29/7

Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

LT AS JB KL EK AD IS

CONTENTS

July 25, 1968 — No 471

Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED
EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT *TEL. 25202/4 TELEX 95114*

OPERA MUNDI EUROPE

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

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

SWITZERLAND

54 Rue Vermont GENEVA
TEL: 33 7693

ITALY

72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX

4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

o

SUBSCRIPTION RATES

U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS
U.S.A. AND CANADA $250 ONE YEAR $135 SIX MONTHS INCLUDING AIRMAIL
OTHER COUNTRIES AT LOCAL EQUIVALENT OF U.K. RATES

Printed and Published by EUROPEAN INTELLIGENCE LIMITED
at Europa House, Royal Tunbridge Wells, Kent, England

THE WEEK IN THE COMMUNITY

July 15 - July 21, 1968

THE COMMON MARKET

Beginning to Get Somewhere

At last we have had a fresh wind of agreement blowing through Brussels. After months of abortive debate, both on the question of British membership and on agriculture, the Council of Ministers last week took two important decisions, which even if not exactly world-shattering, have done something to remove the dejection that hung over the Belgian capital. These two decisions have also been the first real testimonial to the famous community 'solidarity' which for a long term has been difficult to discern in the work of the Six. The first of these decisions concerns the formulation of the common transport policy, the second the "Mutual assistance" which the Five have decided to grant France.

The Council of the Transport Ministers has adopted five regulations, the majority of which are concerned with road policy (see below). Those who like to judge the importance of the results by comparing them with the scale of the problems to be solved, will be doubt be disappointed. Obviously the creation of an European transportation policy will be a slow and often tedious business. It will take much more than a few short meetings to organise a sector of such economic cruciality as transport, whose development has often followed quite separate lines from the more or less dogmatic economic doctrines proffered by the Community authorities.

The real importance of this agreement however, coming as it does from the programme of work that the Six had agreed upon on December 14 last, is that it has set the tardy machine of co-operation in motion. For years now, the Community institutions, both the Commission and the Council, have failed to come up with anything which even vaguely smacks of a breakthrough. The Commission has filled voluminous dossiers with its recommendations. The dossier it prepared on modifications to its previous proposals as just as bad. The Council, too, has been prey to a similar fate; none of its resolutions, agreements in principle nor outline agreements has been applied with success. Modest though they may be (only in relative terms), these results are the first concrete decisions reached by the Community in harmony.

The agreements have not however been reached without some hardship. The attitudes of the member countries as regards transport policy are extremely divergent - each one has had to make some concession or other, The Netherlands, for example, is very well provided for in the road transport sector and was therefore reluctant to accept any Community restrictions here. The Hague government, with its somewhat exaggerated (some would say) sense of liberalism in these matters, has been largely responsible for the impasse which has stricken the European transport sector. It is for this reason that the decision of the Netherlands to step down on this vital matter of road transport constitutes such a remarkable detente in the situation.

In the past France has often found herself opposed to the Netherlands on this matter. The French government always advocated a relatively loose-knit organisation for transport, a system which would be susceptible to the normal market forces and the rules of competition. Paris was rather put out last autumn when the German Minister of Transport, Herr Georg Leber published his plan on transport policy (see No 447) which at the very least, embodied strong dirigiste policies. The Leber Plan is designed to combat two main tendencies: on one side, the deteriorating financial position of the German railways, and on the other the increasing congestion on the roads at which the German electorate is getting more and more impatient.

In addition and without further ado Herr Leber decided that he should limit and even reduce by all means open to him the expansion of road and inland waterway transport, which is as good as saying that he could no longer accept the liberal and laissez-faire policies advocated by the Netherlands. However, last week in Brussels, Germany accepted that certain exceptions to the compulsory tariff levels (exceptions which would be strictly defined) might be admitted. These of course were the ones which favour the Netherlands essentially. If common ground can be found to reconcile two such highly opposed points of view as those put forward by Bonn and The Hague on transport policy, then there is no reason why such agreement should not extent to other sectors.

By deciding on "mutual assistance" for France under Article 108 of the Rome Treaty, France's partners have made another significant gesture. Some will say that the measures formulated to deal with this situation lack any real teeth, but this is less true than it appears at first glance. To allow France to float loans on the Five's capital markets is no mean concession. But it must not be overlooked that the mutual assistance granted to France under Article 108 constitutes an "automatic transition" under that Article to the final stage of the procedure, whereby the Commission can authorise safeguard measures for any given country. The Five may also under this Article oppose the quotas and export subsidies introduced by France, although the Treaty is not very clear on this matter. The manner in which Paris chose to implement its proposals is of course questionable, as is the jurisprudence on which the moves were based. Italy alone, however, chose to contest them, but no doubt the reason for this opposition can be found in domestic policies, the Italian government being at pains to give the impression that it was only beaten after a hard struggle.

Of course the Five demanded certain modifications to the quotas erected by France. This is after all only normal. The Commission, heeding what had been said in this debate, met on Monday night to take a decision on the French safeguard measures (see below). After the meeting of the Council no one really thought that any real consensus could be reached within the Commission on this matter, so everyone was agreeably surprised when, in the early hours of Tuesday morning, agreement was reached.

Against a background in which the Six have more often than not found themselves sadly opposed, this last week has come as a freshening reminder of what consensus and harmony can really be like. This is especially true when this week's achievements are compared with contemporary progress in GATT where agreement has yet to be reached on a common attitude to the French proposals. The two decisions made by the Council reflect quite closely the situation in which the Community finds itself following the July 1 measures, and also the tasks which remain to be completed. The mutual assistance arrangements and the authorisation of the French safeguard measures are a concrete example of the economic solidarity which has become apparent within the Community of the Six. The member countries cannot however be content to leave it at that. They must press on, conscious of being on the same boat so to speak, to enhance their cooperation in the fields of economic, financial and monetary policy. The agreement which has been reached on transport policy must be used as a firm base upon which to build the transition from the July 1 tariff union to a real and viable customs union. It is rather paradoxical to consider that when in principle goods are meant to be able to circulate freely within the Community, the media which enable this free circulation to come about, i.e. the transport systems are still controlled on a strict national basis. The task of harmonising not only the national transport systems, but also customs, tax and technical regulations must take urgent priority for the Six next year.

* * *

FRANCE

"Mutual Assistance" for France

Both the EEC Council (on Saturday) and the Commission (on Monday, July 22) have now reached their decisions on the nature and the extent of the help that the Community should offer France in her bid to overcome the difficulties arising out of the recent crisis. For the Ministers, acting under Article 108 of the Rome Treaty (cited, albeit belatedly, by France as the legal basis for her safeguards of July 1), which makes provision for the qualified voting in Council of mutual assistance for any member state in economic difficulties, the Community's help for France will fall into four main brackets:

1) Promoting a Policy of Expansion: The proviso here is that any action to aid France should in no way upset the internal balance of the Five's own economies, but concentrate on helping her boost exports, as means of offsetting her deteriorating balance of payments.

2) Stabilising Interest Rates: Since these have risen in France, the Five have undertaken to keep their own interest rates at their present level, so as to stabilise capital movements for France's benefit.

3) Loans: Where it is possible, the Five will allow into their capital markets loan issues contracted by French borrowers.

4) Solidarity: The Council agreed to adopt a common stand in discussions by such international economic bodies as the OECD, GATT and the IMF of the situation in France.

The Council, however, rejected two proposals put forward by the Commission:

1) That the Five should cooperate in monetary problems, as these are basically concerned with past events (French drawings on the IMF and swap agreements), and because the French reserves are still considerable, and;

2) Social cooperation, as the Commission's proposals here added very little to what can already be done under standard Community procedures in this field.

*

Quotas

The Council examined the French safeguards introduced on July 1, mainly in order to give the Commission a fuller picture of the Ministers' consensus of opinion, when it came to giving its own findings two days later (see below). None appeared to have any objections to either the reference period, the rate or the term of the French measures covering the motor industry, as these seemed a fair means of getting exports to expand at a normal sort of rate. This tolerant attitude, however, did not extend to France's action on domestic appliances, as for certain items the choice of reference period would virtually block all imports for the second six months of this year. Even more strongly felt by all of the Five was French action on textiles imports, as this sector is in difficulty throughout the Community, both the reference period and the extent of the quotas were criticised. In this sector, moreover, France is a net exporter for certain items, and it was felt that this removed all justification for quotas. There was also pressure from all of the Five for the termination of the safeguards by October 15, although M. Debre made it clear that in his opinion this was completely out of the question.

The Commission's Findings: After a lengthy session on Monday, the Commission in general endorsed the measures taken by France, although in view of the Ministers' views expressed in Council, it has called upon France to relax some of the safeguards, which she is now legally bound to do. Moreover both the Commission and the Monetary Committee reserved their judgment on the question of whether or not to allow France to maintain her present exchange control measures.

As regards the facts and figures of the Commission's decisions on the quotas, the Council's tolerant attitude towards the car import quota is reflected in the fact that the original level of 115% for cars and 110% for commercial vehicles, by reference to import figures for the whole of 1967, has been allowed to stand for the four month period beginning July 1. At the other extreme, the Commission denied France's right to fix import quotas for carded wool.

In between, the main sectors concerned were of course textiles and domestic appliances, and the first thing the Commission did here was to demand that France should make the reference period for the quotas the last half of 1967, rather than the whole of the year, which of course would amount in some cases to import blockage. As to the extent of the quotas, here again the Commission modified the original French proposals: that for textiles has been raised from 100-103% to 110-114% by reference to the quantities imported in July-December 1967, and that for domestic appliances - specifically electric and gas heaters - from 110% to 115%. Lastly, for certain steel products that may be considered under Rome, as opposed to Paris Treaty legislation, the Commission allowed a 110% quota against the same reference period.

* * *

EEC Economy

After the rapid rate of expansion which was achieved during the months of March and June, Community industrial production increased at a slower rate during May and June, due above all to the industrial unrest in France, according to the latest report by the European Commission. The strikes have brought about a sudden drop in French output, but the magnitude of this drop is still difficult to evaluate. Fortunately, however, the effects of the French crisis still seem to be confined within the national boundaries of that country and the level of industrial output outside France is expanding quite rapidly under the impetus of the July 1 tariff union. Domestic demand has remained buoyant throughout the Community, with the possible exception of France; it was a particularly important factor in Germany, where private consumers' expenditure continued to increase at a faster rate, and demand for capital goods followed a similar trend. France, again, is the obvious exception to the general increase in intra-Community trade. Belgium is at present enjoying a new wave of private consumer expenditure, whilst in Italy industrial expansion is at the moment hanging fire, but promises definite developments in the near future.

Employment continues on the whole to improve. Only Belgium can really complain of its lot. The French position at the present time is too fluid to suffer any detailed evaluation.

The Commission foresees a slight tendency for the balance of trade to worsen, first signs of this tendency becoming apparent during April. Sales to the United States seem to be slowing down after a particularly large wave of exports to that sector over the past few months. Exports to Britain however have fallen off considerably.

* * *

E.C.S.C.

Poor Investment Record for 1967

Figures just published for last year show that the ECSC industries channelled 9% less money into investments in 1967 ($1,012 million) than in the preceding year ($1,119 million). By comparison, the record level to date has been $1,842 million in 1963 and the average for the period 1954-1959 was $1,059 million. The full record for the ECSC so far is as tabled below:

	1954-1959 (Yearly Average)	1960 (Yearly Average)	1961	1962	1963	1964	1965	1966	1967
Coal Mining	434	371	380	366	325	291	278	250	242
Briquettes and Lignite Semi-Coke	5	6	4	6	9	8	8	4	4
Iron Ore Extraction	39	43	52	47	28	24	25	17	16
Steel Production	581	775	1,123	1,230	1,480	1,315	932	848	750
Total	1,059	1,195	1,559	1,649	1,842	1,638	1,243	1,119	1,012

Coal Mining: The decline in investments affects both pits and processing plant, while the level of investment in coal-burning power stations on the coalfields, which on average exceeded $100 million p.a. between 1954 and 1962, then falling to about 60 million in 1965-66, rose last year once more to $82.7 million.

Iron Ore: Extraction fell in 1967 to only 66 million metric tons, virtually the 1953 level, which is a far cry from the record figure of 1961- 96 million. This decline is particularly disappointing, as in 1967 the actual cost of investments fell to its lowest level since the ECSC was set up, while potential resources declined by over 6 million tons p.a. This trend nevertheless looks like easing up in the next few years.

In 1971 investment expenditure on ore extraction looks like being barely a third of what was spent in 1961. The Lorraine field is the only one left with plans at all ambitious, and so likely to bring the level of investments up appreciably in 1968.

Steel: Since the maximum investment level was reached in 1963 (when the largest share of the ambitious schemes devised in 1960-61 was actually recorded as investment), there has been a steady decline. The 1967 level - $749.6 million - is lower than in any year since 1959. The decline was particularly marked in rolling, whereas crude steel production potential continued to rise. The Commission's enquiry into investment in the ECSC shows that the figure for this last sector will probably be 110 million tons in 1968 and 118 million by 1970. It follows, however, that utilisation of capacity may well lapse still further in the coming years, and so companies must place more and more emphasis on rationalisation and modernisation of plant, and make research into quality steels perhaps even more of a priority than into quantity production.

A cautionary word comes from the Commission at this point, however, when it stresses that the replacement of obsolescent plant by equipment emanating from the latest technological research can sometimes yield increases in potential out of all reasonable proportion to foreseeable increases in demand. This leaves a great many firms in the ECSC whose modernisation can only benefit the Community if it is complemented by closures, either within these companies, or agreed between members of groups. In many different guises, ranging from simple medium-term delivery contracts to full-scale mergers, concerted answers to such problems have of late been put into practice with the blessing of the High Authority or the Commission which replaced it. Other decisions are still being scrutinised: these are designed to limit the production capacity that is usually amplified by modernisation of smelting, crude steel and rolling plant.

Here we should mention the role being played by oxygenated steels in the development of gross steel production capacity in the Community. These relatively new processes now account for the lion's share of what Community steelmen are spending on production investments, such that the proportion of investment expenditure to this quarter will probably rise from 27.6% in 1967 to 43.7% by 1971. These steels will represent between half and three-quarters of installed capacity in coastal or semi-coastal plants, about half in the Ruhr, one-third in Luxembourg, and around a sixth in the Saar and Lorraine.

*

Steel Production

The Six's steel production figures for the first six months of this year were 9.6% above those for the same period in 1967, rising from 43.893 million metric tons to 48.095 million. This is attributed mainly to the recovery of the EEC economy after the 1966-67 recession, and to fairly high demand from foreign buyers, especially the USA, in the first quarter. In June, of course, mainly because of the French crisis, production in fact dropped by 7.7% compared with the same month in 1967 (7.932 m. tons to 7.376 m.), although it is estimated that in July all Community countries will show slight increases, and French production should in fact rise to 4% over the monthly average for 1967. Production figures for January-June 1968 in the Six are as follows:

West Germany	19,996,000 tons	+ 10.8%
France	9,760,000 tons	+ 4.4%
Italy	8,492,000 tons	+ 8.6%
Belgium	5,732,000 tons	+ 20.3%
Luxembourg	2,331,000 tons	+ 3.6%
Netherlands	1,786,000 tons	+ 7.8%

*

Special Steel Agreements in France

Under Article 65 of the Paris Treaty, the Commission has just authorised three agreements relating to the manufacture and distribution of special steel products made by the two French companies, Societe des Forges & Ateliers du Creusot SA and Cie des Ateliers & Forges de la Loire SA. The agreements relate to heavy plate, medium plate, high-speed steel and machine steel. They have a term of 20 years and ramifications in the spheres of finance (savings on investments) and rationalisation (shutdown of certain production units).

In assessing the relevance of the agreements to Community legislation on competition, the Commission took into account the fact that the principal market for the items in question was France itself, where both companies have their plant set up and where 90% of these products are sold. Between them, the two concerns produce about 8% of the Community's special steels, and thus rank fourth amongst the ECSC's special steel companies and groups.

* * *

TRANSPORT

Details of the Package

The following are the five main agreements reached by the Council of EEC Transport Ministers on Friday July 19 at four in the morning, after a typical Community marathon:

1) Competition: This covers road, rail and inland waterway transport, and in principle enacts that any trade agreement likely to prevent, restrict or distort the pattern of competition inside the Community shall be deemed incompatible with it and therefore prohibited - this covers market-sharing, price cartels and so on. Certain exemptions are however allowed for: apart from the possible need to set up "crisis cartels", there will be no ban on agreements that only seek technical improvement for small and medium concerns (albeit within certain limitations). The regulation, again as with Articles 85 and 86 of the Rome Treaty covering competition in other sectors, condemns any abuse of dominating positions on the market. It makes provision for measures to ensure the observation of any prohibitions that it might give rise to, and equally ensures that economically valid agreements eligible for exemptions should be able to survive without let or hindrance. The regulation has been put into force, backdated to July 1.

2) Community Quota: Until now, lorries of one Community country were not allowed to do business in others unless they had a special licence, and these licences were issued bilaterally under quota arrangements. The setting up of a Community quota instantly removes this obstacle. 1,200 authorisation will be issued each year for three years (286 to France and Germany, 244 to the Netherlands, 194 to Italy, 161 to Belgium and 33 to Luxembourg).

Those who hold one of these will be able to send their transport where they wish within the Community. The Commission will subsequently submit proposals to member states concerning the enlargement of this licence quota.

3) Untaxed Admission of Fuel: As until now, diesel fuel contained in the tanks of lorries was liable for taxation when crossing the frontiers of member states, by way of catering for the difference in fuel prices from one member to another, which in its turn has an effect, obviously, on transportation costs.

The Six decided to allow 50 litres of fuel to enter in this way untaxed. As each stage in tax harmonisation is reached between the Six, the Council will agree on additional amounts of fuel to be allowed across Community frontiers in this fashion.

4) Harmonisation of Social Legislation: As from October 1969, the Six decided to apply exactly the same provisions concerning social regulations on road transport: the delay is of course to allow them time to confer with their colleagues in the A.E.T.R. Thus the minimum age for freight transport drivers is now fixed at 18, for vehicles of less than 7.5 tons, and at 21 for all other vehicles. Again, drivers shall not be allowed to remain at the wheel of heavy trucks for more than 450 kilometres, after which either a co-driver or a "relay" driver must take over. The weekly maximum of hours to be worked will at first be pegged at 50 hours, and then after two years reduced to 48, whilst the daily limit will be first 9 hours and then 8, with maximum uninterrupted driving time set legally at 4½ hours, then only 4. Stricter provisions have been made concerning the drivers of "long and heavy" vehicles, and for passenger transport drivers. Of course, these provisions do not prevent the national governments from bringing in measures still more favourable to workers.

5) Scales of Charges: A bracket system has been brought in for international road transport. As from now, all transport contracts must be charged within a scale, the extremes of which differ by 23%. Certain exemptions will be allowed: these "private contracts" that were at the centre of a long and tough legal wrangle between Germany and the Netherlands earlier this year will only be accepted if they concern quantities of over 500 metric tons a quarter, and only then if they are exceptional in some other way - for instance, limited in time. Another criterion for exemption is that such private contracts should sustain or improve the financial situation of the transporter - a move against "ruinous competition". These contracts must be notified as soon as they are made to the relevant authorities, but if any distortion becomes apparent in the market, they will then be subject to prior notification.

The Council's programme made two other points, which the Six decided to shelve for the time being.

The first concerns double taxation of vehicles, and is to be approved by October 15. Basically, this will do away with the system whereby EEC transport vehicles have to be taxed not only in their country of origin, but also in each state where they do business. The principle of "territoriality" shall then obtain for the payment of road fund licences (or equivalent), but because of the problems involved in applying this, there may be a need in some cases for the principle of nationality to continue in some member states.

As far as common regulations relating to subsidies are concerned, the Six decided to take no action in this quarter yet, as it makes for considerable difficulty in the relationship between the Germans and Dutch in the transport sector. Indeed, any provisions in this field could only be deemed temporary, as member states of the Community have yet to agree on a common definition of the concept of "public service", apart from which not sufficient close study has yet been made of the legal grounds for legislation of this nature. The Commission has been called upon to submit its proposals for these two questions before the end of October.

* * *

AGRICULTURE

Harmonisation of Veterinary Legislation

On July 22, a short meeting of the Agricultural Council of the EEC was held, in which another nine implementation regulations for the common beef and dairy markets were agreed, and in which the question was again raised of creating a European veterinary committee. This is one of the fields in which unseen obstacles to free trade in agriculture in the Community still exist. The main offender here is Italy, which has for some time studiously hampered the Community's attempts to set up such a committee, the aim of which would be to prevent member countries from closing their frontiers to their partners' produce on the grounds that this was not in conformity with national regulations.

The French and Dutch delegates were at pains to persuade the Italians, whose under secretary of state for public health, Signor Volpe, was present, that certain provisions of the common rules for beef, which could greatly benefit Italy, would be held up if she did not desist from her present practice of "diverting" beef imports under her national veterinary legislation. It is generally felt that the problem can be resolved in the remaining meetings before July 29, when all the beef and dairy regulations are due to have been elaborated.

*

French Agricultural Safeguards

The Commission last week requested the French Government to suppress certain of the measures it had introduced to protect the fruit and vegetable sectors, as it deemed these to be contraventions of Community legislation. The measures condemned were:

1) The ban on trading in certain types of peach, which France had brought in to combat the problems created by over-production. Bans on trade are not allowed under the rules of the Community.

2) Export rebates on peaches and cherries. France had not fulfilled the conditions under which this form of subsidy for sales of peaches to third countries can be allowed. As for cherries, these are not even included in the Community's list of produce that can be supported by this form of aid.

3) Grants to artichoke producers' groups. France had decided to take action here in order to help groups affected by over-production to cope with their falling returns and the problems of distribution. However, Community legislation allows only loans, and not direct grants to agricultural producers' groups.

* * *

E.I.B.

$20 Million for Two European Projects

The European Investment Bank has just granted two loans, one to a state-backed Luxembourg group for a water distribution project ($4 m. - Lux f 200 m.), and the other for the construction of an autostrada from the French border to San Remo ($16 m. - Lire 10,000 m.), both of which have a term of 20 years at 7%.

The Luxembourg project is part of a major scheme to give the country self-sufficiency in water supply for some years to come, and to avoid undue use of ground water. It will be carried out by the Syndicat des Eaux du Barrage d'Esch-sur-Sure (S.E.B.E.S.), which groups the state and city authorities of Luxembourg and two water distribution syndicates: S.E.S. for the South, and D.E.A. for the Ardennes.

The Italian project is part of the EI venture to link London with Palermo by motorway. The loan contract has been made with the Autostrada dei Fiori SpA company, which is improving the only France-Italy road link that does not cross the Alps, to relieve the already saturated Via Aurelia, the existing road on this route, which has its frontier station at Ponte San Luigi.

* * *

STUDIES AND TRENDS

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

Part 111 - Suggestions for Reform

Experience to date of the Association of the Eighteen countries to the EEC has shown that the Community's development policy has been a success. What the associate states seek in their search for close ties with the Common Market, is a policy which will at least be considered seriously by the EEC member countries. The association bestows a certain stability upon the political and above all the economic development of Africa, and this must be exploited to the full. The six member countries have discovered that their development policy forms an important additional part of European foreign policy compared with the other European countries which have no equivalent. Using this format, new forms of international cooperation can be embarked upon, cooperation which will go beyond the limits of the present relationship between the EEC and Africa.

The original construction of the institutions linking the Community with the African states has not only intensified the level of cooperation between the two groups, but has also engendered a high level of mutual trust of which full use has been made. The association has become in recent times a dynamic factor promoting equilibrium. In particular it has prevented the formation of new power vacuums; it has given the Community a great amount of experience which it can put to good use in its other international conferences and dialogues.

In spite of the ties between the EEC and the African states, regional cooperation has not been endangered - it has been strengthened. Quite independent of this present survey, the question still remains to be answered before the next Yaounde Convention is formulated within the next year, what new steps must be taken in this direction? What initiatives? What shortcomings of the previous agreement can be overcome so that the new convention can improve upon the old one and be of optimum service to all the partners, without discriminating against third countries in so doing? This is not a simple ideal to reach, but one that we must do our utmost to pursue.

When considering the formulation of the new agreement the following factors should be kept in mind: what new measures must be taken within the Community to promote trade and a better and more effective capital and technical aid scheme? What steps must the associate countries take in order to guarantee the most effective development of the association policy for them? What should be the Community's policy towards third countries, and especially third countries in Africa?

These questions have already received great attention from the Commission in Brussels. The Commission has laid before the European Council of Ministers suggestions that revision procedures, which have already been written into the present Convention, should be brought into force. The Commission has come up with the following ideas which no doubt will dominate discussions within the Council for the next few months.

The Commission feels that the present regulations for trade between the EEC and the associate countries ought to be adhered to in principle, so long as they take into account any possible adjustments arising out of international agreements. Financial and technical cooperation should also continue as before, and if anything it should be increased. There will however be no demands to increase financial aid from the Development Fund. The majority of aid will come from international financing consortia, banks and other credit media.

The $1, 200 million aid which the Fund has paid out in average yearly tranches of some $130 million from 1958 to the beginning of 1969 can be employed rationally thanks to the infinitely variable scale of possibilities in intervention and financing. All structural policies in the developing nations could be endangered if these nations do not succeed in achieving lasting sales for their products, and returns from these exports which are at least as long lived.

The crucial threshold from aid to trade has yet to be crossed. The centre-piece of the new agreement must therefore be its trading policy, for upon trading policy hangs the whole question of a stable political development for the emergent countries.

As regards trade between the EEC and the associates, it must not be overlooked that the introduction of the customs union on July 1 also had a favourable effect on the African countries. All goods which are produced in the associate countries are subject to the same regulations as exist within the Community, when they are being imported into the member countries, only that the special regulations for goods which compete with those produced within the Community still hold good since they throw such a burden on to third countries.

It would be quite erroneous to assume that the Community has basically overlooked the interests of third countries. Brussels has taken pains to decide whether some reductions, or even complete abolition of duties for particular tropical goods would not be of use to developing countries outside the Eighteen. The findings culled from its research on this matter would be implemented in a world-wide agreement on trade.

The Commission would not however like the situation to reach the stage when world-wide agreement would render the EEC preference to the associate countries wholly superfluous. The price advantage which is afforded by the preference is not so great as to precipitate real difficulties in the case of exports or similar products from competing third countries. However, in the negotiations on the continuance of the Convention the Community will take upon itself the task of ensuring that the preferences for tropical products can be altered during the life-term of the agreement, just in case the turn of international events demand such an action.

The implementation of the former preference system has had an unexpected result: exports from the associated countries into the Common Market have not risen. The volume of exports to the African states' traditional markets has remained constant, and the fall in prices on world markets has meant that the value of exports has fallen.

It does not therefore come as a surprise that Brussels is thinking in terms of setting up an additional stabilising factor in this sector. This stabilising factor would take the form of a fixed level of prices at which goods from the associated countries would be withdrawn from the world market when prices and market in general had slumped. The price level would be decided upon only after long discussions with the individual associate countries. In other words, prices fixed by treaty would be introduced which would take full account of the cost price in the producing country.

This system of prices fixed by treaty would no doubt act as an additional drag on the development of the associate countries by the Common Market. This would become aggravated even more as extensive trade preferences are set up. It should be noted that the regulations for the import of goods subject to import levies must be made to work in harmony with European agricultural policy. Trade preferences would then concentrate on the lowering of customs quotas and this would not exclude complete freedom from customs duties within the Community. The existing customs concessions within the framework of the Yaounde Agreement would of course not be affected.

The Community would now like to move away from purely tropical products. After the Community secures the modernisation of agriculture, it can take steps to include processed agricultural products in the new agreement. People are thinking in terms of a proposal which would make possible a similar trading advantage for third countries as that which the member countries already enjoy. They are at present considering levies on primary products which would be implemented on consideration of the price for this product fixed by the treaty.

In Bonn grave misgivings have been voiced as to the efficiency of bilateral preferences. The possibility that the point of view will have profound effects when it comes to the formulation of the next Agreement cannot be ruled out, the discussions which enlivened the New Delhi World Trade Conference were not the last to exhibit this tendency. German politicians would like an abolition of reciprocal preferences, on condition that the EEC member countries are not discriminated against by the associates when they make their agreement with third countries. In other words, the most favoured nation clauses under the GATT agreement would become the guiding principle for all trading relations between the African countries.

- To be continued -

DEVELOPING COUNTRIES

UNCTAD IN RETROSPECT

The last full session of the United Nations Conference on Trade and Development ended in New Delhi in early spring; sufficient time has now elapsed for one to be able to stand back and take a more balanced view of the proceedings. Although many different verdicts can be made as to its overall achievement, what seemed to pervade the conference was a lack of realism. This failure to be relevant is due largely to UNCTAD's lack of real power.

The representatives of the developing countries arrived at the conference with proposals which, although well-founded, were excessive when one considers what their advanced partners could offer but since the former had no tangible means of applying pressure, they had to abandon their illusions. From the start the advanced countries had few illusions, since they had no room for manoeuvre. Their brief was to avoid concessions or accepting any proposals over and above that which they could afford. However the fact that a number of industrialised countries have themselves to face up to problems - in some cases of considerable importance - does not altogether satisfactorily explain their attitude. It may fairly be asked whether the political desire to help developing nations really exists, and whether or not some of them took to tub-thumping - not very effectively, at that - merely to conceal this fact.

Furthermore the conference was fraught by a lack of understanding in two vital areas: firstly between the advanced and developing nations and secondly in an unwillingness to look at problems from anything but the accepted angle which resulted in very little being achieved. The progress made had virtually been agreed upon at the end of the second UNCTAD conference in September 1967. In fact if the conference had not been held, a lot of countries and in particular the developing ones, could have saved a considerable amount of money.

The only thing that can be said for this latest UNCTAD non-event is that it might stimulate the quest for new channels of action; fundamentally different from existing methods - which have run out of steam - but without seriously threatening the progress already made. To begin with it seems essential to reform the institutional structure of the organisation. Its scope makes it a useful platform where advanced and developing countries can compare their ideas. It is above all a platform for smaller nations to express their fears and have an audience for their pleas. It is also a suitable framework for certain negotiations, and even for ensuring the working of agreements once they have been put into force. Secondly there is the need to convince the advanced nations either to increase their aid or at least ensure that the conditions which govern aid are less hurtful to the recipient countries. Finally there is a need for a massive campaign to reach public opinion in industrialised countries, and especially consumers: not through abstract and generalised slogans but using methods which enable the individual to take practical steps.

1. UNCTAD's Institutional Structure

As regards government action, some limited but worthwhile progress was made in New Delhi. The agreement reached on a number of points should not be seen just as the first concrete results of what was originally conceived on too grand and large a scale, but rather as the solid basis in the search for an adoption of new practical solutions to the problems facing the developing countries.

The main topics on which agreement was reached were the following:

1) The recognition of the principle by which all the industrialised nations should grant all developing nations generalised preferences for semi-manufactured and manufactured products. This may be deemed an important turning point in international economic and trading patterns.

2) An action programme to deal with raw materials, a major step in the moves towards the establishment on an international basis of specific and concerted measures covering each raw material.

3) The decision to fix as the minimum amount of aid, 1 % of the gross national product at market prices, a move which should encourage the advanced countries to increase the amount of their financial aid.

But for the time being these decisions remain no more than agreements in principle. Obviously they make the future look more hopeful, but it remains to be seen how they will be fulfilled and what their content will be. Here a new-look UNCTAD can play an important role through a more systematic and rational use of its facilities. Admittedly UNCTAD has worked reasonably well with some useful results for it is the studies carried out by its component sections since 1964 which helped to provide the basis, if not the elaboration, of the outline agreements achieved in New Delhi. It is not a question of destroying what has been built up, but how to make it more effective. Past experience added to what happened in New Delhi seems to indicate that the search for more effective results should be concentrated on the manner in which the organisation functions.

UNCTAD suffers from its gigantic size: there were 133 countries and 40 international organisations represented in New Delhi. It is impossible to expect such a gathering - which lasted for only two months, with several wasted weeks at the start - to really manage an in-depth study of the problems with which it is confronted. A particular practice for criticism was the need which most delegations seem to feel to make statements in general terms to both the plenary sessions and the various working groups. Worse still, most of these speeches repeated the same views - sometimes the very speeches already made by permanent UNCTAD representatives in Geneva or New York.

Furthermore because of the complexity and the shear number of subjects under discussion, the conference was often as much hampered by overlapping work as by the confrontation of so many different standpoints.

The problems facing the developing countries are too serious for them to be conjured away by simply"brainstorming''some two thousand people. Most of the problems require a considerable amount of research followed by a tremendous follow-up in the task of implementing the decisions thus reached.

A further area for improvement is the action of geographical groups. Within UNCTAD such groups play a very important role in the creation, development and expression of the different theories and views which are put forward. However experience has shown that they tend to result in "extremist" solutions, from doing far too much to doing nothing. Such trends scarcely further the quest for rational solutions to the problems confronting the developing countries. Moreover, outside the meetings of the conference itself and the various working parties, there were a hundred or so regional groups in New Delhi which also held meetings before, simultaneously or afterwards - dealing with matters discussed by the full conference . Furthermore in their discussions these groups seem to have lost track entirely of the"need for an overall development strategy" exhorted by Dr. Prebisch.

11. Aid from the Developing Nations

The most important immediate problem is for the governments of the industrialised nations to realise the hopes inspired by the agreements in principle made in New Delhi. They should be able to do this moreover, despite the objections of certain sections of society. The example of sugar should be borne in mind; for this particular product one might well think that the Common Market countries should take some action to moderate the extreme line taken by their sugar beet producers, for this would weaken the criticism of those who attack the Community as a whole for the failure of the sugar negotiations. It would also enable the Community to live up to its avowed intentions, but in any case there are other countries who bear some responsibility in this sector, including the Soviet Union, the USA and Australia.

Apart from the difficulties created by pressure groups, most industrialised countries have to overcome a more insidious obstacle to increase aid, the fact that most of them respect the principles of economic liberalism. In extreme cases this can mean that nothing is done to stop some firms making excessive profits with a resulting increase in the difference between advanced and developing nations. Cocoa, which is mainly produced by two developing states, is a good example of this particular situation. Both are in favour of an international cocoa agreement in order to improve production, sales and stimulate consumption, but their efforts have been frustrated as the result of United States action, as the administration has been unable to resist the pressure of cocoa processing and sales companies. The United States is the world's leading importer of cocoa beans.

This illustrates how the quest for liberalism can result in a government adopting a position which itself conduces to disorder. It also shows how inconsistent the promises and actions of some advanced countries can be: when several of them say they want to protect their national cocoa processing industry - already more competitive than those of developing countries - it is surely a death blow to the latter's chances and thus a negation of the very idea of industrialisation that the advanced nations profess to support.

But solving these problems will not lessen the scope for further action. The industrialised nations should study the possibilities of a number of ideas,

1) To "untie" progressively bilateral financial aid, since most such aid either has the express purpose of, or results in, boosting the donor country's exports, furthering its foreign policy or maintaining or increasing its military influence.

2) Co-ordination of different bilateral aid programmes to avoid sterile competition between donors and wasted effort in particular.

3) Steps to boost the amount of multilateral aid.

The above are the outlines of a few steps which, although far from solving the problems associated with aid, would require a difficult revolution in the approaches adopted by donor countries. But the scope for governments to introduce major new approaches in such a sphere is not unlimited. For a wider approach it will be necessary to stir the conscience of industrialised nations, and this would also enable governments to be certain of support, if they decided on bold new schemes. This is what will be studied further in the next article.

- to be continued -

BELGIUM	GRANADA GROUP backs Bf 5 million TV rental venture	G
	ZWANENBERG funds second L'ARDENNAISE with help of first owner	P
BRITAIN	ORESTEIN engineering (HOESCH): links with NATIONAL CARBONISING	K
EUROPE	YORKSHIRE DYEWARE & CHEMICAL to set up subsidiary network	F
FRANCE	DEUTSCHE AIRBUS forms company to promote foreign sales of A300	B
	HEIDELBERG and VICAT cement groups edge towards concentration	C
	ROUSSELOT-KUHLMANN alliance: COFRANOS and SOPRORGA as pivots	E
	SADE affiliate CLEMESSY gains WESTINGHOUSE"hardware" licence	H
	DE LA RUE/WADDINGTON joint venture acquires latter's MIRO	S
GERMANY	SALZGITTER buys up remaining family interest in BUESSING	C
	KRUPP sells 375 acres to LEICHMETALL for aluminium smelter	J
	QUANDT and KLOECKNER for joint container making subsidiary	K
	WHEELABRATOR forms dust extraction plant company in Cologne	M
ITALY	VICKERS, via German subsidiary takes 90% in RESINE SUD fibres	V
NETHERLANDS	PROGIL and SUD-CHEMIE to link in Antwerp chemicals venture	E
	RECOGNITION EQUIPMENT to open branch through British subsidiary	H
	V.M.F./WILTON-FIJENOORD concentration: re-organisation moves	I
	STORK (VMF) gets PACKAGE MACHINERY injection moulding licence	K
	MASSON SCOTT THRISSEL buys up LANGSTON (Harris-Intertype group)	M
	NEDERLANDSE STAATSMIJNEN plans refinery with Royal Dutch Shell	R
SWITZERLAND	American HANES, Dutch HIN, British PRETTY POLLY link for hosiery	W
U.S.A.	HOWMET(PECHINEY affiliate) takes over FIRTH LOACH, AIR MASTER	I

CONTENTS

ADVERTISING

** Two Brussels advertising consultants, MM. Emmanuel Hollander and J.G. Deneff are the founders and co-managers of the new Paris company HOLLANDER & DENEFF Sarl (capital F 20,000). This will organise, supervise and carry out all types of marketing, advertising and publishing operations.

** The joint subsidiary of the PUBLICIS SA and AGENCE HAVAS groups, the agency PUBLICITE INTER-PLANS SA is taking over its affiliate PUBLI-SERVICE, SOCIETE NOUVELLE SA (Agence Havas is also a shareholder). The operation will be retrospective to the start of 1968 and will give Inter-Plans further gross assets of F 13.97 million; as a result its capital will be raised to F 3.65 m. and it will be renamed INTER-PLANS PUBLI-SERVICE SA.

** The Turin based DOLCI advertising and marketing agency, which is headed and run by Dr. Silivio Dolci, has decided to open a Paris branch to assist its operations in France and win clients for Italy.

AEROSPACE

** Further to the regroupings in the German aerospace sector, which have already achieved the merger of BOELKOW and MESSERSCHMITT (see No 467) and DORNIER's takeover of MERCKLE FLUGZEUGWERKE (see No 468), four special research institutes (payroll 2,500 - 800 researchers) have now been merged within DEUTSCHE FORSCHUNGS- & VERSUCHUNGSANSTALT FUER LUFT- & RAUMFAHRT e.V., Würzburg.

The four companies' combined 1967 budgets came to over Dm 90 million, and their names are: DEUTSCHE GESELLSCHAFT FUER FLUGWISSENSCHAFTEN e.V., Würzburg; AERODYNAMISCHEN VERSUCHSANSTALT, Göttingen; DEUTSCHE VERSUCHSANSTALT FUER LUFT- & RAUMFAHRT, Brunswick and DEUTSCHE VERSUCHSANSTALT FUER LUFT- & RAUMFAHRT, Wahn.

** DEUTSCHE AIRBUS GmbH, Munich (see No 426) has taken 25% in forming AIRBUS INTERNATIONAL SA in Paris with F 200,000 capital (president Herr Bernhard Weinhardt of Frankfurt - technical director M. Pau; Simonet of Paris) to sell and promote abroad the A 300 Airbus transport. This is to be built jointly by SUD AVIATION SA (see No 469) and the HAWKER SIDDELEY GROUP LTD (through Hawker Siddeley Aviation Ltd, Kingston-upon-Thames - see No 464), each of which holds a 37.5% interest in the new company.

Deutsche Airbus was formed late in 1967 with Dm 5 million capital and Herren B. Weinhardt and Hans Wocke as managers. 20% stakes are held by each of its founders: Messerschmitt AG, Augsburg (through Flugzeug Union Sud GmbH, Munich); Siebelwerke ATG AG, Donauwörth, which is to merge with the former (see No 467); V.M.F. - Vereinigte Flugtechnische Werke GmbH, Bremen; Hamburger Flugzeugbau GmbH, Hamburg, and Dornier Werke GmbH, Friedrichshafen.

AUTOMOBILES

** The public group SALZGITTER AG (see No 466) has bought up the remaining 17% interest held by the Büssing family in the heavy vehicles concern BUESSING AUTOMOBILWERKE AG, Brunswick (see No 469), to bring its stake up to 75%. The balance of Büssing's Dm 42 million capital is held by M.A.N. - MASCHINENFABRIK AUGSBURG-NUERNBERG AG, a member of the HANIEL group through Gutehoffnungshütte Aktienverein, Nuremberg.

** The Swedish heavy vehicles manufacturer SCANIA-VABIS A/B, Södertälje, has formally extended its interests to West Germany with the formation in Frankfurt of SCANIA-VABIS DEUTSCHLAND GmbH (capital Dm 700,000) whose manager is Mr. Bengt Krans, financial director of the Dutch subsidiary SCANIA-VABIS (NEDERLAND) NV, Zwolle.

BUILDING & CIVIL ENGINEERING

** EUROPA FINANCE LTD, Montreal, a Canadian member of the Belgian and Canadian group STE HYPOTHECAIRE & DE GESTION FINANCIA SA, Antwerp (see No 462) has backed (27.2%) the formation of a new Belgian company KERAMO NV, Hasselt (capital Bf 55 m.). This will manufacture and trade in earthenware pipes and ceramic products as well as dealing in building materials. The remaining interest is shared equally between Messrs. Constant Kumpen and Emiel Kumpen who head FIRMA KUMPEN and C. KUMPEN, both based in Hasselt.

** The German cement firm, PORTLAND ZEMENTWERKE HEIDELBERG AG, Heidelberg, has purchased shares in the French STE DES CIMENTS VICAT SA, Grenoble, Isere (see No 410), against its contribution to the latter of half of its 55% stake in STE DES USINES DE CHAUX HYDRAULIQUES & DE CIMENT PORTLAND XEUILLEY SA, Xeuilley, Meurthe-et-Moselle (see No 266).

Vicat is the fourth largest French cement firm, with annual production rising to 3 million metric tons. Its main interest is of 32.5% in Ste Europeenne Auxiliaire de Cimenterie SA (see No 248), in association with the groups, Fried. Krupp of Essen and Fives Lille-Cail SA, Paris. It is affiliated to Papeteries de Vizille SA, Vizille, Isere (see No 444). Its new shareholder holds shares also in some twelve German companies in this sector, and one of its most recent German moves was to buy shares in Sudbayerische Portland-Zementwerke Gebr. Wiesbröck & Co GmbH, Rohrdorf, Rosenheim (capital Dm 4.8 m.). It has 4,500 on its payroll, and its annual turnover exceeds Dm 450 million.

** The Belgian DRY WORKS SA, Antwerp, has formed a subsidiary at The Hague named DRY WORKS (NEDERLAND) NV (capital Fl 100,000) for all types of property protection work, especially prevention of water seepage. Token interests are held by MM. J.K. Hemmers and Mme B.J. Pot.

** IPA-INDUSTRIEERZEUGNISSE & PATENTAUSWERTUNG GmbH, Munich (site and property improvement) has taken a 52% stake in the formation of IPA-FRANCE Sarl, Levallois-Perret, Hauts-de-Seine (capital F 20,000) in which the other shareholders are M. Jean-Marie Duprie (35%), M. Rene Daemen (8%) and PROGESSA-ZWICKY Sarl, Annemasse, Haute-Savoie (5%). The latter is well known for its pressure filters, high compression turbines, precision and diamond-headed tools, and has agents in West Germany, Switzerland and Britain.

IPA formed a subsidiary in Vienna during October 1967 called Industrieerzeugnisse & Patentauswertung GmbH (capital Sch 100,000) with Herr Werner Grammerstoff, Munich, as manager.

CHEMICALS

** ENTREPRISE MINIERE & CHIMIQUE SA,Paris (see No 463), formed recently in Paris (see No 459) by the merger of the public groups MINES DOMANIALES DE POTASSE D'ALSACE SA, Mulhouse, and O.N.I.A. - OFFICE NATIONAL INDUSTRIEL DE L'AZOTE SA, Paris, has streamlined by having its administration subsidiary AZOTE & PRODUITS CHIMIQUES (A.P.C.) SA, Toulouse, absorb POTASSES & ENGRAIS CHIMIQUES - PEC SA, Paris. The latter has F 95 million capital, and estimated gross assets of F 264,690,000.

By this move, A.P.C. has raised its capital from F 100,000 to F 62.61 million. It has a sister company still at the emergent stage with F 100,000 capital: Mines de Potasse d'Alsace SA, Mulhouse.

** TANIN INTERNATIONAL SA was formed recently in Paris to trade in oak and chestnut stains, vegetable essences and natural and synthetic tanning agents. With F 400,000 capital and M. Albert Rey as president, this company is run by SA SOPARGIL, Paris, and SA PRODUITS CHIMIQUES & CELLULOSE REY, Velizy-Villacoublay, Yvelines (see No 367).

Rey has itself F 16.1 million capital, being an affiliate of Banque de Paris & des Pays-Bas SA (through S.N.E.P.I. - Ste Nouvelle d'Etudes & de Participations Industrielles SA, Paris), and of Ste Financiaire Auxiliaire SA, Paris (see No 457) and Ste Forestiere du Sud-Ouest SA, Bordeaux. Its chief products are "Polyrey" layered plastic coatings and chemical and plastic products, from its factories at Couze, Dordogne; Saillat, Haute Vienne, and Roc-St-Andre, Morbihan.

** The Leverkusen group FARBENFABRIKEN BAYER AG (see No 470) has formed an administration company in London named BAYER (U.K.) LTD with £100 capital.

Existing Bayer interests in Britain are Bayer Dyestuff (Manufacturing)Ltd, formed in Manchester in August 1967 to produce colorants (see No 424); Bayer Dyestuffs Ltd, Manchester (sales); F.B.A. Pharmaceuticals Ltd, Haywards Heath, Sussex - through Haarmann & Reimer GmbH, Holzminden (essential oils), and J.M. Steel & Co Ltd, Richmond (aromatics), which itself holds shares in Bayer Fibres Fibretex Ltd, London (textiles).

** The Paris chemical group PROGIL SA (see No 462) has signed an agreement with the Munich SUD-CHEMIE AG (see No 310) which will result in the formation of an Amsterdam manufacturing subsidiary in which it will be the majority shareholder. This new company will build a sulphocarbonic anhydride factory with an initial capacity of 60,000 tons p.a. (later 100,000 tons) next to the Mobil Oil refinery.

The West German firm (capital Dm 20.25 m. - 1967 turnover Dm 74 m.) has had a Paris sales company since January 1967, Ste de Vente des Produits Sud-Chemie Sarl (capital F 10,000) and it has interests in the Austrian firm, Schwefelkohlenstoffstudien GmbH, Vienne (carbon disulphide). In this it has as indirect partners - through Donauchemie AG, Vienna - the French groups Ugine Kuhlmann SA, Nobel-Bozel (see No 310) and also Progil. The latter already has several Common Market subsidiaries and interests in West Germany, Belgium and Italy; it is well-established in France, where it shares two companies with Belgian and British firms.

** There has been a further strengthening of the links (see No 434) between the CIE ROUSSELOT SA group (a 26.35% affiliate of PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA, Neuilly-sur-Seine - see No 467) and UGINE KUHLMANN SA (see No 465) in the gelatine, glue, bone chemical processing and animal feeding stuffs sector, following a reorganisation of the interests around two subsidiaries: CIE FRANCAISE DES OS-COFRANOS SA and SOPRORGA-STE DES PRODUITS ORGANIQUES SA (see No 441).

Rousselot has made over to Cofranos - now changed to ROUSSELOT KUHLMANN SA (Rousselot holds 66% of the F 80 m. capital) with M.G. Callou as president - its factories at Angouleme,Charente, Isle-sur-Sorgue, Vaucluse and Aubagne, Bouches-du-Rhone (net assets valued at F 85.79 m.); Ugine Kuhlmann has made over its factories at Lyons and Givors, Rhone (gross assets of F 44.19 m.). Soprorga (until now controlled by Ugine-Kuhlmann (52%) and Rousselot (37.7%) has raised its capital to F 9 m. after having received various commercial, property and manufacturing assets: 1) Ugine Kuhlmann (sites at St-Denis); 2) Rousselot (factory at La Benazie, Lot et Garonne); 3) Anc. Ets Disap SA, St-Denis, the wholly-owned subsidiary of Rousselot with facilities at Etampes, Gournay-en-Bray, St-Aubin, Eure, Croissy, Eure and Veigne, Indre-et-Loire; 4) Ets Andre Serviere SA, St-Denis; 5) Fondoir d'Aubervilliers SA, St-Denis; 6) Coifnet Duchet SA, Paris, the wholly-owned subsidiary of Ugine-Kuhlmann (factories at St-Denis); 7) Sudos-Ste d'Utilisation des Os & Produits Similaires SA, Paris (facilities in Paris and Bordeaux). Under the control of the newly formed Rousselot-Kuhlmann, and with M. Jean Verdier as president, in place of M.J. Macquart, Soprorga and its subsidiaries will supply the last-mentioned company with some of the raw materials which the other companies used to import.

**

LA CELLOPHANE SA, Paris (see No 399) a member of the RHONE-POULENC SA group (see No 468) has signed an agreement with the Dutch firm NV MACHINEFABRIEK BUHRS & ZONEN, Zaandam, which will result in the formation of a joint subsidiary NV REGAM BUHRS SA. Under Mr J.H. Buhrs, this will sell the Regma copying equipment, sensitive and heliographic papers made by its French founder and the heliographic equipment made by the Dutch firm (some 175 on payroll).

** In June 1967 C.E.C. - CARBONISATION, ENTREPRISE & CERAMIQUE SA, Montrouge, Hauts-de-Seine acquired an important minority stake in the ceramic sanitary ware firm CERAMIQUE DE L'AUBE SA, Villeneuve-au-Chene, Aube, and as the result of further moves has now become the majority shareholder.

C.E.C. is affiliated to Cie des Compteurs SA, Paris (34% - see No 459) as well as to Mosellance de Siderurgie SA and to Banque de Paris & des Pays-Bas. Recently it gained control of Ste Nouvelle des Ets Emile Muller SA, Ivry, Val-de-Marne (capital F 10.04 m.) which specialises in refractories, and as a result raised its own capital to F 29 million. In 1967 it achieved a turnover of F 87.7 million from its interests which include blast-furnaces, industrial ovens, refractories and ceramic sanitary ware. Its main subsidiaries are Produits Refractaires de Valenciennes SA, Valenciennes, Nord., Ets Ceramique Charles Fourmaintraux, Delassus & C.E.C. Feignies SA, Desvres, Nord, whilst it also has a stake in Ste des Produits Refractaires de Cambrai-Ets Pajot-Godchaux SA, Cambrai, Nord (capital F 300,000).

** RUDOLF FUCHS MINERALOELWERK KG, Mannheim (heavy petroleum derivatives: lubricants, machinery greasing oils, etc) has formed a French sales subsidiary called STE PETROLIERE FUCHS Sarl, Clichy, Hauts-de-Seine (capital F 250,000) with M. Louis Haas as manager. The founder is a family-controlled concern and has over 500 persons on its payroll; there are branches in Berlin, Duisburg, Hanover, Mannheim, Munich and Nuremberg. Products names include "Duotac", "Renep", "Renolin", "Renotac", Ingralin", "Anticorit".

** VEBA-VEREINIGTE ELEKTRIZITAETS- & BERGWERKS AG, Bonn and Berlin (see No 463) has reorganised its chemical interests by making its affiliate SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer (see No 461) take direct control of RUMROEL AG, Müllheim, Ruhr. Scholven-Chemie (capital Dm 1) is involved in storing and distributing petrochemical products in Rhineland-Westphalia; it had an annual turnover of Dm 35 million. Ruhröl is the wholly-owned subsidiary of Hibernia AG, Herne (itself wholly-owned by Veba) and employs some 3,600 persons. Its main interests are the production of ammoniac and fertilisers.

** THE YORKSHIRE DYEWARE & CHEMICAL CO LTD, Leeds (chemical products for industry, textile and leather adhesives and pigments) intends to strengthen its Continental interests by establishing its own subsidiaries. These will be in the Netherlands, France and Spain, and will take over control for the expansion of the group's commercial interests until now the responsibility of local agents.

The Leeds group (1967 turnover £4.92 m. - 35% from exports) has long had a Common Market manufacturing subsidiary in West Germany, Yorkshire Farben GmbH, Krefeld. There is also an Australian subsidiary in Melbourne. In Britain it relinquished control of its subsidiary, Brifex Ltd, Ashstead, to the Carrington and Dewhurst Group Ltd (see No 425) in 1966; more recently it has gained control of Warmalayer Insulations Ltd (resins for the building industry) and acquired from Unilever Ltd, the chemical products for leather interests of the latter's subsidiary Walker Chemical Co Ltd, Bolton Lancashire.

CONSUMER DURABLES

** The London-based GRANADA GROUP LTD has formed - through its Luxembourg subsidiary TELERENT EUROPE SA - a new Brussels company TELERENT SA (capital Bf 5 m) to rent and sell radio and TV sets. It is linked on an equal basis with a Belgian group headed by M. Paul Mortelmans, Braaschaat, and is represented on the board by Messrs. W.R. Carr, J. Warton and B. Wolfson.

** AUTOVOX SpA, Rome (radios, TV sets, electrical and electronic equipment - see No 431) has extended its foreign sales network with the formation of a subsidiary in Barcelona, AUTOVOX ESPANOLA SA. This will be mainly concerned with selling car radios (Seat 124, Duemila) and will soon establish a branch in Madrid. The Rome firm is a member of the Milan group LA CENTRALE, FINANZIARIA GENERALE SpA (see No 460), and its existing foreign sales offices include Paris, Geneva and New York.

ELECTRICAL ENGINEERING

** The Frankfurt group CONTINENTAL ELEKTROINDUSTRIE AG (formerly in Düsseldorf - see No 446) has formed a 32% affiliate in Milan, ASKANIA ITALIANA SpA (capital Lire 1 m.) to represent it for and sell measuring and control equipment made mainly in Offenbach by its 69.9% subsidiary Askania-Werke GmbH.

Askania has itself had a U.S. subsidiary for some years, at Bethesda in Maryland, and it has also a 25% stake in Conti Elektro France Sarl, Paris, formed late in 1967. The Frankfurt group is owned by BERGMANN ELEKTRICITAETS-WERKE AG, Berlin (majority) and DEUTSCHE CONTINENTAL-GAS-GESELLSCHAFT, Düsseldorf.

** The German electric cables concern KABELSCHLEPP GmbH, Siegen has opened a British branch at Hale in Cheshire under Mr Armin Trommer. The founder is itself a 100% subsidiary of the Siegen machine tools concern H.A. WALDRICH GmbH. GROSSWERKZEUGMASCHINEN (see No 267).

Waldrich, which employs some 1,100 people for a Dm 40 million turnover, recently terminated its cooperation agreements with the American machine tools, cutting and grinding equipment manufacturer INGERSOLL MILLING MACHINE CO, Tockford, Illinois. Under this agreement a 25-75 subsidiary had been formed under the name of Waldrich-Siegen-Ingersoll Werkzeuge GmbH, Burbach, Siegen (capital Dm 4 m.).

ELECTRONICS

** CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS BRANDT SA (see No 468) which in early 1967 acquired from its 67% subsidiary SNERI-STE NOUVELLE D'ELECTRONIQUE & DE RADIO-INDUSTRIE SA, Paris (see No 398) its radar and electronics interests intends now to absorb Sneri itself.

The latter in late 1967 also made over its data-processing and display interests (valued at F 34.58 m. gross) to another company in the group, Thomson Informatique &

Visualisation - T.I.V. SA, Paris, whose capital was thereby raised from F 500,000 to F 12.09 million. The latter, apart from these recently acquired interests, makes military digital computers, information transmission systems, etc and in 1967 had a turnover of some F 35 million.

** CROSFIELD ELECTRONICS LTD, London ("Micrex" automated magnetic printing equipment "Autoflow" film developing and "Etchomatic" cylinder engraving etc - see No 246) has opened a branch in Milan under Mr. Walter Blum.

The parent company is represented in France by Mincel & Cie, St-Maur, Val-de-Marne, which also acts for the British J. Martin & Sons Ltd, Salford, Manchester (itself having had a Milan subsidiary for some months now - see No 438). It also has a subsidiary of its own name in New York, and a number of branches abroad, in particular at Zollikofen, Zurich.

** RECOGNITION EQUIPMENT INC, Dallas, Texas (see No 400) plans to set up a Dutch sales subsidiary, under the immediate control of its British manufacturing subsidiary RECOGNITION EQUIPMENT LTD, Maidenhead, Berks (managing director A.T. Sharman).

The group produces EDP peripherals (decoders, optical scanners etc), and has subsidiaries of its own name in Paris (capital raised recently to F 200,000), Frankfurt, Milan and Stockholm.

** SIMMONDS PRECISION PRODUCTS INC, Tarrytown, New Jersey (control, measuring and data processing equipment - see No 433) has formed a Frankfurt subsidiary under the name SIMMONDS PRECISION GmbH with Dm 100,000 capital and Messrs John Laughton and Jörgen Gliss as managers.

In Europe, the group already has three Dutch subsidiaries, NV Fabriek Van Transformatoren & Apparaten v/h Wesemann & Co, Rotterdam; Simmonds Precision NV, Amsterdam, and Becker's Sons NV Fijn Mechanische Industrie, Brummen. There is another in Britain, Simmonds Precision Ltd, London, and a fifth in Switzerland.

** CIE DES FREINS & SIGNAUX WESTINGHOUSE SA, Sevran, Seine-et-Denis (formerly in Paris) has given ETS CLEMESSY SA, Mulhouse, Haut-Rhin, manufacturing and sales rights for its "Logiwest" miniature computers and "Westalog" process control systems. The latter firm is affiliated to SADE - ETS ALSACIENNE DE DEVELOPPEMENT & D'EXPANSION SA, Strasbourg (see No 466) and makes a wide range of electrical equipment, accessories and parts as well as telecommunications materials.

Cie des Freins & Signaux is a French member of the Pittsburgh group WESTINGHOUSE AIR BRAKE CO (see No 460) and has an annual turnover of around F 130 million. It controls an 83.49% subsidiary. Application des Freins & Appareils Techniques a l'Automobile - A.F.A.T.A. SA, Courbevoie, Hauts-de-Seine (capital F 2.76 m.) and has a 68.75% controlling stake in SA Des Freins & Signaux Westinghouse , Berne. The American group recently strengthened its European interests through the acquisition of Gebr. Hardy Maschinenfabrik GmbH.

ENGINEERING & METAL

** It has been agreed that the planned concentration (see No 467) between V.M.F. - VERENIGDE MACHINEFABRIEKEN NV, The Hague, and WILTON-FIJENOORD -BRONSWERK NV, Schiedam, will terminate in the formation of a new group to be called V.M.F. / STORK - WILTON, having a Fl 1,200 million turnover and 31,000 people on its payroll, which will make it the largest group of its kind in the Netherlands, before VEROLME, Rotterdam (now taking over N.D.S.M. - see No 469) and RIJN-SCHELDE (see No 468). The last-named will have close links with the new group, by virtue of pursuing the close cooperation already existing in the form of two 50-50 subsidiaries: Machinefabriek & Scheepswerf Van P. Smit Jr NV, Rotterdam, and NV Scheepswerf & Machinefabriek Waalhaven, Rotterdam - both Wilton-Fijenoord interests.

The new group will have numerous foreign interests: in the Common Market it will receive from V.M.F., through Koninklijke Machinefabriek Gebr STORK NV, Hengelo, the following : Stork Inter-Belga NV, Brussels; Stock Inter-France Sarl, Vaucresson, Hauts-de-Seine, and Machinefabrik Vits GmbH, Langenfeld, Rhineland etc. From Wilton-Fijenoord it will take Bronswerk NV, Antwerp, and Deutsche Bronswerk GmbH, Hamburg.

** An agreement has been signed between FONDERIE & OFFICINE DI SARONNO SpA, Milan (see No 387) and INN- INGENIERA INDUSTRIAL Srl, Buenos Aires which will give the latter the patents and exclusive sales rights for "Fos" warm air generators in the Argentine.

** The 46% New York affiliate of PECHINEY ENTERPRISES INC, New York (a member of the French group PECHINEY SA, Lyons - see No 464), the HOWMET CORP, has extended its U.S. interests by gaining control of FIRTH LOACH METAL INC, McKeesport, Pennsylvania (carbon steels) and AIR MASTER CORP, Philadelphia (1967 sales - $ 14 m.) special metals for surgical instruments and the aerospace industry.

In order to boost supplies of smelted aluminium Howmet (1967 sales - $195 m. - see No 410) and Pechiney Enterprises have recently decided (see No 458) to link 50-50 in the construction of a plant costing $190 m, with an initial capacity of 85,000 tons p.a. (reaching 255,000 tons p.a.). This will be at Frederick, Maryland, and should start operations in October 1968. Supplies for the Howmet rolling mill at Lancaster, Pennsylvania come from the 255,000 tons p.a. plant of Intalco Aluminium Corp (see No 410) a 25% affiliate of both Pechiney and Howmet, with the other 50% held by the New York group AMAX-American Metal Climax Co, New York (see No 458).

** TECHNISCHE HANDELSONDERNEMING VANANDEL NV, Rotterdam, a refrigeration processes concern, has gained outright control of a cooling and air conditioning firm in the same city: KOEL- & LUCHTECHNISCHE APPARATEN GEBR GOEDHART NV, which employs about 100 people in its factory at St-Maartensdijk.

Vanandel itself has about 350 on its payroll, and factories, branches or warehouses at Rotterdam, Schiedam, Vianen and Roden. It has a central heating subsidiary called Vanandel Metallicus NV at Nieuwkoop.

** The French heating and kitchen equipment manufacturer AEROFLAM SA, Consolre, Nord (see No 335) has merged with its metal furniture subsidiary ACINA FRANCE Sarl, of the same town.

Acina was formed five years ago 50-50 with the Belgian Acina Sprl, Ransart (headed by M. J.H. Schoeters). Late in 1965 the Belgian firm ceded its stake to Aeroflam, which is chaired by M. Marcel Bourgeois, who also heads the Belgian FORBEL- Forges de Belle-Vue SA, Jumet, making sheet metal and heating equipment under the trademarks "Forbel" and "Quaker Bel".

** ALLIED PRODUCTS CORP, Chicago, Illinois (design and manufacture of matrices, castings, plastics, chemical products and insulation) has formed an almost wholly-owned subsidiary in Belgium: NV THOMAS PRIDE MILLS SA, Ronse. This has Bf 5 million capital and M. Leonard Barkan of Atlanta , Georgia as president; it will be run by Mr Denis MacArthur of Massapegua, New York.

** After several months of negotiations (see No 448) FRIED KRUPP GmbH group, Essen has sold to LEICHTMETALL GmbH, Frankfurt an industrial site covering 375 acres at Borbeck - Essen. The plan is to build an aluminium smelter - starting in the autumn of this year - with an initial capacity of 84,000 tons p.a., at a cost of some Dm 250 million.

Leichtmetall was formed in June 1966 (capital Dm 1 m. - increased in January 1967 to Dm 8.4 m.) and is the joint subsidiary of Metallgesellschaft AG, Frankfurt (directly and through Vereinigte Deutsche Metallwerke AG, Frankfurt) and the Swiss group Schweizerische Aluminium AG - Alusuisse, Chippis and Zurich through its West German subsidiaries Aluminium-Walzwerke GmbH, Singen and Aluminium Rheinfelden GmbH, Rheinfelden, Baden.

** The American group BOISE CASCADE CORP, Boise, Idaho, has decided to rationalise its French caravan interests by merging SAMIFCA-STE D'APPLICATIONS DES METHODES INDUSTRIELLES A LA FABRICATION DES CARAVANES SA, Paris (see No 441) with its sales subsidiary CARAVANES ACCESSOIRES P. DIGUES & CIE SA, Paris. The American group is represented in Paris by a subsidiary, BOISE CASCADE (FRANCE) SA (capital F 250,000) which was formerly known as Ste-France-Canadienne de Location SA (see No 365) and acquired from the Canadian group The Hamilton Cotton Co Ltd, Hamilton, Ontario (see No 418).

It was early in 1967 (see No 397) that the Edmond de Rothschild group (through Cie Financiere SA, Paris, see No 458) and Divco-Wayne Corp, Richmond, Indiana (taken over by Boise Cascade Corp in early 1968) acquired all the assets of the Digue group. This is the leading French caravan manufacturer (30% of the market - turnover exceeding F 100 m.) with factories run by Samifca at St-Michel-Hirson, Nord and Rosoy-sur-Serre, Aisne.

** The American burners and ovens manufacturer BLOOM ENGINEERING CO, Pittsburgh, Pennsylvania, has established a European sales subsidiary in Düsseldorf called BLOOM ENGINEERING (EUROPA) GmbH (capital Dm 100,000). Managers of the new venture are Messrs. Franklin Miller, John Walsh, James Wilde and James Hovis.

** The sales agreement signed between the West German QUANDT group (see No 464) in 1967 and the Duisburg group KLOECKNER & CO KG (see No 435) covering the exploitation of containers has resulted in the formation of a joint manufacturing subsidiary called IWT-INDUSTRIEWERKE TRANSPORTSYSTEME AG, Hamburg and Berlin. With Herr Otmar Thienes as president, this will run the three specialised plants until now operated by three companies of the Duisburg group: DEUTSCHE WAGGON- & MASCHINEN-FABRIEK GmbH, Bersigwalde, Berlin; INDUSTRIE-WERKE KARLSRUHE AG, Karlsruhe and KAMPNAGEL AG, Hamburg. There are some 3,500 operatives on the new firm's payroll and the annual turnover is around Dm 175 million.

** With the aim of strengthening its position in Britain, the West German engineering firm ORESTEIN-KOPPEL & LUEBECKER MASCHINENBAU AG, Berlin and Dortmund (see No 407) has begun talks with the London based NATIONAL CARBONISING CO LTD which are expected to result in the formation of a joint British subsidiary.

The German firm is a 57.6% interest of the Dortmund holding company Industrie-werke AG (itself a wholly-owned subsidiary of the HOESCH AG group, Dortmund - see No 465) and it employs some 7,500 persons in its factories in Lübeck, Spandau-Berlin, Dorstfeld, Dortmund, and Hattingen, Ruhr. Its foreign interests include Maschinen-Bahn-bedarf AG, Zurich (51.9%) Orestein & Koppel GmbH, Vienna (66.6%), Orestein Koppel & Lübecker Maschinenbau SpA, Milan (10%) and Orestein & Koppel SA, Madrid (60%).

** TOMADO NV. FABRIEK VAN METAALWAREN (steel wire household goods, and retail display materials - see No 375) intends to pay Fl 7.25 million for control of the Kampen holding concern NV INDUSTRIELLE MIJ BERK-BECCON (see No 354 - capital Fl 2.5 m.). This has an annual turnover of around Fl 25 m. and heads NV KONINK-LIJKE KAMPER METAALWARENFABRIEK v/h BERK & ZOON, Kampen ("BK" enamel, aluminium and stainless steel household goods; oil-fired cooking and heating equipment) and NV BECON, Doetinchen (pewter, enamel and plastic household goods and agricultural accessories) as well as BELEGINGSMIJ "DE HANZE" and ASWA METAALQIETERIJ NV (formed in 1966 - capital Fl 50,000). In West Germany it controls a subsidiary called Delta Haushaltswaren GmbH, Emmerich.

Tomado has a Belgian manufacturing subsidiary Tomado-Belgie NV, Blaasveld controlled in association with its subsidiary Tozindo NV, Zwijndrecht. Headed by M.J. van der Togt and with 1,200 persons on the payroll in the factories at head office and Etten-Leur, it has an annual turnover of around Fl 45 million.

** KON. MACHINEFABRIEK GEBR. STORK NV, Hengelo (see No 464), member of the engineering group V.M.F. - VEREINGDE MACHINEFABRIEK NV, has gone into production with thermoplastic injection moulding plant, especially for chairs, lids, toys and churns for the dairy and drinks industries. It has received a licence to manufacture these items from the American firm of PACKAGE MACHINERY CO, East Longmeadow, Massachusetts.

** The Dutch optical and scientific instruments concern OPTISCHE INDUSTRIE "DE OUDE DELFT" NV, Delft (see No 357) has taken 50% in forming ODELCA SA in Madrid, the balance of the Pts 2 million capital being held by local interests. The new firm will make surgical instruments.

The Delft concern already has wide foreign interests: in West Germany it has the subsidiary Franke & Co Optik GmbH, Giessen (capital Dm 700,000); in the USA it is linked with Aerojet-General Corp, El Monte, California (84.6% subsidiary of The General Tire & Rubber Co, Akron, Ohio) in Aerojet Delft Corp, New York, which makes optical and X-ray equipment, especially for space research. Aerojet-General itself has a branch in France, named Aerojet-General International Corp, Neuilly, Seine, plus a 50% stake in the German Orion-Aerojet Ges. für Luftfahrttechnik mbH, Düsseldorf, the balance being held by the Friedrich Flick group (see No 461). Lastly, it has a 50% stake in the British Bristol-Aerojet Ltd, Banwell, equal with the Bristol aviation group, Bristol Aeroplane Co Ltd (see No 335).

** F.I.M.T.M. - FEDERATION DES INDUSTRIES MECANIQUES & TRANSFORMATRICES DES METAUX, Paris, has improved its machinery for financing members by merging SOFIMECA- Ste Financiere de Participation dans les Industries Mecaniques SA (capital F 30 m.) with TEFICA - Ste Technique & Financiere pour l'Industrie Mecanique SA (F 5 m.) within STE D'ETUDES & DE DEVELOPPPEMENT SA (F 29 m.).

Sofimeca and Tefica were both formed in Paris 1961 by CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA, Paris (see No 466), the one to buy shares in small family concerns to help them expand, and the other for organisation consultancy, mainly through the devices of rationalisation, mergers, crossed holdings etc. Other backers of the two ventures with Suez were Banque Nationale de Paris (see No 466), Credit Lyonnais (see No 460), Ste Generale SA (see No 460), C.I.C. - Credit Industriel & Commercial SA (see No 459), plus a number of insurance concerns, including l'Union des Assurances de Paris (U.A.P.) SA, the Drouot group, La Paternelle etc, all of whom remain shareholders of the new company.

** ETS ANTOINE BESSON & LEPEU SA is in the course of absorbing CIE SAINT-QUENTINOISE DE CONSTRUCTION SA, which will render to the former all its trading and manufacturing business, giving Besson & Lepeu an increase in capital from F 4.45 to 7.65 million, and changing its name to C.B.S. - CONSTRUCTIONS BESSON-SAINT-QUENTINOISE SA.

Besson & Lepeu has factories at Monterau, Seine-et-Marne and Montlucon, Allier employing 450 people in the manufacture of "C.A.B." frames and scaffolding, pylons and towers, heavy boilers, gantries, chiselling and sawing machinery. It recently gained control of the heavy pipes and boilers concern Lemaitre & Planchais SA, Gignac-la-Nerthe, Bouches-du-Rhone, and has another subsidiary, Travaux Antoine Besson (T.A.B.) SA, Paris (capital F 500,000). Saint-Quentinoise is a subsidiary of STE METALLURGIQUE DE KNUTANGE SA, Paris (see No 341), which in its works at Jussy, Aisne and Talence, Gironde, employs some 600 persons in the manufacture of machinery, pylons, prefabricated metal outbuildings and houses and metal bridges.

** The West German interests of the American engineering firm WHEELABRATOR CORP, Miskwaka, Indiana (see No 425 - part of BELL INTERCONTINENTAL CORP, New York, itself a 50.08% interest of the EQUITY CORP group, Dover, Delaware) will be strengthened with the formation in Cologne of a new company called WHEELABRATOR-TILGHMAN ENSTAUBUNGS GmbH (capital Dm 100,000) which will design, manufacture and sell dust extraction equipment for the West German market. The founder specialises in this type of product as does its 51% French subsidiary, Wheelabrator Allevard SA, Allevard, Isere (in which it is linked with Hauts Fourneaux & Forges D'Allevard SA, Paris, itself a 51.7 - 30,2% stake of the groups, Cie des Forges & Acieries de la Marine, de Firminy & de Saint-Etienne SA and Ugine-Kuhlmann SA) and also its British affiliate, Tilghman Wheelabrator Ltd, Altrincham, Cheshire (a 12% stake, with a four year option to increase this to 40%) a member of the London group, Staveley Industries Ltd. Furthermore since 1967, the British and French companies have been linked by a close cooperation agreement with the aim of strengthening their position on the European market.

The founder's existing interests included two subsidiaries specialising in metal surface treatment, Wheelabrator Metallreinigungsges Deutschland mbH, Solingen (formed August 1967) and Deutsche Wheelabrator Strahlmittel GmbH, Cologne (formed in June 1964) both of which are managed by Herr Heinz Holland, who holds the same position in the new firm.

** SAMUEL M. LANGSTON CO, Camden, New Jersey (a member since 1966 of the Cleveland, Ohio group HARRIS-INTERTYPE CORP, - see No 395) has sold to the London firm MASSON SCOTT THRISSEL ENGINEERING LTD, its Dutch manufacturing subsidiary LANGSTON OVERZEE NV, Groningen (formerly GREENWOOD NEDERLAND NV) which was acquired in 1963 during its merger with Greenwood Engineering Co Inc, Baltimore. The Dutch firm specialises in paper corrugating machinery, and its new parent company has held the Langston licence for the manufacture and sale of such machinery throughout Europe for a number of years.

The London company itself belongs to The Molins Organisation Ltd group, London, through Masson Scott Thrissel Ltd, which makes cigarette machinery and is a 25% affiliate of the two London groups British American Tobacco Co Ltd (see No 453) and Imperial Tobacco Co Ltd (see No 465), Harris-Intertype produces plant and equipment for the printing industry and has numerous Common Market interests: Harris-Intertype GmbH, Berlin (capital Dm 3.54 m.), OMCSA - Officine Meccaniche Cigardi SpA, Milan (capital Lire 900 million) and Marinoni SA, Paris (capital F 7.13 m.). The last-named has some 900 persons on its payroll and makes card and paper printing machinery in its factories at Montataire and Creil, Oise and St-Denis, Seine-St-Denis.

** The American engineering group SUNDSTRAND CORP, Rockford, Illinois (see No 397) has formed a Hamburg sales subsidiary called SUNDSTRAND INTERNATIONAL CORP, GmbH (capital Dm 100,000). Its managers are MM. Gaëtan Roland and Jean Bourdain, who already run the 86% French subsidiary, Sundstrand S.P.M. France SA, Courbevoie, Hauts-de-Seine as well as Mr. Gunnar Bergström, in charge of the 50% Swedish firm Sundstrand Hydraulic A/B, Huddinge. The group has had a West German license since 1967, J.P. Sauer & Sohn GmbH, Eckerförde and there is a Swiss holding company.

** SOFIM-SARRE SA, Paris (capital F 200,000 - president M. Marc Ferlet), which acted as agent in France for the furnaces and metal processing plant concern SOFIM-SAAR - SAAROFENBAU FUER INDUSTRIE & METALLURGIE GmbH, St-Ingbert, Saar, has been wound up. The German company is headed by Herren Ernst Hatzembichler and Karl-Otto Bosse, has Dm 500,000 capital, and employs some 30 people.

FINANCE

** A merger within the Bergamo group ITALCEMENTI-FABBRICHE RIUNITE CEMENTO SpA (see No 462) will strengthen the position of the property and financial company ITALMOBILIARE SpA, Milan headed by Signor Carlo Resenti (see No 414) which has a capital of Lire 15,000 million. It will absorb two investment and finance companies FINANZIARIA FISA SpA, Milan (capital Lire 243 m.) and FINANZIARIA COMMERCIALE - FINCOM SpA, Rome (Lire 175 m.).

Italmobiliare controls numerous banking concerns throughout Italy and in particular Istituto Bancario Italiano - I.B.I. SpA (capital Lire 10,000 m.) which was formed in 1967 by the merger of six regional banks with the backing of Credito Di Venezia Del Rio de la Plata SpA (see No 410) - Banca Provinciale Lombarda SpA, Bergamo (see No 349), Credito Leganese SpA, Legnano, Credito Commerciale SpA, Cremona.

** The Australian broking firm, A.C. GOODE & CO, Sydney and Melbourne has now formally established its Belgian subsidiary under the name of A.C. GOODE SA, Brussels (capital Bf 250,000) which will be run by a Briton, Mr. C.H. Burt, living in Uccle-Brussels. Shareholders are six partners in the founder (16% each) including Messrs Arthur Charles Goode, K. Hyden and G. Carson. It established a subsidiary in London during 1962.

** HILL, SAMUEL & CO, the London banking house is setting up a subsidiary in Frankfurt (see No 459), and Messrs. Werner Schäfer, director of ALLGEMEINE BANKGESELLSCHAFT AG, Frankfurt (see No 428), G.B. Huiskamp, Philip de Zulneta and W. de Gelsey have now been named as its directors.

Hill, Samuel is already established in Europe, with a Swiss subsidiary, Von Ernst & Co, Berne, acquired late in 1967, plus holdings in Eurosyndicat SA, Luxembourg (see No 444) and Ste de Gestion de Finance-Union SA (see No 333), and in Banco de Financiacion Industrial SA, Madrid (see No 246) and Sogestil - Sdad Gestora de Titulos, Lisbon etc.

** The New York group MORGAN GUARANTY TRUST CO (see No 443) is preparing to boost the finances of its Milan subsidiary BANCA VONWILLER SpA (see No 394) and double its capital to Lire 2 million, in readiness for expansion. Vonwiller will then change its name to BANCA MORGAN VONWILLER SpA.

Early in 1967 the American group rounded off months of negotiation (see No 372) to take 51% control of the Milan bank through its New York subsidiary MORGAN GUARANTY INTERNATIONAL BANKING CORP. Vonwiller takes part especially in the placement of Eurodollar issues through its new Swiss subsidiary, Vonwiller SA, Chiasso (capital Sf 1m.).

** MM. Pierre Moussa and Hubert Madinier have been appointed president and managing director of SETILEX SA, newly formed in Paris with an initial capital of F 10 million by a banking consortium and several French industrial groups with the aim of financing the latter's exports. The banks involved include BANQUE NATIONALE DE PARIS SA, CREDIT INDUSTRIEL & COMMERCIAL SA, CREDIT LYONNAIS, STE GENERALE SA, BANQUE DE PARIS & DES PAYS-BAS, BANQUE DE L'INDOCHINE SA, BANQUE FRANCAISE DE COMMERCE EXTERIEUR SA. The industrial groups include ENSA SA (part of the SCHNEIDER SA group), S.N.P.A. - STE NATIONALE DES PETROLES D'AQUITAINE SA, R.N.U.R. - REGIE NATIONALE DES USINES RENAULT SA, BABCOCK ATLANTIQUE SA, PECHINEY SA, LE NICKEL SA, STE MINIERE & METALLURGIQUE DE PENARROYA SA (ROTHSCHILD FRERES SA group), L'AIR LIQUIDE SA, STE FIVES-LILLE-CAIL SA etc.

** The Spanish bank BANCO COCA SA, Salamanca has opened an agency in Hamburg. The Salamanca bank (president Senor Ignacio Coca Garcia - capital Pts 200 m.) added three branches to its network in 1967, with another four so far in 1968.

FOOD & DRINK

** The Italian group INTERNATIONAL WINE & FOOD CO - WINEFOOD, Milan (under Swiss financial control - president Signor A. Villa, Chiasso) has gained control of the Turin winegrower CHIANTI MELINI SpA (facilities at Pontassieve, Florence (capital Lire 350 m. - see No 406).

Winefood (formerly Luigi Calissano & Figli SpA (capital Lire 1,000 m. - see No 421) was formed by the merger in late 1967 of L. Calissano & Figli, Alba, Cueneo and G. Torazzi SpA, Milan (see No 373). The group - under Signor Alberto de Marchi - has facilities in Verona, Alba, Trescore Cremasco, Cremona and a 100% stake in the Chianti firm Caggiano SpA, Castellina, Siena and in Gaggiano Milano, and in Lamberti, Lazise Sul Garda, Verona.

** The Belgian coffee firm KOFFIE-HAG NV, Merksem, Antwerp, which is controlled by another Belgian firm KOFFIEBRANDERIJ HET ANKER NV, Sint-Amandsberg and its director M.J.B. van Oevelen, has increased its capital from Bf 7.5 to Bf 10.5 million at the same time as it decided to pull out from the contract linking it with the Swiss firm SANKA-BRUECKE AG, Zurich (capital Sf 6 m.). The latter is controlled by Dr. Ludwig Roselins, also the chief shareholder in HAG, AG, Bremen (see No 441).

The Bremen company, makes "Hag" and "Onko" coffees, as well as "Kaba" chocolate breakfast drinks, and is closely linked with the Dutch NV Koffie Hag, Amsterdam, the Swiss Kaffee Hag AG, Feldmeilen, Zurich which in turn controls Sofidec SA, Strasbourg. This was established in September 1967 (see No 441) as the result of Cafesa SA taking over Ste Francaise de Decafeination de Cafes-Sofidec SA, Paris (second firm to have this name) when it acquired the manufacturing and sales interests of "Sanka" coffee and decafeinated coffee. Brand management of the "Sanka" instant coffee in France is under Cie Generale des Cafes-Cogeca SA, the joint subsidiary of Sopad SA (part of the Nestle Alimentana SA group) and Sanka SA, Paris.

** WHITBREAD & CO LTD, London, has opened a Milan branch under Mr James R. Salandin to implement the marketing programme it launched recently (see No 460). The branch is directly answerable to Whitbread International Ltd, London. Assistance will be lent also by two Italian wholesale concerns, DISTILLERIA A.P.E. Milan, for the North, and CARLO DI LEVA for the South and Sicily.

The group recently expanded in Britain by taking: 1) control of COMBINED BREWERIES (HOLDINGS)LTD, Ramsgate, Kent (having been a 32% shareholder since 1957); 2) an indirect interest (through its Chelsea subsidiary Stowell Ltd) of 33.3% in J.R. PHILLIPS & CO LTD, Bristol (see No 239), the shares being purchased from the Canadian group DISTILLERS CORP - SEAGRAMS (see No 456). The Bristol firm imports and distributes liqueurs and spirits (Courvoisier, Cointreau, Chartreuse, Crabbie's and Crawford's in particular), and its other chief shareholders are Allied Breweries Ltd, London and Geo S. Sandeman Sons & Co Ltd, Edinburgh (see No 467).

** ZWANENBERG-ORGANON NV, Oss (see No 446), the chemicals, pharmaceuticals and foods (mainly delicatessen and canned meats) subsidiary of the Arnhem group KONINKLIJKE ZOUT-ORGANON NV (see No 463) has sponsored the formation in Belgium of L'ARDENNAISE SA, Recogne, in which it has also taken a token shareholding.

The new company has Bf 13 million capital, 46% of which is held by its founder M. Joseph Mouraux, who has contributed capital equipment (mainly for meat extracts) and such commercial assets as the trademark of the original l'Ardennaise company, which was his own property. The other backer, with almost 54%, is the Belgian foods subsidiary of the group, ZWANENBERG'S LEVENSMIDDELENBEDRIJF - ZWAN NV, Schoten, Antwerp (having a Düsseldorf sister company, Zwanenberg Nahrungsmittel GmbH).

** STE NATIONALE D'INVESTISSEMENT - S.N.I., Brussels (see No 465) has sold its minority stake in the Belgian chilled and deep frozen foods company ARTIC SA, Forest- Brussels (see No 447) whose capital has thereby been reduced to Bf 100 million.

With M. Max R. Willick as president, the latter last year became a 50% affiliate of the Chicago group , Beatrice Foods Co, which will now share control with its subsidiaries Gum International Inc, Candy International Inc and Drug International Inc, all of which are Chicago-based.

** The Rotterdam UNILEVER NV group (see No 467) has streamlined its Belgian interests by transferring the ice cream division of its Antwerp subsidiary UNION NV (see No 293), which has plant at Merksem and Baasrode, to another affiliate, IGLO-OLA SA, Brussels (see No 333).

The move has raised Iglo-Ola's capital to Bf 250 million. This firm is controlled directly by Union in association with Ste Commerciale Lever-Congo-Scolex SA, Brussels, and various other companies in the group, including Margarinefabriek Groningen NV, Rotterdam, and Aliments Hartog SA, Brussels. Union's other main subsidiaries are Nouvelles Huileries Anversoises SA and Nouveaux Magasins de Merksem NV, whilst its main affiliates are Brunita NV, Casco NV (formerly Dart SA) and others in Antwerp.

** The Belgian USINES VERMYLEN NV, Baasrode, which specialises in the chemical treatment of cereals (see No 396), has gained control of the French SUNCO, SA, St-Quentin, Aisne, and changed its name to VITAMEX(FRANCE)SA. Vermylen is a member of the Dutch group KONINKLIJKE SCHOLTEN-HONIG NV, Amersfoort (chemical products, starch and glucose derivatives, foods - see No 439).

** The newly formed Antwerp company EUROPEAN-SOUTH AMERICAN TRADING CO Pvba (capital Bf 250,000) is a 96% interest of an American citizen, Mr. Justus Weisenfeld, Paterson, New Jersey. The remaining 4% is shared by Belgians, MM. Clement Morraye and Antoine Maas. The three founders are also managers of the new concern which will trade in grains, seeds, barley for the brewing industry and products for animal foodstuffs.

INSURANCE

** The Italian insurance group ASSICURAZIONI GENERALI DI TRIESTE & VENEZIA SpA (see No 421) is to extend the links it has had since 1966 (see No 344) with the American AETNA LIFE & CASUALTY CO, Hartford, Connecticut, to Australia, where the two plan jointly to take over a group of insurance, investment and finance firms headed by PRODUCERS & CITIZENS COOPERATIVE ASSURANCE CO, Sydney. This group has a "Life" portfolio valued at $180 million, and covers both Australia and New Zealand. The U.S. and the Italian group have formed AGEN HOLDING LTD, with Aetna as the majority shareholder to become the majority shareholder in the Australian group.

Trieste & Venezia is headed by Sig Merzagora, and has 70 affiliated or associated companies in Europe, Africa, America and Asia. Since 1965 it has had an Australian affiliate: Vanguard Insurance Co Ltd, Sydney, which covers also Tasmania, New Guinea, Bismark Island and Britain.

** CIE D'ASSURANCES ORBIS SA (see No 449) has opened in Cologne under M. Roger Steenwagen. The founder is a member of the AMERICAN FOREIGN INSURANCE ASSOCIATION through its holding company AFIA FINANCE CORP, Newark, New Jersey and has a capital of Bf 75 million. Since January 1968, there has been an Antwerp branch under M. L. de Boutetiere.

OFFICE EQUIPMENT

** The European sales network for the office equipment, addressing machines, electronic control and calculating equipment firm SCRIPTOMATIC INC, Philadelphia (see No 369) has been strengthened by the formation of a Frankfurt company DEUTSCHE SCRIPTOMATIC GmbH (capital Dm 20,000) whose managers are a Swiss, Herr Jurg Oppliger and Herr Hans-Gunther Schlesier, Frankfurt.

Until now the sales network of the American firm in Europe included Scriptomatic SA, Geneva, Scriptomatic NV and its subsidiary Poudres NV, both in Amsterdam.

OIL, GAS & PETROCHEMICALS

** NEDERLANDSE STAATSMIJNEN NV, Heerlen (see No 462), the Dutch state concern, is at present negociating with the ROYAL DUTCH SHELL (see No 465) oil group for the joint construction of a 3 million tons per annum oil refinery in the province of Limburg-Sud, in the Geleen region. Staatsmijnen is already linked with Shell for a delivery contract for some 500,000 tons of primary distillation oil products per annum. The contract runs out during 1970 when the new refinery will be in full operation.

The Geleen chemical complex which is run by Ned. Staatsmijnen is connected by pipeline to the Shell refinery at Botlek. In addition, an ethylene pipeline is to link the Geleen complex to the chemical complexes at Marl in West Germany; this project was recently (see No 461) the subject of an agreement between the Dutch group and several German groups, namely BP. Benzin & Petroleum AG, Hamburg, Farbenfabriken Bayer AG, Leverkusen, Erdölchemie GmbH, Leverkusen (a joint subsidiary of the last two), Scholven-chemie AG, Gelsenkirchen-Buer and Chemische Werke Hüls AG, Marl (a joint subsidiary of Bayer and Farbwerke Hoechst AG).

** A rationalisation of the exploration interests of the French State oil group, E.R.A.P. - ENTREPRISES DE RECHERCHE & D'ACTIVTIES PETROLIERES (see No 467) has resulted in its 80.9% subsidiary SOREX-STE DE RECHERCHES & D'EXPLOITATIONS PETROLIERES SA (capital F 40.25 m.) being dissolved. This carried out oil prospecting and exploration activities in Belgium, France, Portugal and the Netherlands, whereit already had a wholly-owned subsidiary, Sorex Nederland NV, Rotterdam.

Sorex was a former subsidiary of B.R.P. - Bureau de Recherches des Petroles (see No 335) whose interests were taken over in January 1966 (at the same time as those of R.A.P. - Regie Autonomie des Petroles) by E.R.A.P.. Its shareholders include Finarep - Ste Financiere des Petroles SA, Cofirep - Cie Financiere de Recherches Petrolieres SA and Ste des Petroles du Sud SA, part of the Union Financiere de Paris group, which is itself being wound up.

OPTICAL & PHOTOGRAPHIC

** Known principally for its photographic equipment, cameras and "Nikon" binoculars, as well as measurement and control instruments, microscopes, lenses etc. NIPPON KOGAKU K.K., Tokyo (see No 357) is planning to set up a sales company in Amsterdam-Schiphol under the name, NIKON EUROPE NV; this new firm will take over the work formerly handled by the company's Swiss subsidiary within the Common Market, NIKON AG, Zurich. At the present time the firms products are being sold in West Germany by Varimex Ein- & Ausfuhrhandelsges. Gross & Wiener. Frankfurt and in France by Maison Brandt Freres SA of Paris.

Another Japanese firm in the same sector, CANON CAMERA CO LTD, Tokyo (see No 451), has just set up a subsidiary in Amsterdam-Schiphol, through Canon SA, Geneva.

The new subsidiary is called CANON AMSTERDAM NV, and is directed by M.M. Kobayashi, director of the Swiss subsidiary. With an authorised capital of Fl 1.5 million (20% paid-up) the company is concerned largely with sales.

PAPER & PACKAGING

** The Norwegian paper company ELOPAK NV, Oslo (see No 461) has now formally established its Dutch subsidiary ELOPAK NEDERLAND NV (capital Fl 500,000 - 20% issued) and the members of the board are Messrs. Andresen, Johannesen, Johansen, Seim Sunde. It will run a factory (cost: Fl 4 m.) being built at Terneuzen making mainly paper packagings for the Benelux dairy industry and which is expected to start working in 1969. Since September 1967, the founder has had a Paris subsidiary Elopak-France Sarl (capital F 20,000) under M. Maurice Vallais.

** MIRO CO SA, Paris and Creutzwald, Moselle (a 20% affiliate of the Leeds group JOHN WADDINGTON LTD) has gained control of another firm in the same sector, ETS JEAN-MARIE SIMON SA, Nancy. In 1963 the latter became a joint interest of John Waddington and THE DE LA RUE CO LTD (see No 422) through their joint subsidiary THE INTERNATIONAL CARD CO LTD, Leeds (which itself heads THE AMALGAMATED PLAYING CARD CO LTD of Leeds and London) and is today owned wholly by Waddington.

The latter also has a stake in the Paris company, Capiepa SA which makes various types of games: Sherlock Holmes, ORTF, Bonanza, Champions, Kon-Tiki,. Miro (capital F 3.5 m.) makes Monopoly, Lexicon, Les PDG, Cluedo, Formule I.

PHARMACEUTICALS

** An agreement in principle has been made to regroup the pharmaceutical interest of STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY - S.B.A., Renory-Ougree (see No 459) and those of its 31.2% affiliate, STE FRANCAISE DES LABORATOIRES LABAZ SA, Paris (see No 424). This will result in an organisation, which with consolidated sales in 1967 of F 185 million (Labaz accounted for 68%), will be able to face up to growing international competition.

Belge de l'Azote (capital Bf 1,017.4 m.) belongs to the De Launoit group (the Comte de Launoit is president) and as such its main shareholders include Cockerill-Ougree Providence SA, Seraing (19.6%) and Cofinindus SA, Brussels which are linked to the French groups Banque de Paris & des Pays-Bas SA, through its 55.6% Brussels subsidiary, Chimindus SA (also a 35.7% affiliate, Electrobel SA) and L'Air Liquide SA - directly and through its subsidiary Ste Chimique de La Grande Paroisse SA (see No 465). Labaz (capital F 16.85 m.) belongs to the Belgian group in association with Banque de Paris & des Pays-Bas (29.49%) - as does the chemical and pharmaceutical products supply company, Sapchim-Fournier-Cimag SA, Paris (production facilities at Sisteron, Basses-Alpes and Villeparisis, Seine et Marne - see No 466).

** The Milan chemical and pharmaceutical group LEPETIT SpA (capital Lire 23.800 m) 1967 turnover exceeding Lire 70,000 m. - see No 452) has extended its Latin American business by establishing a branch in Lima, Peru under Senor Mario P. Morea. Its existing interests include manufacturing and sales subsidiaries in Buenos Aires (2), Sao-Paulo (2), Santiago, Chile, Montevideo and Mexico.

In 1967 Lepetit, which is an affiliate of Credit Suisse SA, Zurich, came under the control of the American, Dow Chemical Co, Midland, Michigan. It intends to rationalise its Italian interests by taking over a cosmetic company in the group, BIO BEAUTILITY SpA, Milan (capital Lire 30 m.) as well as an additional subsidiary ORMONOTERAPIA RICHTER SpA (pharmaceuticals - stake increased from 70 to 100% in 1967). A similar move in connection with the cosmetics firm BARTELLI & CO SpA (capital Lire 1,820 m.) in which it already is the majority shareholder.

PLASTICS

** RHEINGOLD & MAHLA GmbH, Mannheim, the German heat and sound insulation company (using polyurethane foam, glass and asbestos wool) formed in 1966 a sales subsidiary called Rheingold & Mahla Nederland NV, Rotterdam and Heinenoord in association (10%) with its parent company Vereinigte Korkindustrie NV, Mannheim. The Dutch subsidiary has now opened its own subsidiary in Antwerp under the direction of Mr. Günter Zeilfelder.

Rheinhold & Mahla has two other main interests abroad: in France it has an 80% subsidiary, Ste Rheinhold-Mahla-Sofrali Sarl, Strasbourg, the balance of the capital being held by Sofrali-Ste Francaise du Liege SA, and in Spain a subsidiary called Aislamientos Rheinhold & Mahla, Madrid. Its parent company belongs 96% to the holding company, Argos Trading Co SA, Luxembourg.

** The Milan PIRELLI SpA group (see No 358) has further rationalised its plastics interests by merging PLASTECNICA SpA, Milan (see No 456), its former subsidiary with ESERCISI PLASTICI ITALIANI SpA, San Damiano di Brugherio, the capital of which has thus been raised from Lire 451 million to 901 million.

Like Pirelli Plast SpA, Plastecnica is a member of the MONTECATINI-EDISON group, which having held shares in it for some time, recently became the majority holder by buying up Pirelli's own 70% interest (see No 323). Esercisi Plastici is now under the joint control of Montecatini Edison and Pirelli. For plastics, it also holds a 50% stake in the Bergamo firm of Pirelli Elastex Elastofibre, where it is linked on equal terms with the Milan Chatillon SpA company (see No 458), another subsidiary of Montecatini Edison.

** The Italian PLASTICA CALEPPIO FABBRICA LAMINATI TERMO-PLASTICI Srl, Milan (plastic mouldings for furniture) has formed a sales subsidiary in Basle named Caleppio Vertriebs GmbH.

The parent company has a factory at Settala-Caleppio. It plans also to set up a subsidiary in France (see No 450), and recently moved on to the British market by forming Caleppio (U.K.) Ltd in London (see No 459).

** CAP-ROC INC, Rochester, New York (buttons and plastic mouldings), which was formed at the beginning of 1964 by the merger of CAPITAL PLASTICS INC, Rochester, with ROCHESTER BUTTON CO (which made the move), has gained outright control of its only Common Market subsidiary, CAPITAL PLASTICS EUROPE SA, Woluwe-St-Lambert, Brussels, which it has now wound up. This firm was set up in 1957 by Capital Plastics for trading purposes, and its capital has remained constant at Bf 1 million.

Cap-Roc has since the beginning of this year received two offers of a takeover, neither of which have gone any further. The first was from the Iroquois Industries Inc, and the second from Belding Heminway Co, which has since paid $3 million for the button-making concern, B. Blumenthal & Co Inc.

** The Belgian plastic processing concern RAVAGO-PLASTICS Pvba, Arendonk (PVC, polyethylene and polyester) has opened a West German branch at Mönchengladbach. It was itself formed in April 1961 with Bf 500,000 capital, and is managed by Mme Gaby van Gorp.

** The Milan chemicals and petrochemicals concern STE ITALIANA RESINE - S.I.R. SpA (see No 466) has set up a sales agency in London to promote its marketing operations on the British market, especially for plastics and synthetic resins.

S.I.R. is headed by Sig Nino Rovelli, and runs a major complex at Porto Torres, Sardinia, having been linked for some months on the commercial and technical level with the Milan RUMIANCA group (see No 431). These links are ratified by the presence of Sig Rovelli on the board of Rumianca as vice-president, and by Rovelli's own inclusion on its board of Sig Renato Gualino, vice-president of Rumianca.

** SA SIDET has just been formed at Mouveaux, Nord with F 350,000 capital and MM. E. Rasson and G. Gacon as president and managing director to make and act as agents for plastic materials, mainly for building and decor. The venture has been backed by the Belgian ETS OCTAVE HOUART SA, Sclessin-Ougree. The new company is housed on the premises of the former confectionery concern, ANC ETS KESTELOOT & CIE Sarl, Mouveaux, and will be run by MM. G. Ducatillon, director of Ets Andre Ducatillon Fils SA, Willems-Baisieux, Nord, and Marcel Henart, managing director of the Belgian firm.

Since 1963 Octave Houart has had a subsidiary at Redange sur Attert in Belgium, named Solupla - Ste Luxembourgeoise de Plastiques SA, and it recently formed Ste Francaise Isobelec Sarl in Paris with F 20,000 capital. This is managed by M. M. Huart, a shareholder, who runs another company in the group, Isobelec SA, Sclesson-Ougree, which makes plastic injection moulds for tanks, pipes, cylinder linings, bearing housings, armatures etc.

PRINTING & PUBLISHING

** The Swiss holding company, XERCA SA, Freiburg has formed in Paris a subsidiary called XERCA FRANCE SA (capital F 500,000) which will act as the formal basis for "En direct" the monthly magazine sold in supermarkets, self-service stores and food shops, which is run by Mme M. Duval. For several months, Xerca has had a Paris branch under MM. A.P. Bekessy and Nizet.

The founder was formed in early 1967 (capital Sf 50,000, raised in September to Sf 500,000) with M.P. Gauthier as president and under M. Antal Bekessy. It is itself under the control of Para Invest AG, the holding company of the Berne bank, Bank Paravicini-Parabank (see No 403).

SHIPBUILDING

** The American shipyard INGALLS SHIPBUILDING CORP, Pascagoula, Massachusetts (a member of the LITTON INDUSTRIES INC group, Beverly Hills, California - see No 446) has obtained from two French firms their licence to build methane tankers. These are 1) WORMS ENGINEERING Sarl, Paris for its special techniques used in building the "Jules-Verne" now being equipped by Gaz-Marine SA, Paris (an 11% affiliate of Gazocean SA, Paris - see No 464); 2) GAZ-TRANSPORT Sarl, Paris and its integrated techniques.

Worms (capital F 200,000) was formed in December 1965 (see No 339) as a subsidiary of the Paris group, Worms & Cie SA, Paris (see No 464). The second is also an affiliate of Worms & Cie, and its other shareholders are the chemical, oil and steel plant construction group Ets Herlicq & Fils SA, Paris (see No 367), the Schneider SA group (see No 467) and Gaz de France SA, Paris (see No 437).

TEXTILES

** The British group VICKERS LTD, Millbank, London (see No 443) has extended its indirect Italian interests by acquiring a 90% stake - through its Frankfurt subsidiary VICKERS ZIMMER AG (see No 434) in the synthetic fibre firm CIA GENERALE RESINE SUD SpA, Vibo Valentia, Catanrazo.

The latter has been linked since 1965 by technical agreements with the Frankfurt firm (formerly Hans J. Zimmer AG - see No 297) and in 1966 it increased its capital to Lire 1,000 million. Vickers will now help the Italian firm to raise output of polyester fibre above the present level of 2,400 tons p.a.

** The German J.F. ADOLFFAG, Backnang (see No 425) has sold its 59% holding in EMELLA WIRK- & STRICKWAREN MATTES & LUTZ AG, Besigheim, Württemberg (capital Dm 2.1 m.). This produces cotton, wool and synthetic textile underclothes and pullovers, using the "Emella-Exquisit" trademark (payroll 450 - turnover app. Dm 13 m.). Its new majority shareholder is the Swiss holding company VALBELLINA AG, Chur (capital Sf 50,000).

Adolff has some 2,300 people on its payroll, and in 1967 made a consolidated turnover of Dm 256 million. Since last year it has been linked with the London COURTAULDS LTD group for manufacture and distribution of "Courtelle" fibres, sold in the Federal Republic under the "Adolff-Courtelle" trademark.

** Recently associated (see No 456) within a joint subsidiary in the Netherlands, NV INTERNATIONALE HANDELMIJ. HANES-HIN INTERNATIONAL, Haarlem, the American HANES CORP, Winston-Salem, North Carolina (underwear, lingerie, socks etc.) and the Dutch KOUSENFABRIEK HIN NV, Haarlem (lingerie and stockings), have decided to join with the British company, PRETTY POLLY LTD, Sutton-in-Ashfield, Notts., in a joint venture in Switzerland. The new firm in Switzerland is to exploit on an international level the "Leprechaun" patents for the stitching of hosiery materials.

The British company (payroll 1,900) specialises in the manufacture of stockings, lingerie, socks etc. (trade names, "Pretty Polly", "Eve", "Ballerina", "Norman Hartnell") belongs to the London group, Thomas Tilling Ltd. (see No 315).

** The Dutch carpets and floor coverings concern TAPIJTFABRIEK H. DESSEAUX NV, Oss (see No 428) has formed a sales subsidiary in West Germany, DESSO TEPPICH-VERKAUFS GmbH, Mönchengladbach (capital Dm 100,000 - manager Mr Haus-jörf Müller).

Abroad, its distribution network already includes Desso France Sarl, Paris; Tapijtfabriek H. Desseaux-Belgie NV, St-Gilles-Dendermonde, and Verkoopmij Desso-Belgie NV, Waasmunster.

** The Dutch maker of women's clothes and underclothes (nylon stockings, panties) TRICOBEST NV, Best (see No 410) has formed a Düsseldorf sales subsidiary called TRICOBEST GmbH (capital Dm 200,000) with Mr. Johannes Koster as manager. The founder recently strengthened its Belgian interests - where it has a Brussels sales subsidiary Tricobest Belgie NV - by acquiring from Blue Bell SA, Genk (a subsidiary of the American firm Blue Bell Inc, Greenborough, North Virginia - see No 396) its production facilities at Neerpelt, Limburg.

** PEIGNAGE DE LA TOSSEE, ANC ETS BINET FILS SA, Tourcoing, Nord (mechanical wool-combing, grading, washing and carding - manufacture of lanolin, wool by-products - capital F 6.3 m.) which already employs 800 people, will considerably increase its production capacity by absorbing PEIGNAGE & CARBONISAGE DE MOUVAUX Sarl, Mouvaux, Nord. The latter has F 2 million capital and employs about 350 people, and has activities similar to those of Tossee, including de-greasing.

** Within the Dutch textile industry NV ZEEUWSCHE CONFECTIE-FABRIEKEN, Middelburg (see No 452) is to take over and absorb NV CONFECTIEFABRIEK HEKA v/h VAN HEEK, Rijssen (capital Fl 820,000). It will then change its name to NV VERENIGDE NEDERLANDSE CONFECTIEBERIJVEN-VENECO. The Middelburg firm's main subsidiary is Necolan NV, and there are production facilities in Middelburg, Arrdenburg and Langemark, Belgium.

TOURISM

** The West German tourist agency TOUROPA GmbH & CO KG, Ruhpolding (see No 455) has carried out a plan decided upon in 1967 (see No 447) by backing with a 40%

stake the newly formed Paris agency TOUROPA Sarl (capital F 100,000). Partners in the new concern are the Hanover agency SCHARNOW-REISEN GmbH & Co KG (40%) and AGENCE UNIVERS Sarl, Paris (10%) as well as the manager, M. Pierre Heumann.

The founder belongs to the consortium of West German agencies, Touropa-Scharnow-Hummel-Tigges, which had a total turnover in 1967 of Dm 450 million.

** Controlled 60% by the BANQUE DE PARIS & DES PAYS-BAS SA (see No 468), CLUB EUROPEEN DE TOURISME SA, Paris (see No 371) has formed a subsidiary in Vienna called CLUB EUROPEEN DU TOURISME GmbH (capital Sch 250,000), with M. Pierre Jenn as managing director.

The founder company is the chief rival in France of the Club Mediterranee SA, Paris (see No 458) and is concerned at the moment with an expansion programme which includes the construction and administration of 22 holiday villages and hotel clubs (11,000 beds planned for 1970) as well as the organisation of group holiday trips. With a capital of F 4.05 million, it absorbed Ste Europeenne d'Etude & de Promotion Touristique SA at the end of 1967; this latter firm is affiliated amongst others to the Banque de Neuflize, Schlumberger, Mallet et Cie Snc, Paris (see No 468).

TRADE

** The Brussels department store group SARMA SA (see No 462) intends to enlarge its property holdings so as to strengthen the position of its branches. It will therefore raise by a total of Bf 344.5 million its stake in STE COMMERCIALE & IMMOBILIERE - S.C.I. SA and SA CENTRALE IMMOBILIERE NATIONALE - C.I.N. (see No 242) both in Forest-Brussels.

The latter (capital Bf 54 m.) is already controlled by SARMA, and is the main shareholder in Immovennes SA, Liege. The first-mentioned (formerly Ste Commerciale Nopri SA) raised its capital some months ago to Bf 120 million. It owns the premises of the "Nopri" shops, which were acquired in late 1966 by SARMA when the group merged with SA Groothuis, Forest (see No 377).

** Two Amsterdam international trading companies, VRG - VAN REEKUM PAPIERGEPACY NV and NV MACHINEHANDEL MANEZ are currently concentrating.VRG is controlled by NV GEMEENSCHAPPELIJK BEZIT VRG-PAPIER: it has Fl 15 million authorised capital (just over 20% paid-up) employs about 200 people and has agencies in London, Hamburg, Paris, Gothenburg, Vienna, New York, Sydney, Melbourne, Brisbane and Johannesburg etc. Its main trading lines are in paper, card and cellulose and printing requisites. Manez has Fl 1.2 million capital, and with 120 on its payroll, distributes printing and wrapping machinery and labelling equipment. The foreign companies it acts for include: Ludlow Typograph Co, Chicago; American Type Founders Co Inc, Elizabeth N.J.; Felix Böttcher Druckwalzfabriken, Cologne (see No 468); König & Bauer (see No 413) and C & A Holweg Sarl of Strasbourg.

** The Düsseldorf company AMERICAN TRADING CO GmbH (formed in September 1961 - capital Dm 100,000) to trade in chemical products, machine-tools, textile machinery etc has been dissolved. It was the subsidiary of the New York, American Trading Co Inc, whose British representative is John Astie & Co Ltd, Greenock, Scotland.

** CATENA EXPANSION SA (variable capital), a chain store advisory firm, has been formed in Paris with Messrs. Pierre Baudoux and Jean-Pierre Fournier as president and managing director respectively. With an initial capital of F 100,000, the new company is on the premises of CATENA FRANCE Sarl, a member of the CATENA (see No 457) European chain of wholesalers and retailers. Catena Expansion's object is to increase the number of sales outlets of the chain, to increase its general size, and its product coverage and to promote co-operation with other firms in the sector.

On the board are a number of important firms in the retail sector: Tabur Quincaillerie SA, Avranches, Manche (capital F 1.5 m.) president M. Maurice Tabur, founder and leading light behind the Catena-Veillet Lavallee Caillet & Cie SA, Bergerac, Dordogne (F 790,000) and Ste Europeenne de Vente en Gros-Eurogros SA, Paris (F 125,000). The latter firm, subsidiary of the large store concern Bazar de l'Hotel de Ville SA, Paris, is also a shareholder in Ste Catena Saone & Rhone Chalons-sur-Saone, together with, amongst others, Cie Optorg SA, Paris (see No 457) which also has a holding in Catena France.

TRANSPORT

** The Swedish group T.G.O. - TRAFIK A/B GRAENGESBERG OXEL-OESUND, Stockholm (see No 397), which has long been established in Belgium with 85% control of Gränges - Graver SA (metallurgy and plant for the chemical and oil industries - formerly Gravers SA, Willebrock - see No 348), has expanded there by taking a 50% holding in GHENT TANKING CO NV, Antwerp (see No 461), which is doubling its capital to Bf 25 million.

Ghent Tanking specialises in petroleum products, transport and storage, and was formed a few months ago bythis petrol distribution company TH. WEISSER KG, Hamburg (see No 456), 50-50 with its Belgian subsidiary Mabanaft NV, Antwerp.

** Three French and three German cold storage concerns having between them 1.5 million m^3 of refrigerated warehousing, and already linked by several bilateral agreements, have decided to coordinate their activities, mainly to promote traffic in perishable goods between France and West Germany.

On the German side, the parties are LINDE AG, Wiesbaden (see No 467), its 14.2% affiliate GESELLSCHAFT FUER MAERKT- & KUHLHALLEN, Hamburg (see No 387), and their 50-50 joint subsidiary KUEHLHAUS KOELN GmbH, Cologne. The French partners in the scheme are CIE DES ENTREPOTS & GARES FRIGORIFIQUES SA, Paris (MM. De Rothschild Freres SA group - see No 461), S.T.E.F. - STE FRANCAISE DE TRANSPORTS & D'ENTREPOTS FRIGORIFIQUES SA, Paris (controlled by the Ste Nationale des Chemins de Fer Francais - S.N.C.F.) and its 40% subsidiary ENTREPOTS FRIGORIFIQUES LYONNAIS SA, Lyons (see No 444).

** NV HARWICH FERRY AGENTUUR, Hook of Holland (authorised capital Fl 2 m. - 0.5% issued) has just been formed in the Netherlands to act as agent - under Mr. G. Quint - for the ferry service between the Hook of Holland and Harwich operated by British Railways and Stoomvaartmij , Zeeland, Kon. Ned. Postvaart NV. Joint founders of the new company are the Rotterdam group Wm. H. MULLER & CO NV (see No 465) and HUDIG & PIETERS NV, Rotterdam (formerly Hudig and Pieters C.V. - see No 407) until now the respective agents of the British and Dutch shipping lines.

Hudig & Pieters (capital Fl 50,000) specialises in maritime broking, but since January 1968 has been controlled by Hudig & Pieters Beheersmij NV, Rotterdam (capital Fl 2.5 m.), the property of the Pieters family; there is a sister-company Hudig- & Pieters Algemene Scheepvaart Mij NV, Rotterdam (capital Fl 2.5 m.) which organises coastal shipping service, loading and storage of cargoes.

** HEPPNER STE DE TRANSPORTS INTERNATIONAUX SA, Strasbourg has taken over its affiliate U.R.T.M. - UNION REGIONALE DE TRANSPORTS & DE MESSAGERIES SA (capital F 400,000 - gross assets F 720,000). As a result the former has raised its capital to F 3.12 million; with branches in Paris, Marseilles and Forbach, it has an agency for West Germany across the Rhine from Strasbourg in Kehl, HEPPNER SPEDITIONSGESELLSCHAFT.

** The Stockholm transport and metals concern REDERI A/B NORDSTJERNEN (JOHNSON LINE) has formed an almost wholly-owned subsidiary in Brussels, JOHNSON LINE (BELGIUM) SA, (president Sven Lagerberg; managing director Thomas G. Braithwaite). This company has Bf 500,000 capital, and is to control and coordinate the shipping business of the group's agents and offices both on the Continent and in Ireland and Britain, where it has London subsidiary, A. Johnson & Co (London) Ltd. Its other shareholders, at token level, are five Stockholm members of the group: A/B Sideros, A/B Kalteg, A/B Nata, Förvaltrings A/B Hera and Handels A/B Vox.

The group's metal interests are handled mainly by Avesta Jernverks A/B, Avesta (see No 308), which in the EEC has a Milan subsidiary, Avesta Acciai Inossidabili SpA (capital Lire 200 m.).

VARIOUS

** The Danish stainless steel cutlery, kitchen ware and gifts concern, A/S STELTON GENTOFFE, Copenhagen, has set up a sales subsidiary in Hamburg, STELTON GmbH (capital Dm 20,000 - manager Hans-Peter Kunstmann).

INDEX TO MAIN COMPANIES NAMED