cleveland, Ohio; WELLMAN INCANDESCENT FURNACE CO LTD (of the British group Wellman Engineering Corp Ltd - see No 367); OFAG - OFENBAU GmbH, Düsseldorf (of the Essen group RUHRGAS AG - see No 453) and HEURTEY & CIE SA, Paris (see No 451) have agreed to pool their R & D work on thermal treatment of wide strip and sheet steel and wire.

Heurtey (75.4% subsidiary of the group Banque de Paris & des Pays-Bas SA) has extensive network of foreign subsidiaries, especially in Belgium (SA Belge Heurtey, Liege - capital raised recently to Bf 12.5 m.) and Italy (Heurtey Italiana SpA, Milan, and Breda Heurtey - Bergeon SpA, Rome - see No 425). Other foreign interests are V.P.C. & Heurtey (Pty) Ltd, Johannesburg; Heurtey Inc, New York; Heurtey Iberica SA, Madrid and Bilbao; Heurtey Ltd, London; Deutsche Heurtey GmbH, Düsseldorf, and A/B Parinvest, Västeras. The group has long been linked (see No 275) with Lee Wilson Engineering for manufacture of continuous re-heating furnaces for treating close-wound and expanded coils.

FINANCE

** M. Pascal Busson, director of the Paris firm STE FAULKNER, DAWKINS & SULLIVAN FRANCE Sarl, has been nominated president of a new company in Lausanne, FAULKNER, DAWKINS & SULLIVAN SA (capital Sf. 50,000). The new firm is to run a stock broking service on behalf of the New York brokers, FAULKNER, DAWKINS & SULLIVAN.

In July 1967, the New York firm formed a subsidiary in Paris (see No 419).

** CIE DE PONT-A-MOUSSON SA, Nancy, which is restructuring to a strictly industrial format, has decided to cut off its banking interests completely. Thus it has made an agreement in principle with C.I.C. - CREDIT INDUSTRIEL & COMMERCIAL SA, Paris, whereby the latter will take over L'UNION BANCAIRE & INDUSTRIELLE SA, which recently became a deposit bank (see No 459), although Pont-a-Mousson will retain certain of its assets, in particular its interests in industry.

This move will be implemented late this year or at the beginning of 1969, and has been expedited through the links between Pont-a-Mousson and STE NANCEENNE DE CREDIT INDUSTRIEL (31.26% subsidiary of C.I.C.). It will entail an increase in C.I.C.'s capital, mainly to the benefit of Union Bancaire's chief shareholders: S.A.P.E. - SA DE PARTICIPATION & D'ETUDES (59% subsidiary of Pont-a-Mousson) and CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA (84.24% and 15% respectively). Thus Pont-a-Mousson will become C.I.C.'s chief shareholder with about 7%: Ste Generale de Banque SA, Brussels, also has a minority stake, whilst Suez' interest stands at about 1%.

** IBISCO-STA ITALIANA PER AZIONI, the Milan finance and portfolio company has just taken over two other companies in the sector FINANZIARIA ROSA SpA, Milan (capital increased to Lire 900 m. in 1967) and DELTA Srl, Como. Ibisco (directed by Sig. A. Lang) has thereby increased its capital to Lire 1,825 million.

** Continuing its expansion abroad, the German trade union bank, BfG, BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt (see No 458) has backed the formation of the NATIONAL DEVELOPMENT BANK LTD (capital Leones 1 m.) in Freetown, Sierra Leone. In this venture it has been associated with a number of London banking houses, the STANDARD BANK OF WEST AFRICA LTD (a member of the Standard Bank Ltd group, see No 467) and BARCLAYS BANK D.C.O. LTD (part of the Barclays Bank Ltd group - see No 448).

The BfG, whose consolidated assets reached Dm 7.25 million at the end of 1967, has invested in another of the developing countries, namely in the Ste Nationale d'Investissement, Tunis in May 1966. Its other main foreign holdings are as follows: Paris - the Banque Hypothecaire Europeenne SA (10%) and Credit Immobiliere Europeen SA (9%); Luxembourg - the Banque de L'Union des Cooperateurs Luxembourgeois SA (50%); in Bale - the Internationale Genossenschaftsbank AG (49.8%); in Amsterdam Hollandsche Koopmans NV (50%); in Vienna - I.H.T. - Internationale Handels & Treuhand GmbH (33.3%); in Tel Aviv ISL - Industrial Services Co Ltd (100%) etc,

** I.O.S. INVESTORS OVERSEAS SERVICES LTD, Panama (see No 466) has tripled the gross assets of the bank which it has controlled in Luxembourg since 1965, INVESTORS BANK-LUXEMBOURG SA, the capital being thus increased to F. Lux. 15 million through the London subsidiary IOS FINANCIAL HOLDINGS LTD. The bank now has the necessary means for setting up a new London subsidiary, INVESTORS OVERSEAS SERVICES (U.K.) LTD, (capital £10,000).

I.O.S. has two branches in Luxembourg, one for its bank in Geneva, the Overseas Development Bank SA (capital Fs 12 m) and the other for its investment trust administration company, Investors Overseas Services Management Ltd, Toronto, which recently bought out IOS Ltd SA of Geneva's holdings in FOF Management Ltd. ITT Management and Canadian Management Ltd. The company also has several other subsidiaries including I.O.S. Luxembourg SA and International Life Insurance Co SA (see No 455).

FOOD & DRINK

** The Paris group CUSENIER - SA DE LA GRANDE DISTILLERIE E. CUSENIER FILS AINE & CIE (see No 326) has increased its controlling interest in ANTICH SA, Barcelona (formerly Alcoholes Antich SA), which was established in 1850, and was reorganised in 1964 (capital Pts 18 million).

Cusenier (capital F 36 m. - 1967 sales F 70.9 m.) is linked with the Paris group BANQUE DE L'INDOCHINE SA, which has direct 11.8% interest, and an indirect stake of 10% through its 20% affiliate La Paternelle SA. It produces syrups, aperitifs, champagnes and spirits, and also markets imported fruit juices and alcoholic drinks. It has several French subsidiaries, in particular C.D.C. SA (28.06% - see No 396); COFIPAR SA (40.3%) and SOGEQUA SA (99%), and a number of Cusenier subsidiaries abroad, notably in Basle, St-Gilles, Brussels (capital raised recently to Bf 40 m.) and Buenos Aires. Since 1963, it has controlled the German Euromark Markengetränkd GmbH, Neuenburg, Baden.

** Two Hanover breweries, BRAUER-GILDE HANNOVER and its subsidiary (over 75%), LINDENER AKTIEN-BRAUEREI have decided to merge and form a company with an annual production capacity of over 1.1 million hectolitres.

Lindener (capital Dm 6 m.) had a 1967 turnover of Dm 47 million, and possesses a number of subsidiaries: Lindener Getränke-Vertrieb GmbH, Hanover (100%); Malzfabrik Langkopf GmbH, Peine (90%); A. Schilling AG, Celle (50%) and Getränke-Industrie Hannover GmbH & Co KG, Hanover-Hemmingen etc. Brauer-Gilde itself stems back to a corporation established originally in 1526, and in 1967 had a turnover of Dm 45 million. Another subsidiary is Brunnenverwaltung Gisela-Quelle GmbH, Wildemann, Oberharz.

** A cooperation agreement has been signed in West Germany between the leading coffee roasting and distributing company, OBERSEE-KAFFEE KONSUL WERNER LIMBURG, Hamburg, and the chain store group, ERNST GROTE AG, Hanover (capital Dm 96,000).

This company, whose 1967 turnover exceeded Dm 50 million, has wide coverage of the German market with a whole series of subsidiaries and holdings: Vege-Verkaufsgemeinschaft Deutschland, Frankfurt, Einkaufskontor des Kolonialwaren Grosshandels GmbH, Essen, Gedelag-Gemeinschaft Deutscher Lebensmittel Grosshändler AG, Berlin-Charlottenburg, Rendito S-B Lager GmbH, Hanover, Binger St Rochusberg GmbH, Mocca Meyer GmbH, Hamburg.

** L. SCHULTE KEMNA & CO KG, Cologne (brand name "Weizenjunge") and FERD. RUECKROTH NACHFOLGER AG, Seigburg, two German spirits firms, have concluded an agreement to co-operate, after former taking a 75% interest in the latter.

Rückroth Nachfolger, whose capital is being increased from Dm 72,000 to Dm 1 million, has itself several important subsidiaries: Stettiner Bergschloss Brauerei "Elysium" GmbH and Bürgerliches Brauhaus GmbH (all three at Hamburg), Bohrich Brauerei GmbH, Kiel, Conrad Brennerei GmbH and Grieser GmbH, both at Siegburg.

INSURANCE

** NV ROTTERDAMSCHE VERZEKERINGSSOCIETIEITEN (R.V.S.) Rotterdam, which already has a branch in Brussels (see No 444), has formed a wholly-owned subsidiary adjacent to this under the name of CAISSE D'EPARGNE PRIVEE R.V.S. SA (capital Bf 25 m.), to be run by MM. Van Someren, Roskott, (Rotterdam) and Collignon (Schaerbeek-Brussels). Token associates in the venture are five of its subsidiaries and affiliates: NV Beleggingsmij Vewijke; NV Brand- & Variverzekering Mij R.V.S.; NV Exploitatie Mij de Compagnons (both in Rotterdam); NV Nationale Crediet Vereniging, The Hague and NV Noorder Spaar- & Levenverzekering Mij. Amsterdam.

** The ASSURANCES GENERALES DE FRANCE (A.G.F.) formed as the result of the recent merger between the two Paris firms, LE PHENIX and CIE D'ASSURANCES GENERALES, is about to receive assets from its subsidiary, LA FRANCE MARITIME & CONTINENTALE SA (capital F 5 m.), Paris, which is to be closed down.

** The Paris insurance group L'ABEILLE SA (see No 469) has formed a subsidiary at head office named L'ABEILLE INTERNATIONALE SA (capital F 500, 000 - director M. Leveille-Nizerolle) to buy shares in insurance and other such companies.

The group, which with its "I.G.A.R.D." division realised a turnover of F 364. 21 million in 1967, has numerous foreign interests: L'Abeille Cie Anonyme Belge d'Assurances, Cia Italiana di Assicurazioni l'Abeille SpA; Hemisferio-l'Abeille SA, Cia de Seguros Generales, Spain etc.

INSURANCE

** The fifth largest American life insurance company, JOHN HANCOCK MUTUAL LIFE INSURANCE CO., Boston (see No 455) has chosen the ROTTERDAMSCHE VERZEKERINGS SOCIETEITEN (R.V.S.) NV, Rotterdam (see No 444) to represent its interests in that country. Its actual task will be to administer the International Group Programme in the Netherlands, a system which allows for the transfer of pension schemes from one country to another.

Since 1967, the Boston firm has been linked by a mutual representation agreement in the life sector with the Turin group. S.A.I.-Ste Assicuratrice Industriale SpA, which itself has close links with FIAT SpA of Turin, through a minority shareholding.

MINING

** The Paris groups PECHINEY SA and CIE DE MOKTA SA have put into effect their recent agreements (see No 465) to cooperate in mineral prospection and extraction (especially uranium) by forming STE MINIERE PECHINEY-MOKTA S.M.P.M. SA at Neuilly.

The new company has F 100, 000 capital shared 50-50 by its founders, and will be run by MM. M. Serpette, J.J. Baron, Q.Peccia-Galietto and G.Perrineau. From Mokta it has received its 20% stake in the Niger uranium extraction concern, STE DES MINES DE L'AIR SA, Niamey (capital CAF f 2, 700 m.), wherein it will be associated with the state of Niger (20%). It will also administer Mokta's Canadian mining interests through Mokta Canada Ltd and its extraction subsidiary Mokta Exploration Quebec Inc, Montreal.

NUCLEAR POWER

** SOCIA - STE POUR L'INDUSTRIE ATOMIQUE SA (see No 344), formed late in 1966 in Paris to cover the pooling of the nuclear engineering interests of INDATOM Sarl, Paris, and S.E.E.N. - STE D'ETUDES & D'ENTREPRISES NUCLEAIRES Sarl, Paris, has received from the former its stake in the nuclear design and power station construction sectors, plus its interests in reactor and heat exchanger assembly and experimental reactors. Hence its capital has been raised initially from F 300, 000 to 3, 36 million, the increase being shared proportionately to their original stake in it between nine of its twenty backing companies: Ste Francaise Babcock & Wilcox, of the London, Babcock & Wilcox Ltd group), Banque de Paris & des Pays-Bas SA, Cie Electromecanique - C.E.M. SA (chiefly affiliated with the Swiss group Brown Boveri & Cie AG, with Unival SA of the De Rothschild Freres group, and with C.G.E.) Cie des Forges de Chatillon-Commentry & Neuves-Maisons SA, C.G.E. - Cie Generale d'Electricite SA, Paris; C.S.F. - Cie Generale de Telegraphie Sans Fil SA, Paris; C.A.F.L. - Cie des Ateliers & Forges de la Loire SA, Paris; Pechiney SA, Paris, and S.G.N. - Saint-Gobain Techniques Nouvelles SA, Courbevoie, Hauts-de-Seine (subsidiary of Saint-Gobain SA).

In a second phase, SOCIA has further raised its capital to F5.4 million, and this increase was subscribed in order of size of holding, by the following, also its shareholders: Ugine-Kuhlmann SA, S.F.A.C. - Ste des Forges & Ateliers du Creusot SA (of the Schneider SA group), Ste de Constructions Jeumont-Schneider SA (50-50 subsidiary of Schneider SA and Forges & Ateliers de Constructions Electriques de Jeumont SA, of the Belgian Empain group), Ets Merlin & Gerin SA (affiliated to Jeumont Schneider, Lebon & Cie Sca and A.C.E.C. - Ateliers de Constructions Electriques de Charleroi SA, Brussels of the Empain group), Ste Parisienne pour l'Industrie Electrique SA (of the Empain group through Electrorail SA, Brussels), SENTA - Ste d'Etudes Nucleaires & de Techniques Avancees Sarl, Courbevoie, Hauts-de-Seine (Schneider group); S.I.D.L. - Ste Industrielle Delattre-Levivier SA, Courbevoie; C.E.E.M.P.T. - Cie d'Entreprises Electriques, Mecaniques & de Travaux Publics SA, Schneider SA, Banque de l'Union Europeenne Industrielle & Financiere SA (Schneider group) and CERCI - Cie d'Etudes & de Realisations de Cybernetique Industrielle SA (Schneider group).

OFFICE EQUIPMENT

** The Swedish office equipment firm, FACIT A/B Stockholm continues to rationalise its interests in France; its latest move is to have the CIE ORIGINAL ODHNER SA (capital F.140,000) taken over by its subsidiary, CIE FACIT SA, Paris, thus increasing the latter's capital from F.2.3 to F.2.49 million. The group has just carried out a similar operation in Belgium (see No 459) by having the property company, Agencès Atvi SA absorbed by its Brussels subsidiary, Facit-Odhner SA, Cie Belgo-Suedoise de Machines, whose capital was increased by Bf. 10.55 million.

OIL, GAS AND PETROCHEMICALS.

** REPFRANCE-CIE FRANCAISE POURLE FINANCEMENT DE LA RECHERCHE & L'EXPLORATION DU PETROLE SA, Paris, the portfolio company has been negociating a merger/split with the Lyons property company, STE DE LA RUE IMPERIALE DE LYON SA. Having made over assets to the latter firm valued at some F.66 million, it will change its name to REPFRANCE SA (capital F.30m.), so that it will only keep its oil portfolio company wholly intact. The portfolio company will have a capital of F.51.3 million and will consist of: 10% in Eurafrep-Ste de Recherche & D'Exploitations de Petrole SA (see No 293), 8.54% in Petrorep SA, 10% in Coparex-Cie de Participations, de Recherches & d'Exploitations Petroliers SA (see No 344), 2.33% in Petropar. (see No. 390).

PAPER & PACKAGING

** FELIX SCHOELLER JR FEINPAPIERFABRIK BURG GRETESCH, Lüstringen, Osnabrück (papers - especially photographic - for the chemical industry) has now admitted as a partner in its U.S. subsidiary LEE SCHOELLER PAPER CO, Pulaski, New York, the Dayton, Ohio paper and packaging group THE MEAD CORP (see No 436), which has taken over the initial 50% interest held by SIMPSON LEE PAPER CO, Kalamazoo, Michigan,. After this switch the German- U.S. firm has changed its name to SCHOELLER TECHNICAL PAPERS INC.

Schoeller itself employs some 1,100 people, and in particular has three Zug holding companies: Schoeller Photopapier Holding GmbH, Schoeller Papier Holding GmbH and Utophot GmbH.

** The 76.05% subsidiary of the French solid and liquid fuels trading and drinks delivery company, ETS SELLIER-LEBLANC SA, Bourg-la-Reine, Hauts-de-Seine (see No 461), CIE FRANCAISE DE BOUCHAGE & DE CONDITIONNEMENT SA, Les Damps, Eure has negociated the takeover of STE ROCHEL SA, Epinay, Seine-St-Denis (capital F 100,000). The assets of the latter firm (gross value some F 3.54 m.) consist of manufacturing and sales facilities for preparation and processing of its products as well as administrative headquarters at Meru, Oise.

With a capital of F 1 million, the extant company has a payroll of 80 and an annual turnover in the region of F 10 million from the manufacture of aerosols and other products.

** The New York CENTRAL NATIONAL CORP, the investment, pulp and paper products export company (the latter through its commercial department) has gone into association with the Paris company, PAPETERIES DE MONTEVRAIN SA in order to found at the latter's headquarters CENTRAL NATIONAL-FRANCE-CENAFRANCE SA. The American holding in this company's capital (F 100,000) is held by Messrs. I.D. Wallach and B.I.Sheldon, president and director respectively of the New York company, whilst the French holding is shared between Messrs. Blum and Bequart-Audibert, directors of the Paris company and director and president of the new concern. The aims of the new firm are to trade in, act as brokers for and import and export all kinds of papers and carbons, especially in North America; it will also deal in all wood derivatives and cellulose.

Specialising in the distribution of paper and carbons (with depots in Bobigny, Seine-St-Denis), Montevrain backed the formation of Sopalin SA, Paris in 1947, together with Papeteries Darblay SA, Paris (see No 453), but in 1960 it sold its interest to the American group Kimberly Clark Corp, Neenah, Wisconsin.

** TUBETTIFICIO LIGURE SpA (canisters and hollow pressings for packing, tubes, aerosols etc - see No 380) has made a technical and financial agreement with the Yugoslavian TOP - TVORNICA OLOVNIH ALUMINJSRIL PROIZDOVA, Zagreb and Kerentinec, whereby the latter will have access to its know-how for manufacture of moulded aerosol cans and "Duo Fond" aluminium tubes. Ligure will take a 30% stake in a company being formed to implement this agreement, some time between now and mid 1969.

Tubettificio Ligure (capital Lire 700 m.) has plant at Abbadia Lariana, Como, and Pontedecino, Genoa, plus several foreign licensees, in particular the Venezuelan Envases Nacionales de Aluminio C.A., which it has administered since 1966.

PHARMACEUTICALS

** The RHONE POULENC SA group of Paris (see No 470) has formed links with L'INSTITUT MERIEUX SA, Lyons (see No 354), that after various reshuffles and changes in organisation will give it a 51% controlling interest in the Lyons firm. The move is aimed at promoting work in the fields of biological research, in particular immunology. Merieux has a F 120 million turnover, 10% to exports, and specialises in serums and vaccines for both human and veterinary use (plant at Lyons and Marcy-l'Etoile, Rhone). Its main subsidiaries are Institut Francaise de La Fievre Aphteuse - I.F.F.A. Sarl, Lyons; B.D. Merieux SA, Marcy-l'Etoile; Merial SA, Paris; I.F.F.A. Carworth SA, St-Germain-sur-l'Arbre, Rhone (jointly with the East Rutherford, New Jersey group, Becton, Dickinson & Co) and l'Institut Merieux Benelux SA, Brussels.

Ste des Usines Chimiques Rhone-Poulenc SA (president M. L. Clouzeau - director of pharmaceuticals division M.G. Bost), a subsidiary of the group, recently streamlined its pharmaceuticals interests around Laboratoires Roger Bellon SA, Neuilly-sur-Seine (see No 466). This absorbed six companies, including three belonging to the BOUILLET group, i.e. Laboratoires Bouillet SA, Paris; Upharba SA, Nagneux, Hauts-de-Seine, and S.P.E.M. SA.

** The London chemicals and pharmaceuticals group ASPRO NICHOLAS LTD (see No 406) has strengthened its already considerable Dutch interests by forming a new Amsterdam subsidiary named NICHOLAS (HOLDINGS) NV (authorised capital Fl 500,000-20% paid up) to sell cosmetics and pharmaceutical and household products.

Since June 1966 the group has had a finance and investment company in Amsterdam, Beheer- & Beleggingsmij Pharma NV (capital Fl 25,000) as well as two other subsidiaries, one direct - Nicholas NV, and the other through its Maidenhead, Berks subsidiary Ivers-Lee Ltd (see No 358), - Ivers-Lee Nederland NV.

** Further to an agreement made earlier this year (see No 439), the German groups FARBWERKE HOECHST AG, Frankfurt, and SCHERING AG, Berlin and Bergkamen, have started work on building a pharmaceuticals laboratory on Taiwan, to come into production in 1969. They have formed a joint subsidiary, GERMAN REMEDIES TAIWAN LTD, Taoyan, Taipeh, to handle the running of the plant, and an interest has been taken in this by the overseas investment finance concern, DEUTSCHE GESELLSCHAFT FUER WIRTSCHAFTLICHE ZUSAMMENARBEIT (ENTWICKLUNGSGESELLSCHAFT)mbH, Cologne (see No 396).

PLASTICS

** Two French and two German companies have linked for the construction in the Basse Seine of a polyethylene plant to produce initially some 30,000 metric tons per annum. The French backers are C.F.R. - CIE FRANCAISE DE RAFFINAGE SA (50.3% controlled by C.F.P. - Cie Francaise des Petroles SA - see No 469), and S.N.P.A. - STE NATIONALE DES PETROLES D'AQUITAINE SA (of the group E.R.A.P. - Entreprises de Recherches & d'Activites Petrolieres - see No 471). The German firms involved are SCHOLVEN CHEMIE AG, Gelsenkirchen-Buer, and CHEMISCHE WERKE HUELS AG, Marl (see No 471).

The two German partners are both affiliates of the Herne group HIBERNIA AG (of the group VEBA - Vereinigte Elektrizitäts- & Bergwerks AG, Bonn and Berlin - see No 471), the first by 100% and the second by 25%. The other backers of Hüls are Farbenfabriken Bayer AG, Leverkusen (25%) and Chemie-Verwaltung AG, Frankfurt (90-10 subsidiary of Farbwerke Hoechst and Bayer). A similar factory, already sited on the lower Seine, at Lillebonne, Seine Maritime, is run by Ste Normande des Matieres Plastiques SA, in which the Farbwerke Hoechst group holds a one-third interest.

** GIUDICI CELLOFANE SpA, Rho, Milan (transparent plastics and cellulose for wrappings) has initiated an expansion programme for the Mezzogiorno. A manufacturing and commercial subsidiary has been formed in Naples to supervise this, taking the name GIUDICI SUD SpA (capital Lire 1 m. - president Sig Giovanni Giudici).

** The French water-proofed, rubberised and plastic products trading company, CAOUREP Sarl, Paris has opened a branch in West Germany at Herchen. Under the direction of Mme Rose Tournier, the parent company increased its capital from F 1.5 to 2.5 million in 1967.

** The German industrial plastic mouldings concern G. SCHWARTZ & CO KG, Düsseldorf, has formed a subsidiary in London with £10,000 capital: SCHWARTZ (U.K.) INDUSTRIAL PLASTICS LTD.

The parent company which has an annual turnover of over Dm 5 million, is headed by Herr Claus-Dieter Schwartz and Albrecht Pfeiffer. In February 1965 it formed a subsidiary in Brescia, Schwartz Italiana Srl (capital Lire 990,000).

** By agreement, CHIMICA LUCANA SpA, Milan and Potenza is to take over administration of the plastics division of SALDATURA ELETTRICA AUTOGENA ARCOS SpA, Genoa (see No 386). Lucana (president Sig G. Clerici) will now be equipped to produce a wide range of plastic tubing in its works at Potenza (up to 60 cm), with a PVC processing capacity of 3,500 tons a year.

The Arcos group (factory at Albisola Marina, Savona) includes in Italy Arcos Sezione Appia SpA and Arcos Sud SpA, Casavatore, Naples, and several foreign subsidiaries: La Soudure Electrique Industrielle Arcos SA, Clichy, Hauts-de-Seine; La Soudure Electrique Autogene Procedes Arcos SA, Anderlecht, Brussels, etc.

RUBBER

** Formed in 1963 in Paris in order to represent the Spanish sports and diving equipment firm, NEMROD SA, Barcelona, NEMROD-FRANCE Sarl (capital F 10,000) has been dissolved. The firm belonged 90% to French interests (Messrs. Germain Bonneau and Richard Plosa each had 45%) whilst the remaining 10% belonged to a Nemrod subsidiary in Barcelona, Vilarrunis & Sague SA.

Nemrod itself recently passed into the hands of the German plastics and rubber concern, Metzler AG, Munich (see No 466) which now owns 58.25% of the equity and has changed the firms name to Nemrod-Metzler SA.

TEXTILES

** The French BOUSSAC group (headed by M. Marcel Boussac - see No 468) is rationalising its textiles interests around COMPTOIR DE L'INDUSTRIE TEXTILE DE FRANCE SA, Paris (capital F 221.1 m.) which will absorb Sarl Pour l'Exploitation des Anc Ets Touron Fils, Epinal, Vosges. This has F 10,000 capital, and specialises in spinning unbleached cotton and selling yarn of this type.

The Comptoir employs some 20,000 people, and its activities include combing, spinning, weaving, dyeing bleaching, and making up household linen. Its best known lines are its "Jalla" towelling, "Romanex" upholstering fabrics and "Tissgar" handkerchiefs.

** The Almelo Group, KONINKLIJKE TEXTIELFABRIEKEN NIJVERDAL-TEN CATE NV (see No 467) has sold up its holding in the French fibreglass matting and synthetic materials (industrial uses) concern, ETS PIERRE GENIN & CIE SA, Villeurbanne, Rhone (see No 347) to its associate, J.P. STEVENS & CO. INC, New York (see No 331).

The New York firm thus has control of the French company (capital F 4.03 m.) on whose board it is represented, in place of the Dutch group, by Messrs H. Shuping, Greensboro, North Carolina and E.B. Clark, East Williston, New York. One of the company's more recent moves in the United States was to gain control of the United Elastic Corp., Easthampton, Massachusetts (see No 343), which increased its coverage of the Six by giving it a Belgian subsidiary, United Elastic Europe SA (formed in Brussels in 1966) which has an elastic factory in Peronne-les-Binche, Hainaut (see No 333).

** Famous for its "Indreco" textile goods, the French company LA CONFECTION DE L'INDRE Sarl, Issoudin, Indre and Paris has been rationalising its interests and in particular has had one of its subsidiaries, Ets. B. LEMMEL SA, Wantzenau, Bas Rhin (capital F 740,000) take over another , ETS. DUTHILLEUL SA, Raches Nord (capital F 3.41 m.). The company thus formed has changed its name to CIDEL-CONFECTION INDUSTRIELLE DUTHILLEUL & LEMMEL SA. Ets Duthilleul SA with a payroll of 650 was concerned in the manufacture of blouses., aprons, pyjamas and underwear; Lemmel produced ladies', gentlemens' and childrens' underwear as well as a general range of textile goods.

La Confection de L'Indre has two factories at Issoudun and Tours and also controls the sales company, Sifec SA at Issoudun.

TRANSPORT

** WESTFAELISCHE TRANSPORT AG, Dortmund (see No 444) is to take advantage of a move to return certain state interests in harbour and inland waterway freighting to private entreprise, and increase its stake in SCHLESISCHE DAMPFER COMPAGNIE-BERLINER LLOYD AG, Hamburg from 15.5. to 97.8% by buying up an 82.3% interest held until now by the public concern, AG FUER BINNENSCHIFFAHRT, Bad Godesberg. This has Dm 2.16 million capital, and with 400 on its payroll achieves a turnover of Dm 15 million.

Westfälische Transport, which employs over 3,000 people has already, in the last year, gained control of the international transport and warehousing concern, Koch & Co, Spedition Lagerung, Schiffahrt, KG, Duisburg (see No 419) and the inland waterway transport concern, Hoesch Reederei & Kohlenhandel GmbH, Essen (see No 444). It is under the 50.57% control of the Essen holding company MONTANA VERWALTUNGS GmbH (affiliated to the groups GBAG - Gelsenkirchener Bergwerks AG, Essen, and Fried Krupp Hüttenwerke AG, Bochum - 10.9% and 4.6% respectively), with a further 26.4% held by HOESCH AG HUETTENWERKE, Dortmund, and 7% and 3% respectively by Rheinische Stahlwerke, Essen, and Mannesmann AG, Düsseldorf. It specialises in transporting mining and metal products. Outside Germany, its main investments are in Luxembourg in Sonalux SA, Wasserbillig, and Portlux SA, Mertert; in the Netherlands in Transport Mij Westfalia NV, Rotterdam (60%), and in Belgium in Doran Algemene Transportmij NV, Antwerp.

** The Belgian TRANSPORTS INTERNATIONAUX F. HALBART & CIE SA, Molenbeek-St-Jean, Brussels (see No 321) has backed the formation of three international transport, commission and delivery, and customs house broking companies at its headquarters. All three have a capital of Bf. 1 million and are controlled 60/20/20 by Messrs. Lucien, Fernand and Roland Halbart: their names are: HALBART INTERNATIONAL OVERSEAS Sprl, HALBERT INTERNATIONAL EAST Sprl and HALBERT INTERNATIONAL AIR FREIGHT Sprl.

With a payroll of some 350, the parent company has a sister company, Messageries L. Halbart SA, Molenbeek-St-Jean and a subsidiary in West Germany, F. Halbart & Cie GmbH, Aarchen.

** The Hague holding company IPAM - INDUSTRIELE PARTICIPATIE-MIJ NV (see No 317) has gained control of the Rotterdam air travel concern FLASHBAND RONDVLUCHTEN NV. Through IMAP Technische Bedrijven NV, The Hague, formed in July 1965, IPAM's chief controlling interests are in Nautisch Technische Handel Mij P.J. Feteris NV (trading in equipment and instruments for the shipbuilding industries), Feteris Nautische Technische Dienst NV (maintenance of ships' instruments etc), Feterise-Felektron NV and Frans-Nederlandse Instrumenten Compagnie NV (measuring and control apparatus and aircraft instruments) - all of which are based in The Hague. It also holds shares in ILTO - Internationale Luchtvaarttechnische Onderneming NV, which is Dutch distributor for Beagle Aircraft Ltd, Shoreham-by-Sea, Sussex (see No 450) and for Dornier GmbH, Friedrichshafen (see No 471).

** Two Dutch Rhine navigation companies, W.T. - EUROPOSE WATERWEG TRANSPORTEN NV, Rotterdam and NIEUWE RIJNVAART MIJ NV, Amsterdam, have concluded an agreement to cooperate in the running of a regular container service between Rotterdam and Amsterdam at one end and Basle on the other.

The first of these two companies is a joint subsidiary of NV NEDERLANDSCHE RIJNVAARTVEREENIGING (controlled by Steenkolen-Handelsvereeniging NV, Utrecht) and NV HANDELS & TRANSPORTMIJ, VULCAAN (controlled by the Bank voor Handel & Scheepvaart NV, Rotterdam, a member of the Dutch-Swiss Thyssen-Bornemisza group) which two companies contributed their Rhine navigation departments to E.W.T. at the time of its formation in 1967, Under the direction of Messrs. van den Bos (of Rijnvaartvereeniging) and de Beaufort (of Vulcaan), the company owns some fifty pusher tugs and lighters. The second of these companies is a subsidiary of Koninklijke Nederlandsche Stoomboot Mij. of Amsterdam (see No 454) and owns more than 50 tugs, pusher-tugs and lighters.

VARIOUS

** The Italian domestic appliances manufacturer IGNIS SpA, Comerio, Varese, which recently strengthened its links with the Dutch group PHILIPS of Eindhoven (see No 455), is to diversify and go into manufacture of toys (miniatures of the machines it exports throughout the world). It has made an agreement appointing ITALO CREMONA SpA of Gazzada, Varese as its home and foreign distributor for these new lines.

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