Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

July 18, 1968 No 470

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 8 - July 14, 1968

THE COMMON MARKET

The past week has seen the international economic situation resume the mantle of calmer times, but it is still uncertain whether this particular development will be maintained or whether the coming weeks will see a further crisis break out somewhere on the international scene. The announcement that France had secured short-credit loans amounting to $1,300 million under swap agreements from the Central Banks of her Common Market partners, from the Federal Reserve Bank of New York and the Bank for International Settlements not only comes as a switch in French policy from criticising such methods as a means of keeping in being an outdated monetary system, but may also indicate that she will be more ready to support constructive moves to reform the existing situation.

Within the Community, the focus of attention remains France's measures to protect her economic life and encourage exports. Her partners, although objecting in varying degrees, are still likely to accept the decisions taken by Paris if only to avoid a worsening of the situation. In any case the past history of French action would not lead one to believe that a decision to take strong action against the measures would produce any benefit for the Five. Since Article 108 of the Rome Treaty is obviously now the Commission's basis for tackling the problems raised by the safeguards, the Monetary Committee of the Six met in Brussels on Wednesday and Thursday of last week to discuss what advice they should give the Commission as to the action France should take. The choice of Article 108 clears up some of the doubts, but it may nevertheless have been abused in this instance. As the meeting of the Foreign and Finance Ministers has now been postponed from July 16 to July 20 - still in Brussels - the Commission's exact course of action under Article 108 is still uncertain.

The decision to postpone the meeting was taken at the request of the Italian chairman, who considered that as originally planned the ministers and their governments would have insufficient time to study the Commission's recommendations. In these, which have now been transmitted to the Six, it stresses once again the need for international competition to temper inflation and the general economic situation. It is still against the decision to impose import controls in principle, but seems willing to accept them provided they remain as limited as possible in both time and scope. Furthermore the Commission does not favour the use of export rebates, but believes that in the circumstances facing France some such measures are needed to boost French exports. An important part of the recommendation is the call for other Common Market countries to lift their growth rate during 1969, so that French exports to the EEC can be given a fillip, to grow by 12-13%, the "indispensable minimum" for the balance of payments equilibrium.

It is also proposed that the European Social Fund should play a more active role in dealing with unemployment and labour problems within France. In a call for Community solidarity, the recommendation considers that the rest of the Six should take a common line over the French economy, when the problem is dealt in international economic organisations. The need for the Community to deal with the major economic and social crisis facing the member states as a common problem has been stressed by the approach taken, although an undercurrent of national "levelling the score" can still be found.

It is accepted that for some products such as cars France has a case for protecting her industry for a limited period, but for certain other products such as textiles and domestic appliances doubts exist as to the justification of her decisions. Both Belgium and Italy find it hard to understand why certain textiles are protected - apart from pressure by French manufacturers, since she is a net exporter of textiles. In the case of domestic electrical appliances, the Commission refused to grant the French government authorisation to impose controls, against Italian firms earlier this year for the reason that this sector had already benefited from protection, and should have been ready for competition by then. Whether or not this sector is allowed protection once again remains to be seen, but the chances are that it will be given the go-ahead. Not much opposition is expected from Germany or Luxembourg, although an indirect cause of concern is that Belgian steel exports to France having been slowed down, producers are now paying increased attention to the West German market. Even the Dutch seem willing to accept the French measures, albeit reluctantly,for a short period, but still felt that France would do better, economically, to use her excess productive capacity and high reserves. There may be friction amongst the Six, if France trys to avoid drawing on her reserves by using various other forms of protection. However the whole problem of the French economy and its outlook will no doubt be reviewed in October along with the safeguards for French steel.

In last week's Budget measures announced by M. Couve de Murville, whilst still Finance Minister, he said that the extra costs created by the crisis amounted to 7,500 m. francs and that through raising an additional 2,500 francs from new taxes, the budget deficit should be 10,500 m. francs. The extra cost comes from the civil service, nationalised industries, ex-servicemen, social services, export aids, support for agriculture, and education, whilst the fiscal revenue comes from increased taxes for higher income groups (expected to account for 42% of the 2,500 m. francs), road tax for high powered cars, new company taxes, stamp duty, etc.

The season of French summer holidays has now arrived, and with the drop in production because of the crisis, it will be September before the economy can begin an uninterrupted run once again. The latest survey by the Institute of National Statistics is more optimistic than might have been expected, but the rise in unemployment during June (over 500,000 on adjusted figures), although not a surprise, is also a warning for the new government. M. Couve de Murville expects that it will take at least until the end of 1969 before the economy can be on a sound footing again, and then only if nothing upsets the government's forecasts.

* * *

EEC Economy

In spite of greater uncertainties in the future than is normal, the Commission was able in its second Quarterly Survey on the economic situation in the Community, to forecast once again a high rate of expansion for Europe. On the eve of the complete abolition of the internal customs frontiers between member countries, when the survey was compiled, the Commission was able to report that the economy is expanding rapidly in spite of the French crisis. Even in the face of the French strike and the lost production in May and June resulting from this, the Commission has stuck to its previous forecast of a 5% growth rate for the member countries this year.

In the first half of this year demand for Community exports has been very dynamic, although this was to a large extent due to the special circumstances in which sales to the United Kingdom and to the United States have been expanding very rapidly. The Community has forecast that this trend will be shortlived; the high rate of economic expansion in Europe will reduce Europe's exports to the United States, thereby helping the American balance of payments. Vigorous consumer demand will be centred on West Germany and France, the latter market expanding particularly due to the general 14% rise in wages, although this trend may be mollified to a certain extent by increased taxation. Since the Spring the level of internal demand has increased throughout the Community. Gross fixed asset formation has followed a similar trend, and stock formation too has made an appreciable contribution to overall demand. Consumption expenditure continues to follow the cyclical upswing, duly reflecting, but with the usual time lag, the expansion of the other components of demand. Here too, signs of revival have become apparent since the Spring. Industrial production during the first half of this year rose sharply, although with the strikes in France, figures for this country have tended to offset this trend. Productivity gains have remained high, and in addition, expansion of production has been accompanied by an improvement in the employment situation. The general gearing up of the economy resulted in a faster increase in visible trade between the member countries, Germany again being the great focus of trading effort.

Imports from non-member countries are again waxing, and at a substantial rate now. After the appreciable improvement marked up during the first quarter, the Community's visible trade balance has again tended to deteriorate. Surpluses on current account, gained during the first four months of the year, were to a large extent offset by capital transactions with non-member countries. The official gross foreign exchange reserves of member countries fell between December 1967 and April 1968 by $620 million. At the same time however, the commercial banks managed to increase their holdings of foreign exchange.

During the period under consideration, the great thorn in the side of Community expansion was of course the French crisis. It is still too early to assess fully the impact that this will have on the EEC economy as a whde, but the Commission believes nevertheless that expansion will pick up again during the second half of the year.

On the whole the Commission remains optimistic. It feels that France's economic "consolidation" will be greatly eased by strong expansion in the Five, thus facilitating the growth of French exports. Moreover, enhanced competition, since the abolition of the last customs tariffs, should be an important contributory factor to holding down price inflation in France, thus affording real wage increases to the French worker. The tariff cuts implemented by the French government, both under the Kennedy Round agreement and on July 1 will have the effect of greatly increasing the level of imports, but these will still be adequately covered by the huge monetary reserves that France has maintained. The reserves, which at the beginning of May totalled $6,000 million, have dropped by over one billion (however 1,800 million). The Commission believes that the solution to the French problem is to be found in expansionist policies which would allow the full force of international competition to be brought to play on the French economy. This policy would though be supplemented with special help given to France within the framework of "community solidarity", The prospects of France's pulling herself out of the crisis were good, so the Commission thinks, but all measures must be taken to avoid her exporting any inflationary tendencies.

The Commission's preliminary forecast for 1969 point to a continuing expansion for the whole community, tempered by uncertainties in France. The contribution of export demand will however be smaller than in 1968, but the development of internal demand, and of private consumption in particular, should give a definite fillip to economic expansion. With this in mind, the Commission has been able to forecast that the gross Community product will rise roughly as much as in 1968.

* * *

E.C.S.C.

From Our Correspondent in Brussels

The Fourth Community Steel Congress: Uses in Chemistry

Over four hundred experts and technologists attended the ECSC's fourth Steel Congress in Luxembourg on July 9-11, which was chaired by Signor Pietro Campilli, president of the Italian National Economic & Labour Council, and former Chairman of the European Investment Bank. These Steel Congresses were started four years ago by former High Authority president, Dino bel Bo, the first having dealt with "Progress in Steel Construction" (it was held in 1964, just after the last major steel crisis in the Community). In 1965, the theme was developments in steel production technology, and the following year uses of steel in agriculture were studied. The subject this time was of great importance once again, as it touched upon one of the Community's key development industries: chemicals. For three days, top experts from all over the world exchanged ideas and experiences on the behaviour of steels under extremes of chemical and physical stress. Thus it is to be hoped that their findings will be reflected, as after the other three congresses, in the way the Commission decides to appropriate its research funds under the Treaty of Paris.

The Commission's delegates at the Congress took the opportunity once again to stress the need for close cooperation in research and development work in the Community. Signor Colonna insisted that if the Six were to meet their obligations both within the Community and towards the developing countries they must adopt an open-minded attitude to innovation, avoiding reaction in administration and creating the sort of climate where new technologies could thrive. This is very much a matter of politics, and it is the authorities in particular that must set the pace. Indeed, the Commission has little enough funds of its own to set in motion a European R & D policy, but this is not a prohibitive obstacle, as with technology what really matters is the attitude of industrialists and the degree of cooperation between them and the authorities, such that the Community's role need only rarely be one of direct action.

Signor Colonna went on, in reply to a question on the possibility of technological cooperation with the East Bloc countries, to remind the assembly that the Commission was fully aware that science knew no simple boundaries, and that nothing is to be gained from trying to pigeon-hole sectors, when it comes to getting great minds together.

For the Commission also, Jean Rey promised that more congresses of this kind would follow, though probably they would extend beyond single sectors such as steel, since the unified executive now embraces all industrial fields.

*

Consultative Committee on Treaties' Merger

The ECSC Consultative Committee recently got down to discussion of a new report on the problems posed by the approaching merger of the European Communities and their Treaties. The document in question is an updated version of the former Martin Report, which the Committee adopted in 1966.

Like the original document, this report points out the divergent attitudes that exist in the Committee between the representatives of various interests, but this did not prevent a very healthy consensus on the majority of issues raised. Nevertheless, a significant finding in the report is that during the last three years the terms of the Paris Treaty, and the application of them have failed to furnish viable solutions to current problems. Fears expressed in 1965 have been borne out, especially regarding the repercussions of the differing regimes applied to coal and other forms of energy. What has been brought into focus as a result is the lack of adequate market organisation and investment coordination, and the absence of any common energy policy.

The unanimous findings of three years ago on social questions still obtain, however, and the Committee was wholly agreed that it should insist on the writing into the future single treaty of the whole body of social legislation achieved under the ECSC.

Reading between the lines here and there, it would seem as though the Committee really hopes for a Treaty containing roughly the following framework of legislation:

1) For Coal: A viable framework for all forms of energy, in other words the drafting of a common energy policy. As far as market conditions are concerned, the best thing in most cases would be for the present terms of the Paris Treaty to be extended to other forms of energy, than to liberalise the regime at present obtaining for coal, in order to align it with that applying to competing sources of energy.

2) For Steel: The reverse applies: most producers are in favour of lining up with the terms of trade obtaining for other commodities. Whilst the General Objectives remain valid, this could only apply if they were to be incorporated into a medium-term economic policy, having both general ramifications and provisions for specific sectors. As far as competition rules are concerned, Article 60 is questioned by some members of the Committee, and indeed totally rejected by others: Articles 85 and 86 of the Rome Treaty are what should be retained.

Finally, the Committee was most insistent that liaison at least as close as that which had been pursued with the High Authority should be maintained between all parties concerned and the Executive, this being a key factor in the successful realisation of European economic integration, as aspired to by all members of the Committee.

*

Steel Market: Too Much Rope

Steel, like most other industrial products, was selected by the French Government for protective action as a means of restoring stability to the sector after the economic setback of the recent crisis. The Commission ratified the measures exactly as defined by Paris, even though in both the Consultative Committee and the Council of Ministers all representatives of government and industry in the other five member countries expressed their disapproval of the measures. The Commission saw fit to ignore this, deeming import quotas to be the only measure likely in the short term to achieve the object desired, i.e. of restoring the French steel industry to the competitive position it held before the crisis.

As was perhaps anticipated, rumblings about too many exports from third countries, and even more so from other member states, are now being heard also in West Germany, where representatives of the steel industry have made such feelings known to the economic affairs minister, Professor Karl Schiller. His advice to them, or more specifically to the four West German steel sales agencies, was to make more frequent modifications in their recommended list prices, following market trends, or alternatively to resort to price alignment whenever it became necessary.

But a policy such as this could well jeopardise the positive results so far achieved by the agencies, which have succeeded in restoring equilibrium to the market, and in addition, it might well stress the decline in prices that is following in the wake of increasing competitive pressure from imports. It is the view of almost all steelmen in the Community that the price regulations laid down in the Paris Treaty no longer adequately cater for the situation in which the Community finds itself. This point was again made by M. Conrot, a steel producer from Luxembourg, in his report to the Consultative Committee, in which he states: "the stringent measures laid down in the ECSC Treaty, which are so difficult to observe, have not yielded the results expected of them. They have failed to stave off changes in the nature and structure of the market, to eliminate the persistent lack of balance between supply and demand, or to cope with developments in the system of distribution. The market is now in a state of disorder, near-anarchy, cloaked with severe restrictions and larded with controls, that is the very negation of what the Treaty sought. Producers, with their prices slowly but surely eroded by unbridled competition, are finding themselves with inadequate profit/cost ratios that are stifling their ability to modernise."

What can be done? Restrictions on imports could only be countenanced in the most exceptional and grave of circumstances, as is the case with France at the present time, but no steel producer in the Five would begin to consider such a extreme course. This however does not alter the fact that if steel imports continue to increase too rapidly it will completely annul even the most strenuous efforts made by member countries to restore order to their respective steel markets. In West Germany, imports from other member countries alone account for 26% of all domestic usage, and for some items, such as concrete rounds, the level is as high as 50%.

The situation certainly calls for close consideration, and the Commission has made it a priority question in its deliberations on the common steel policy. Meantime, the steel producers are having to cope as best they can, not least by trying to persuade each other to adopt a reasonable attitude towards their neighbours' markets, but the result of these efforts so far has not been very encouraging.

* * *

EURATOM

The Commission Replies to the Member Countries on the NPT

On Thursday the Commission made known to the member countries its views on the compatibility of the Nuclear Non-Proliferation Treaty with the Euratom Treaty, and especially with Article 103 of the Treaty. The Commission's judgment was just what had been expected (see No 469).

The Commission feels that the member countries should be allowed to sign the NPT, but that they should wait before ratifying it for some "satisfactory agreement" between Euratom and the IAEA on the control of the Community Nuclear Installations. This question of control has always been a stumbling block for the NPT, and forms the real kernel of the question of non-proliferation, for without control there must inevitably be proliferation. At the present time it is the task of Euratom alone, by virtue of the Treaty, to control all nuclear installations within the Six. According to the NPT, however, this task would pass to the Agency in Vienna, thus depriving Euratom of sovereignty over Community nuclear matters.

What the Commission is then seeking is an agreement by which the rights of the member countries and those of Euratom would be respected. Up till now few really satisfactory concrete suggestions as to the form such an agreement would take have been made. A number of vague suggestions have come up, such as control "delegated by Vienna to Euratom", "double control", control by Vienna "after that imposed by Euratom" ....., all of which are very vague and which tend to mask the complexity of the problem with their vagueness.

It remains as well to be seen whether the member countries will accept the Commission's decision. The Netherlands and Belgium would like to sign the NPT without the proviso of holding back on ratification, which the Commission has advised. The two countries feel that as regards negotiation the Commission should have some mandate or other, but they do not define the mandate, nor how it should be used in the long term. What for example will be the members' attitude if, after having negotiated with the IAEA, the Community comes to the decision that the NPT cannot be ratified. A Council of Ministers meeting will probably be convened to discuss this very question before the holidays.

The problem of Euratom control will probably raise another perennial question, that of majority or unanimous voting. France of course will have nothing to do with the whole business of the NPT, which she has no intention of signing. West Germany does not wish to accept control from the IAEA, but in a majority vote Bonn would have to back down. All this adds up to a nice little power struggle between the conflicting forces of the Community.

* * *

AGRICULTURE

German Safeguards for Preserves

Bonn has decided to withdraw from full commitment to the free circulation of preserved fruit and vegetables in the Community, as established on July 1. The decision has nothing to do with France's safeguards, and indeed does not come as a surprise: some such move was expected, if not from Germany, then from another EEC member country.

On January 28, the EEC Council of agricultural ministers decided to bring in free trade in the Community for these items, deferring for six months the harmonisation of terms of trade with third countries. Even then, distortions were foreseen for the market, as was the likelihood of some parties having recourse to safeguards. Because the Netherlands have the lowest protection level against third countries, imports have tended to be swallowed up by Rotterdam. Germany, being the first to feel the effects of this, has decided to close her frontiers to many items of produce from outside the Community, which come to her by way of other member states. France has given notice to the Commission that she too reserves the right to bring in such safeguards.

*

French Defences for Produce

In addition to all the industrial safeguards France has introduced in her quest to restore stability after the recent troubles, she has just given notice to the EEC Commission as to what protection she has placed upon her fruit and vegetable market, especially for peaches.

The regime imposed is in fact more severe than Community legislation allows. Not only has France restricted imports: she has also established export rebates and totally suspended imports from third countries of tomatoes, apricots, beans, carrots, onions and cherries. The export rebate also placed upon cherries is in contradiction with Community rules. Again, while Brussels only allows loans for this, the French Government has given outright grants to groups of artichoke producers.

Before this compendium of measures, the Commission has found itself rather at a loss: there can be no question that many of them stem directly from the May-June crisis, in that many growers have suffered badly from the breakdown in transport and communications. At the same time, with peaches for instance, the real trouble has been overproduction, which is something that members other than France have also experienced: what these reveal is the inadequacy of certain of the support systems set up by Community legislation.

The Commission is still working on the question, and one assumes that at the meeting of the Agricultural Ministers on Monday, July 14, which is for discussion of the implementation rules for the common beef and dairy markets, due now to be instituted on July 29, it will confer discreetly with the French delegation on the matter.

* * *

ASSOCIATION

Malaysian Membership Backed by the Netherlands

The Dutch Government, in the person of Dr. Joseph Luns last week gave an undertaking to support Malaysia's bid for association to the European Community. Dr. Luns' declaration follows hard on a statement made by Malaysia's acting prime minister, Tun Abdul Razak, that his country would shortly be applying for some sort of association to the Community. The form of the association, or special arrangement, has yet to be finalised. Dr. Luns will raise the matter with the Dutch Ambassador to the Permanent Council of the EEC and also with his fellow foreign ministers on the Council.

Malaysia is bound to seek certain concessions for its principle exports: rubber, tin and palm oil. If the association goes through Malaysia will no doubt obtain these concessions, thus forcing the Netherlands to obtain similar concessions for her old colony, Indonesia. If not for all these items then for palm oil. The African associates will no doubt object to any special arrangements for Malaysia or for Indonesia for that matter, but in Dr. Luns' opinion, the African countries did not have a decisive voice.

Association to the EEC for Malaysia would help to restore the old trading relationship between South-East Asia and Europe. The importance of trade between these two blocks has declined greatly in recent years, especially since the demise of the European empires, Malaysian trade now being orientated towards South-East and Central Asia and Australasia.

* * *

TECHNOLOGY

Stop-Gap for ELDO Until October

On July 11 and 12, ministerial delegates from the seven members of the European Launcher Development Organisation (Belgium, Britain, France, Germany, Italy, the Netherlands and Australia) met in Paris for their first formal conference since Britain's announcement of her intention to discontinue funding ELDO after 1971. The crux of the meeting therefore was the matter of how the Organisation could survive financially, and at this stage at least there seems to be a consensus that ELDO can manage without Britain's 25% contribution to the budget, though only with judicious pruning of the programme. That was about as far as the achievement of the conference went. A pattern of cuts began to emerge, but with it came signs of disagreement amongst the delegates. The conference was chaired by M. Theo Lefevre, Belgian Science Minister, who felt at least that perhaps for the first time members were really laying their cards on the table, and this in itself was a step in the right direction.

The main problem with ELDO - and the one that has precipitated Britain's withdrawal - is that the 1966 estimate of the cost of its current launcher programme has now risen from \$626 million to \$720 million or more. To cope with this expense, plus the problem of sharing Britain's 25% equitably between the remaining members, the conference adopted an interim programme, dubbed "T-8 A", which will obtain between now and the next conference, called for October 10, and which will reduce the overstepping of the ELDO budget from \$100 million to 49 million. This interim programme consists essentially in the cancellation of one of the test launches of the Europa II rocket, the cutting back of the test programmes on the second and third stages, and the pruning of the trial satellite programme. The second cut here affects France, as it was on her "L-17" first stage (used in the Diamant B rocket of the national programme) that the boosters were to be tested, one of them being again an improved version of her own "Coralie" booster. Italy will be more affected by the trial satellite cuts, however, as the Europa II launch now scheduled for cancellation was the very one that was to carry her more sophisticated Italian vehicle. The two launches that remain in the Europa II series will launch two more simple devices.

It is here that difficulties are likely to arise. Italy has always been particularly sensitive to the question of "just returns" for her industry from her stake in European space projects (hence her refusal of additional credits for ESRO - see No 460), and in this instance she has made her assent to the cuts conditional upon an 80% return, in terms of contracts for Italian industry accruing from the programme, on her contribution to the ELDO budget. It falls to M. Lefevre, between now and October, to go round the member countries of ELDO and iron out the difficulties likely to arise when the question of the sharing out of future budget contributions comes up for discussion at the next conference.

* * *

STUDIES AND TRENDS

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

Part 11 - Financial Aid

Development policy consists in a combination of planning and capital. If "trade not aid" is the best long term formula for the improvement of the economic situation within a developing country, then the necessary foundations for the creation of an apt economic infrastructure must be laid. When after the Second World War the United States, the United Nations and later the USSR began to pour large amounts of development aid into the emergent countries a number of states in Latin America and Asia thought they could cut short, or even cut out the infrastructure-building and the diversification periods of their economies. The direct result of such a philosophy was misguided investments in employment and capital.

The European Economic Community has never offered her African associates, that is to say the former colonial posessions of France, Belgium, Italy and the Netherlands, any development funds save those which would be used to promote rational and viable planning policies.

In addition to this condition, the EEC has always made the proviso that its aid be tied to specific projects, thus dissociating itself from any purely political schemes. The EEC has always called for economic expediency in the conduct of the associated states' affairs; it has asked the governments of these countries to promote "favourable economic conditions" before it was willing to offer financial aid, and it has demanded the right to scrutinize and control the implementation of the aid.

The financial aid which the European Economic Community affords to the associated african states and the remaining dependent territories should never be allowed to replace bi-lateral aid from individual states. This bi-lateral aid was regarded as a gloss on foreign and home investments in the associate countries, and as supplementary, and in most cases outright grant aid was able to pave the way towards multifarious investments, supported by bi-lateral state or private investments.

On an average Community aid has reached between 35 and 40% of the bilateral aid paid out by the six EEC countries to individual associated countries, and a quarter to a fifth of all aid at present available to foreign countries. The element of stability which the vast extent of EEC aid bestows upon the development of each individual country cannot be denied. Now that the Community is concentrating more and more on grant aid, the indebtedness of the developing nations, as least as regards the EEC, is becoming proportionately less.

The outline aid policy and the method of dispensing that aid within the format of the European Development Fund was all worked out in advance of the developing countries' gaining their independence. Thus the Community has paid out of the available resources of the first development fund (totalling $581 m.) some $579 million on 383 development projects. Two million dollars were kept in reserve, lest the estimate were exceeded. . The countries to receive this aid were the 18 states who gained their independence between 1960 and 1962, Algeria and New Guinea, who in 1962 decided to relinquish their co-operation with the development fund, two new recipient countries - Surinam (1962) and the Dutch Antilles (1964), as well as the eleven dependent countries (7 overseas territories and 4 overseas departments).

The Yaounde Convention gave a precise definition of its aid to the associated countries - "financial and technical co-operation". It commits the Community to playing a part in the formulation of measures to promote the economic and social development of the associated states, in that it supplements the associated countries own efforts at development. This means that the initiative must always come from the associated country and not from the Community. Financial aid up to 1969 has been fixed at $730, from which the European Development Fund is to make available some $666 million. $620 million of this is taking the form of outright grants, and $46 million is for loans limited by special conditions. In addition, loans of up to $64 million are to be made by the European Investment Bank.

It is significant that the Community is allocating $730 million for aid in fields where the need for help has appeared crucial. Up to $500 million has been put aside for the task of building economic and social infrastructures, for production planning, for technical aid, for the training of management personnel, as well as for professional training. The remaining $230 million is to be employed in the first instance to launch goods produced in the associated states on the EEC market. This is being achieved by rationalising cultivation and selling procedure, and by price controls. Payment in advance should temper the intermittent effects of price instability on world markets. Obviously, this aid for diversification and production presupposes a planning system that is as concise and exact as that needed for infrastructural projects.

A comparison between the payments made by the first Development Fund and the second shows that the first Fund concentrated more on the building of infrastructures, whilst the second Fund has paid out more for the modernisation of agriculture within the associated countries (see Opera Mundi - Europe Nos 351, 446, 454). The breakdown is as follows:

First Fund: $252 million for infrastructure. $141 for agricultural modernisation schemes. $113 million for school building. $50 million for health programmes, the remainder being used for various general projects.

Second Fund: (Up to the middle of January 1968) $135 million for infrastructural projects. $200 million for agricultural modernisation. $26 million for the support of agricultural prices (the first fund had made no grants for this), $52 million for school building.

$18 million for eduction (here the EEC Commission had formerly raised the capital), $27 million for health programmes, the remainder for various projects.

Hardly a day passes in the member countries without a discussion, and more often a criticism of the EEC's current aid programme. Commentators and critics usually concern themselves however with figures for the whole world. Single projects are often overlooked; it often happens that a recipient country has a large-scale dam or a big steel complex built purely for the political effect that such a move will have.

Since the financial aid which the EEC provides is only for individual projects and serves only as "supplementary aid", there is throughout the Community a surprising lack of knowledge as to who receives the aid, how it is paid out and where it all goes. This lack of knowledge leads people to cast unfavourable judgments on European aid policy, and the constructive effectiveness of the Fund is then often overlooked. The debate on the continuation of the Yaounde Convention and on the level of future aid, which has just begun, cannot simply overlook the question of the balance sheets of the first and second Funds. They contain no spectacular successes, nothing really epoch-making. The diversity of the aid given so far proves that concrete progress has been made in the associated countries with help from the EEC fund.

Infrastructure:

With the monies from the first Fund 2,900 kilometres of new asphalt roads, 1,930 km of secondary roads and 1,540 km of track have been constructed. In addition 361 bridges have been built.

These figures do not give a true picture of the situation. They give no idea of the difficulties and the effort which lie behind such figures. Road construction in Africa calls for specialised knowledge of cutting highways through virgin forest or steppe. The desert, virgin forest and steppe landscape needs different yardsticks from those we are accustomed to in Europe. Bridge or road construction in Africa demands that the most effective modern engineering techniques be employed meaningfully in the most primitive surroundings. Almost unsuspected in Europe are the achievements of the administrators and the employees of the EEC, who are stationed in the associate countries to watch over Community-financed projects on the spot, and to ensure sound spending of European money derived from taxes.

Other achievements of the First Fund in the infrastructural field are: dredging and reconstruction of the harbours in Dakar, Abidjan, Douala, Tamatave, Fort-Etienne, Paramaribo; delivery of railway lines to Congo-Brazzaville; the construction of an airport at Berberati.

Finance from the Second Fund has been used to build 2, 500 km of asphalt roads, 116 km of secondary roads and ten bridges, as well as to finance several road construction surveys. In addition wharves have been built at Owendo, Pointe des Galets and Noumea, a floating dredger has been delivered to the Congo, harbour installations have been built in Brazzaville, railways in the Ivory Coast and in the Cameroon and airports in Nouakchott and Curacao.

Modernising the Pattern of Agriculture:

The First Fund gave money to finance anti-soil erosion schemes covering 300,000 hectares in Upper Volta, Cameroon and Algeria, as well as for agricultural irrigation and restructuring schemes (the planting of cotton in Mali and tea in Burundi). In Ruanda peasant co-operative movements were set up. In all, 166 wells, 104 dams and 1, 500 springs were opened.

The Second Fund has done much more in the way of modernising the agricultural system. The balance sheet runs as follows: irrigation for cotton, rice and cane sugar - 2,000 hectares; 1,300 springs opened up in Dahomey, Niger and Upper Volta, as well as the formation of peasant co-operatives in Ruanda (14,000 hectares). The Ivory Coast has had a new scheme for building up its palm tree nurseries, as have Congo-Brazzaville, Cameroon and Dahomey. Tea plantations have been set up in Burundi and Ruanda. Senegal has been provided with new cotton fields as well as a factory for processing Cashew nut cultivation has been increased in Dahomey. New schemes have been implemented to improve animal husbandry methods, to increase the efficiency of cotton cultivation, to help purchase agricultural machinery and pesticides. An agricultural price support system has been introduced for ground nuts, coffee, pepper, rice, sugar, cotton, oil palms and coconut palms.

School building:

With the aid of the First Fund 2,700 bush classes have been formed and 2,000 teachers' houses built in the Cameroon, the Central African Republic and in Upper Volta; 73 secondary modern schools, including 35 boarding schools have also been built, as have 17 grammer schools (lycees) for some 7,900 pupils, six teacher training colleges, training workshops, and vocational training centres. Six advanced teacher training centres have also been set up.

The Second Fund has included under the title "schoolbuilding" 280 secondary modern classes, six grammer schools, a manual work training centre in Upper Volta, an institute for training statisticians in Yaounde, a department for electricians in Bujumbura, advanced teacher training colleges in Congo-Kinshasa, a school of administration in the Central African Republic and a new theology building for the university of Lovanium. A total of 633 education grants were paid out.

Health Programme:

The First Fund paid for the construction of 27 hospitals and clinics with 8,700 beds in all. The Second Fund enabled the various authorities to build five new hospitals, 47 clinics, 3 dispensaries, additional operating theatres and convalescant homes. Upper Volta, Mali and the Ivory Coast have received funds to buy materials to combat onchocercosis. The balance of the two Funds was spent on the construction of towns within the associates, the construction of communications systems and for "industrialisation". Under this heading the Second Fund has built up an electricity grid system and power stations to supply textile mills in the Cameroon and Upper Volta, tea factories in Burundi, a cement works in Figuil and a textile mill in the Republic of Chad.

The effectiveness of the projects cannot be gauged in relation to their cost. On the contrary, the relationship between cost and effectiveness varies greatly. A project to get volatile oils out of oranges in Mali cost some $47,000, whilst an oil palm planting scheme in the Ivory Coast cost some $35 million. In a recent debate on the effectiveness of the Yaounde Convention which was held in the European Parliament, cogent arguments were put forward by many parties for a rationally resolved allocation of funds for the associated states. The European Commission has evidently had this much in mind when considering the individual projects that have come up for consideration.

However, there are still a whole lot of problems which remain to be solved. Several countries are in arrears in the submission of viable and meaningful development projects, other countries are having great difficulty in breaking away from purely tropical markets onto the world market, whilst other projects founder through the lack of documentary evidence for feasibility studies, or because time limits are not observed, or because calculations based on reliable statistics are not available.

The implementation of those projects which have been accepted is often held up by climatic, technical and often political uncertainties; the greatest obstacles to surmount are the lack of suitable specialised personnel and the difficulty of administering projects which are dispersed over wide areas. In addition to these hazards, there is the ever-present problem of overstepping the prescribed limits on the cost of a job when the exact details of the work are not known in advance.

Both the European Investment Bank and the Fund are at present working together in Brussels in an effort to promote financial co-operation with the associate countries. The Investment Bank has the power to grant credits for up to 25 years and at an interest rate of 3%. This interest is being covered by the European Development Fund.

The complementary aid which the Community is granting the associates has in recent years shown more and more a certain side effect, which in the context of international capital transactions can only be welcomed. It has succeeded in introducing, both for the World Bank and for the IDA, FAC and the American AID, combined financing programmes, and thereby in leading the way to opening up new possibilities in multilateral, international aid programmes. The real value of the capital aid given by the Community will not really become apparent until financial support - hand in hand with administrative and organisational improvements - is implemented on a longer term basis.

- To be Continued -

BRITAIN	BEAUTILITY links with German WELLE furniture in ALFA	F
	Dutch VAN DER GRINTEN, through NIG, takes over ILFORD Azoflex	O
	French SALPA synthetic leather opens trade expansion branch	Q
CHILE	RENAULT-PEUGEOT association: joint assembly plant planned	C
EUROPE	I.C.T. reorganisation reaches France, Germany and Netherlands	H
FRANCE	Canadian DENISON MINES backs formation of quarrying company	E
	CLARET appliances group: GAUTHIER and ESSWEIN reorganised	F
	T-H H-B/C.S.F. concentration: COMPTEURS and Bank involved	H
	RENAULT marine engines to distribute for German FARYMANN	I
	LA BRUGEOISE & NIVELLES invests Bf 50 m. in CLICHY machinery	I
	Dutch HOLVRIEKA group takes over ALMA plant installations	J
	LINDE - A.E.G. subsidiary takes over DIENER refrigeration	K
	WARNER-LAMBERT's NEPERA subsidiary takes over MANUCO sweets	M
	SAINT-GOBAIN and RHONE POULENC link for fibreglass threads	N
GERMANY	EASTMAN KODAK sells 50% in FASERWERK HUELS to BAYER group	F
	AUGUST THYSSEN HUETTE seeks rolling mill link with BORSIG	J
	FAHR(K-H-D group) joint subsidiary formed with BUCHER-GUYER	K
	PHILLIPS DRILL to build assembly plant at Katsenbach	L
	MINDEN-RAVENSBERG, VEW and authorities to back atom project	O
	FELDMUEHLE paper (FLICK group) takes over WOELLER printing	P
ITALY	ALLIS CHALMERS machinery to run W.Europe interests from Rome	I
	LA SALLE MACHINE TOOL takes over similar firm of CIMAT	J
	I.T.E. IMPERIAL to form subsidiary with S.K.F.'s RIV subsidiary	K
NETHERLANDS	NORMAN, CRAIG & KUMMEL seek links with BUREAU VAN MAANEN	B
	RUBBERMAID sets up manufacturing subsidiary in Amsterdam	R
U.S.A.	OLIN MATHIESON gets "Laurinlactam" licence from HUELS, EMSER	E

CONTENTS

ADVERTISING

** As part of their plan to pool their hoardings business (see No 401), the Paris agencies AVENIR PUBLICITE SA (63.64% subsidiary of AGENCE HAVAS) and SA COURBET (OMNIUM FRANCAISE DE PUBLICITE) have joined 50-50 in forming Affichage & Promotion Commerciale Sarl (capital F 525,000 - managers MM. Jean Casanova and Xavier Perreau-Saussine). The new company will handle long-term and short campaign hoarding and movable display advertisements, and will use branches provided by Courbet in Nantes, responsible for the Loire-Atlantique and Vendee departments, and at Lille, covering the Nord and the Pas-de-Calais.

** The New York group NORMAN, CRAIG & KUMMEL INC (see No 417) has started talks with the Amsterdam agency BUREAU VAN MAANEN, RECLAME- & MARKETING ADVISEURS NV with a view to cooperation and possibly the purchase of a holding in the Dutch firm (capital Fl 50,000 - turnover Fl 25 m.)

The American group is already widely established in the Community: Norman, Craig & Kummel Werbe GmbH, Hamburg, which backs the Hamburg agency, H. Fanger, Dr W. Diebitsch, Norman, Craig , Kummel & Crane GmbH & Co KG; Provent - Norman, Craig & Kummel SA, Clichy, Hauts-de-Seine; Norman, Craig & Kummel Europe SA, Brussels etc.

** PUBLICITE INTERPLANS SA and PUBLI-SERVICE, STE NOUVELLE SA, both of Neuilly-, Hauts-de-Seine, are negotiating a merger. Interplans (capital F 1.8 m. - 1967 turnover F 55.8 m.) is controlled 50-50 by PUBLICIS SA, Paris (capital raised recently to F 28 m. - see No 445) and AGENCE HAVAS SA (see No 465), together with M. Robert Maury, president of the latter. Its former name was Damour Publicite SA, Paris, and it adopted its present one when it absorbed the agencies Promotec Sarl and Publicite Inter-Plans SA (first of the name), both of Paris, Publi-Service (formerly Publi-Service SA) again took its present name after absorbing Ste Nouvelle de Conseil en Publicite SA, Neuilly (46% affiliate of Havas), when it raised its capital to F 1.35 million. 1967 turnover was F 37.7 million, and shareholders include Publicite Inter-Plans and its president, M. Georges Petit.

AUTOMOBILES

** The Dutch motor group DAF-VAN DOORNE'S AUTOMOBIELFABRIEKEN NV, Eindhoven (see No 456) has granted a manufacturing licence to KALMAR VERKSTADS A/B, Kalmar(a 75% subsidiary of the Swedish railways, STATENS JARNVAGARS) for its lorries. From 1969 onwards these will be made in a new factory, which will be built largely with Daf's backing.

The Swedish company (500 employees) already uses "Daf" chassis and engines in building postal vans. It specialises in diesel locomotives, industrial tractors, railway rolling stock. Within the EEC it is represented by E.H.M. SA, Pre-St-Gervais, Seine-St-Denis; Italsvensk SaS, Genoa.

** R.N.U.R. - REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 469) is to strengthen its existing domestic and foreign links with PEUGEOT SA, Paris (see No 457) with an agreement made in principle with the Chilean government, under which the two groups would join in setting up a car assembly line and an engineering works.

In its factory at St-Bruno, Montreal, Ste de Montage Automobile - Soma assembles both Renault and Peugeot cars, and a similar function is carried out in Australia by Renault-Australia (Pty) Ltd, Melbourne.

** OFFICINE ALFIERI MASERATI SpA, Bologna and Modena (see No 442), which for some months has been linked industrially and financially with the French CITROEN SA group (Citroen, Berliet and Panhard vehicles - recently reorganised - see No 466), has steamlined by winding up its Gallarate, Varese subsidiary OSCA - OFFICINE SPEZIALIZZATE COSTRUZIONI AUTOMOBILI FRATELLI MASERATI SpA. This raised its capital to its present level of Lire 150 million late in 1965, when it moved from San Lazzaro to Savena, Bologna.

BUILDING AND CIVIL ENGINEERING

** SOLEXPERT INTERNATIONAL SA, Paris (soil engineers - see No 291) has opened a Zurich branch under M. Karl Blatter. The French firm was established in 1964 with a capital of F 10,000 (see No 278) as 60-40 subsidiary of Soletanche Sarl, Paris (see No 413) and Solexperts AG, Zurich, both of which are headed by the Swiss industrialist Ernest Ischy in association with the Italian group based in Milan, Ing. Giovanni Rodio & Co - Inapresa Costruzioni Speciali SpA.

** The British civil engineering planning concern B.S.P. INDUSTRIES LTD, Borehamwood, Herts has formed a subsidiary named B.S.P. KONSTRUKTIONS-ZEICHNUNGEN GmbH in Düsseldorf with Dm 20,000 capital, directed by Messrs Ivor Bailey, Alexander and John McLaren of Borehamwood.

** Following a rationalisation move within the German concrete tile industry a new company has been formed in Frankfurt, BRAAS & SCHWENK GmbH & Co. KG; the parent companies were BRAAS & CO GmbH, Frankfurt (see No 463) and E. SCHWENK ZEMENT -& STEINWERKE KG, Ulm, the first of which has made over its factories at Gosheim Donaüworth and Oetigheim, Rastatt to the new enterprise, whilst the second has made over its factories at Altheim, Ulm.

Schwenk, with its payroll of some 1,800 will continue to run its Allmeningen, Amberg, Bergfelden, Heidenheim, Karlstadt, Mergelstatten and Thalfingen factories quite independently. Braas & Co., (1967 turnover Dm 89 m.) is controlled directly (53.6%) by the British group, REDLAND HOLDINGS LTD, Reigate, Surrey (see No 463), with which it is associated in a number of European ventures - Redland-Braas-Bredero-Europa NV, Utrecht, Bramac Dachsteinwerk GmbH, Vienna, Betonzeigel AG, Döttingen, Switzerland.

** The Brussels investment companies INDUFOR SA (formerly INTERFOR SA - see No 461) and CIE FINANCIERE DU KATANGA SA (a member of the STE GENERALE DE BELGIQUE SA group, Brussels) now share direct control of STE D'EXPLOITATION DES ATELIERS STEPHANE JASINSKI SA, Etterbeek (see No 355) which specialises in fitting out buildings (ceilings, built-in cupboards, floors, insulating and sound-proofing). Formerly a subsidiary of Industries Du Bois De Coene & Cie SA, Courtrai and Heinsch, Arlon (see No 355) which still has a minority shareholding. Its name has been changed to FIBROCIT SA, (capital increased to Bf 30 m.) with the registered office moved to Brussels.

De Coene (capital Bf 275 m.) specialises in preparing woods, especially those from tropical areas. It also belongs to the Ste Generale de Belgique through Cie Financiere du Katanga, Indofor and C.C.C.I. - Cie du Congo Pour Le Commerce & L'Industrie SA.

** The Amsterdam building materials concern, MEBIN-MIJ TOT EXPLOITATIE VAN BETONMORTELBEDRIJVEN IN NEDERLAND NV (see No 365) has taken 50% in forming a similar concern in the Dutch town of Zierikzee: BETONMORTEL GREVELINGEN NV. This has Fl 600,000 authorised capital, 50% paid-up, and its other backers (25-25) are KALKFABRIEK v/h VAN DIJK & CO NV, Dordrecht and C. ESSELINK & ZONEN, Middelharnis.

Mebin is a joint subsidiary of ENCI - Eerste Ned Cementindustrie NV, Maastricht (itself a 67.8% interest of Cimentaries C.B.R., Brussels - Generale de Belgique group - see No 459), and of CEMIJ - Cementfabriek Ijmuiden NV, Ijmuiden, itself a 50-50 subsidiary of Kon. Ned Hoogovens & Staalfabrieken NV, Ijmuiden, and ENCI.

** WERNER & MERTZ GmbH, Mainz (cleansing and maintenance supplies, plastics etc - see No 419) has given 36% backing to the formation at Eupen of N.M.C. INDUSTRIE BELGIQUE SA (capital Bf 20 m.). This is controlled by NOEL MARQUET & CIE SA, a local affiliate (see No 308), whose interests it will take over in the sector of cellular building insulation: the processing of "DMC" polyurethane and polyethylene foam, and "Tuba" liquid plastic foam. The Mainz group's stake is held through its subsidiaries Solitaire GmbH, Erdal GmbH and Rex-Autopflege (9% each).

Noel Marquet also produces "Glanzer", "Vileda" and "Rexin" maintenance supplies, and with the German group controls two firms at Fourmies, Nord (see No 308).

** STE POUR LA FABRICATION D'ISOLANTS & DE REVETEMENTS LIGNEUX-ISOREL SA, Puteaux, Hauts-de-Seine, a member of the group STE CENTRALE DE DYNAMITE SA(see No 469 and chemicals) has taken over the sales network of the partitioning concern STE LINIERE DE TRIE-CHATEAU SA, Trie-Chateau, Oise. This follows Ligneux-Isorel's recent takeover (see No 448) of D. Dumond & Cie SA, Decines-Charpieu, Isere, which makes "Sonomo" extrusions.

Apart from insulating materials, laminated panels, decorative murals and acoustic ceilings, Isorel makes "Kreibaum" composition panels under licence from the German Otto Kreibaum company. It holds a 40% interest in Maison Okal, formed in Paris in January 1967 (capital F 3 m.) and making "Okal" prefabs, in which its associates are Kreibaum (25%); Ets Jung & Fils SA (20%), Sogespar SA (Indochine - 12%) and La Paternelle (3%).

** OMNIUM DE CONSTRUCTIONS & DE FINANCEMENT - O.C.E.F.I. SA (formed in May 1961 - capital F 15 m.) by BANQUE DE PARIS & DES PAYS-BAS (see this issue) whose purpose is to carry out property development schemes and grant the necessary credits, has formed a 95% subsidiary called STE GENERALE DE PROMOTION INDUSTRIELLE - SOGEPRIM Sarl (capital F 20,000). The managers of the new company are MM. J. Plouin and F. Manpas and it will carry out all types of property development. schemes. The remaining 5% is controlled by STE D'ETUDES IMMOBILIERES & DE CONSTRUCTION-SETIC SA (capital doubled in December 1967 to F 2 m).

** The Toronto mining group, DENISON MINES LTD (see No 416) has backed the formation of a new firm in Champigny, Val-de-Marne, called CIE FRANCAISE D'AGREGATS & MATERIAUX - C.F.A.M. SA (capital F 100,000), thus putting into action a plan which has been on the drawing board since the formation in May 1967 of its Paris subsidiary, DENISON-MINES SA (capital F 6.5 m.). This firm had been set up to quarry sand and gravel at Rolleboise in the Moisson-Mousseux region, Yvelines. The new company works primarily on the sales side and is controlled directly (60 and 40% respectively) by Messrs. Lucien Jeannin, Champigny and Jean Bodson, the vice-president of the Canadian group and president of Denison-Mines European Ltd.

CHEMICALS

** The Midland, Michigan group DOW CHEMICAL CO (see No 467) has taken the name of its Belgian subsidiary DOW CHEMICAL EUROPE SA, Brussels, now called Dow Chemcial Belgium SA, and given it to its newly-formed Zurich subsidiary: this has Sf 1.3 million capital, and its president is M. Zoltan Merszei. In Zurich, the group already has two major subsidiaries, Dow Chemical AG (capital Sf 420 m.) and Dow Bank AG (Sf 100 m.).

** CHEMISCHE WERKE HUELS AG, Marl (an affiliate of Farbwerke Hoechst AG and Farbenfabriken Bayer AG - see No 461) which already cooperates with the Swiss firm of EMSER WERKE AG, Domat, Ems (see No 305) in operating a joint polyamid raw materials production plant at Marl, will extend this cooperation further as the result of an agreement signed with OLIN MATHIESON CHEMICAL CORP (see No 447). The latter has been granted by the two companies a licence to manufacture "Laurinlactam" (used for nylon 12) in the United States, Canada and Mexico.

** CONOCO PLANT FOODS INTERNATIONAL INC, New York, a subsidiary of the CONTINENTAL OIL CO group, Wilmington, Delaware, and New York (see No 462) has opened a Brussels branch under M. Webe van der Veen, Keerbergen. The founder was itself recently formed (capital $ 100,000) and is part of the group's "Fertiliser" division. As such it is concerned with all aspects of fertiliser production and sales. In the United States, the group's fertiliser interests are co-ordinated by Agrico Chemical Co, which also controls Agricultural Chemical Co and Mid-South Chemical Co.

** EASTMAN KODAK CO, Rochester, New York (see No 279) has sold its 50% stake in the West German acrylic and polyester fibre manufacturer FASERWERKE HUELS GmbH, Marl, Recklinghausen (capital Dm 43.6 m.). The remainder is still held by CHEMISCHE WERKE HUELS AG, Marl (see No 442 and P, E). The purchaser of Kodak's stake is FARBENFABRIKEN BAYER AG, Leverkusen, which as a result of this move has raised its capital to Dm 1,580 million. Bayer already had an indirect interest in its new acquisition, through a direct 25% share in Hüls, and an indirect stake through Chemieverwaltung AG, Frankfurt (a 10% affiliate) which has a 50% share in Hüls.

The American group's West German interests still centre on Kodak AG, Stuttgart (capital Dm 72.4 m.) in the photo-chemical sector. It was this company which controlled the stake in Faserwerke Hüls.

CONSUMER DURABLES

** The Norwegian manufacturer of stainless steel household goods and ironmongery POLARIS FABRIKKER A/S, Sandnes, has formed a Hamburg sales subsidiary called POLARIS FABRIKKER GmbH (capital Dm 20,000) with Messrs. Audun Olsen and Rolf Sivertsen as managers.

** An agreement between the London based furniture design and production group BEAUTILITY LTD (see No 454) and the West German WELLE GmbH & Co KG, Paderborn (mainly bedroom and living room furniture - 1,200 on payroll) will result in the formation of a British manufacturing subsidiary called ALFA FURNITURE LTD. The London group will have an 88% interest and the factory will be at Blyth, Northumberland.

The German company has French and Swiss subsidiaries (see No 286), whilst the British group extended its French interests when it gained control of E. ADLER & CO SA, Paris (timber and plywood - see No 454). In Britain it is linked through William Goodacre & Sons Ltd, Kendal - with the American carpet firm E.T. Barwick Mills Inc, Chamblee, Georgia, in E.T. Barwick Mills Ltd, Bolton. There are other indirect interests in the United States and India.

** The merger and reorganisation recently decided upon within the French domestic appliances group ETS L.A. CLARET Sarl, Colombes, Hauts-de-Seine (see No 464) between CIE ESSWEIN SA, Boulogne-sur-Seine (capital F 8 m) and STE DES ETS GAUTHIER SA (capital F 397,000) has resulted in the formation of four new companies:

1) SA ESSWEIN & CIE SA (capital F 10 m. - gross assets F 39.68 m.) with M.P. Lamoure as president and making electrical equipment at Boulogne-sur-Seine and La Roche-sur-Yon; 2) STE FRANCAISE DE DEVELOPPEMENT THERMIQUE - S.F.D.T. SA (capital F Im - gross assets F 2.87 m.) president is also M. Lamoure which makes central-heating and air-conditioning equipment; 3) STE AIRBOX (A.Bx) SA (capital F 1.5 m. - gross assets F 3.65 m.) with M.P. Radat as president, which will produce aerosol containers and metal packagings at La Roche-sur-Yon; 4) SOVENAM-STE DE VENTE DE MATERIEL MENAGER SA (capital F 2m - gross assets F 2.52 m.) which will carry out sales and leasing operations under M. Lamoure. This has branches at Boulogne-sur-Seine and Lyons.

COSMETICS

** The Brussels based MARCHEUROP SA (see No 289) has fostered two agreements within the essential oil and perfumery sector of the Common Market. Firstly it has arranged a commercial agreement between the West German GLYSOLIDWERK GUSTAV SNOEK, CHEMISCHE FABRIK, Singen, Hohentwiel and the Belgian MARVEL SA, Etterbeek-Brussels (capital Bf 1.5 m. - 30 employees) which is engaged in importing cosmetic products.

The other is a 10-year agreement commercial and financial between COUVREUR-PARFUMERIE SA, Schaerbeek - Brussels and PARFUMS DE FRANCE SA, Paris.

ELECTRICAL ENGINEERING

** The Rotterdam group NV OVERZEE GAS & ELECTRICITEITSMIJ. - OGEM has strengthened its organisation within the Netherlands by gaining control of the electro-technical goods wholesaler W.BLIEK NV, Breda (branches at Tilburg and Middelburg) as well as its subsidiary NV TECHNISCHE HANDELSVERENIGING - T.H.V., Ryswick - of P. HOLTRING, Haarlem which operates a similar business.

In West Germany, Ogem has recently begun talks aimed at giving control of the electro-technical goods import-export concern Wiln. Böhmer GmbH, Dortmund (see No 466).

** DANA LABORATORIES INC, Irwine, California (see No 467) is about to set up its own subsidiary in France, having terminated earlier this year the agency agreement it had with RADIO-TELEVISION FRANCAISE A. NOE & CIE SA, Neuilly, Hauts-de-Seine.

** SA DES ATELIERS DE SECHERON, Geneva (see No 462) which makes heavy electrical equipment has sold its 20% shareholding in OCREN-OFFICINE RIPARAZIONI ELETTROMECCANICHE NAPOLETANA SpA, Naples (see No 422) whose capital has just been raised to Lire 5,000 million. The main beneficiary of the move is the Geneva's group partner in the Naples firm FINMECCANICA, Rome, which already had a 59.9% stake.

Ocren specialises in electrical equipment for locomotives, transformers and high-tension generators (up to 250,000 KW). Its other shareholders include S.M.E. -Sta Meridionale Finanziaria SpA, Naples (23.9%) and Banco di Napoli SpA (15.9%).

ELECTRONICS

** RADIO CORPORATION OF AMERICA, New York (see No 435) has established an Amsterdam sales subsidiary called RCA NV (capital Fl 50,000 - 20% paid-up) which has storage facilities at Amsterdam airport and is run by Mr J.J. Caron.

The American group's recent European moves include the formation at Aprila (administrative offices in Rome) of R.C.A. Colore SpA (capital Lire 10 m) to make colour TV tubes.

** As a result of the regroupings in the British computer industry in March, I.C.T. - International Computers & Tabulators Ltd, London (see No 312) changed its names to I.C.L. - INTERNATIONAL COMPUTERS LTD, and this has now been reflected in its German and French subsidiaries. International Computers & Tabulators GmbH, Düsseldorf (capital Dm 11 m.) has had its name changed to I.C.L. DEUTSCHLAND, INTERNATIONAL COMPUTERS GmbH, and I.C.T. (France) SA, Paris (capital F 32 m.) is now called I.C.L. (FRANCE) INTERNATIONAL COMPUTERS SA.

As regards the parent company, the concentration move gave rise to the formation of International Computers (Holdings) Ltd, in which the majority interest of 53.5 % overall is held by the former shareholders of I.C.T. (in particular FERRANTI LTD, Hollinwood, Lancs and VICKERS LTD, London), with 18% each retained by the ENGLISH ELECTRIC group of London (in return for making over its specialised subsidiary English Electric Computers Ltd) and THE PLESSEY CO LTD, Ilford, Essex (see No 448). The State also has an interest, of 10.5%. The new company is planning to set up a 40-60 subsidiary with the Plessey Co for development work on computerised telecommunications.

I.C.T. Nederland NV, The Hague (capital Fl 2 m.), the group's 50-50 joint subsidiary with Ruys' Handelsvereeniging NV, The Hague (member of the group Kon Rotterdamsche Lloyd NV, Rotterdam - see No 296) has similarly been renamed INTERNATIONAL COMPUTERS NEDERLAND NV.

** The merger decided upon in the autumn of 1967 between the electronic interests of CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS-BRANDT SA (see No 465) and C.S.F. - CIE GENERALE DE TELEGRAPHIE SANS FIL SA (see No 465) through C.S.F. acquiring T.H.H.B. interests in return for an increased stake, has resulted in a preliminary move. BANQUE DE PARIS & DES PAYS-BAS SA and CIE DES COMPTEURS SA (see No 458) have made over most of their respective shareholdings of 15.9% and 4.53% (end 1967) in C.S.F. to S.N.E.P.I. - STE NOUVELLE D'ETUDES & DE PARTICIPATIONS INDUSTRIELLES SA, Paris (a Banque de Paris subsidiary) which following this move has raised its capital from F 100,000 to F 34.01 m.

In a later move S.N.E.P.I. will be absorbed by Thomson-Houston and thus Banque de Paris and Cie des Compteurs will become direct shareholders in Thomson-Houston as well as having representatives on Thomson-Houston board, whilst Thomson-Houston will thereby acquire a direct stake in C.S.F.

** LAMBDA ELECTRONICS CORP, Melville, New York (checking equipment for electronic components) has made a technical agreement with STE D'ETUDES & FABRICATIONS INDUSTRIELLES - E.F.I., Sarl, Courbevoie, Hauts-de-Seine, which will result in it helping the latter develop feeder modules. The American firm is represented in France by Lambda Electronique Sarl, Versailles, Yvelines.

ENGINEERING & METAL

** NORD-CAL ENGINEERING CO, Redwood, California (water-processing) has formed a West German subsidiary called NOR-CAL ENGINEERING CO GmbH, Wixhausen, Darmstadt (capital Dm 20,000) with Herr Herbert Christoleit as manager.

** The leading French manufacturer of marine engines for inshore fishing and power-boating, RENAULT MARINE (part of the R.N.U.R. - Regie Nationale des Renault group - see this issue) has taken up the distribution network in France for the German producer of small marine engines, FARYMANN DIESEL FARNY & WEIDMANN oHG, Lamperthei Hesse. Owned by Herren Farny and Ernest Weidmann, this employs some 300 persons.

Renault-Marine is linked by sales agreements with several foreign companies including South-Western Marine Factors Ltd, Poole, Dorset (see No 399) and in the United States, Kiekhaeffer Corp, Fond-du-Lac, Wisconsin (see No 287).

** The Bulgarian BULGARTZVET, Sofia, has joined 50-50 with the Dutch import-export concern HERMAN EICKHOFF & ZONEN, IMPORT-EXPORT NV, Aalsmeer in forming at Aalsmeer a horticultural and farm machinery and equipment trading company. This has Fl 1 million authorised capital (25% paid-up) has taken the name TRAKIA NV, and has taken over its Dutch founder's trading business in Aalsmeer.

** STE FRANCAISE D'INSTALLATIONS DE REFRIGERATION & CLIMATISATION Sarl, Boulogne, Hauts-de-Seine has formed an engineering firm named SA FIREC in Brussels with Bf 1 million capital which, like itself, will undertake work on air conditioning, refrigeration and ducted air heating projects.

** ALLIS CHALMERS MANUFACTURING CO, West Allis, Wisconsin (see No 436) is to coordinate its European farm machinery and civil engineering plant interests through new Rome offices headed by Sig Giovanni Nicola da Vinci, and administering the group's associates and agents in the EEC, Switzerland, Austria, Yugoslavia, Greece, Turkey, Morocco, Algeria and Libya. Allis Chalmers has long been present on the Italian market through its manufacturing subsidiary, Allis Chalmers Italiana SpA, Cusano Milanino (capital Lire 2,600 m.).

** ESTOEL ERDSHALL SpA has just been formed in Rome with Lire 10 million capital as a 70% interest of the Liechtenstein investment company ERDSHALL HANDELS & FINANZ ANSTALT, Schaan, which is partnered in the venture by MECIP - MANUTENZIONE ESERCIZIO COSTRUZIONE IMPIANTI PETROLIFERI SpA, Rome, and FINKREDIT IMMOBILIEN & FINANZ AG, Chur (24% and 6% interests respectively).

The new company (president Aldo Baggi) is to assemble and maintain plant for distilling and refining hydrocarbons.

** One of the largest Belgian steel structures concerns, LA BRUGEOISE & NIVELLES SA (bridges and scaffolding; materials-handling equipment, trucks, containers, lorries etc - see No 451) has purchased Bf 50.1 million worth of shares in CONSTRUCTIONS DE CLICHY SA, Bobigny, Seine-St-Denis.

Clichy makes all-purpose grinding equipment and turntables, and has a wide network of foreign agents: Euromecanica SpA, Milan; Industrial Sale Machine Tools Ltd, Manchester; Casals Fonseca, Madrid; Wenk, Biel, Switzerland, and Covel Manufacturing Co, Benton Harbour, Michigan etc.

** The Utrecht group HOLVRIEKA NV (see No 371) has gained control of MACHINES & PROCEDES ALMA Sarl, Paris, by contributing in full to the latter's increase in capital from F 13,000 to 100,000(no profits shown in the last financial year). This has been renamed V.H.B. FRANCE Sarl, and will from now on design, manufacture (directly and by subcontracts) and negotiate the installation of plant and machinery, especially for the food, chemical, transport and building industries.

In the EEC, Holvrieka's main interest, since April 1966, has been its Ganshoren-Brussels subsidiary Holvrieka NV (Bf 1 m. capital) controlled 94% direct and the balance through subsidiaries or affiliates.

** The Turin machine tool concern CIMAT SpA has been taken over by LA SALLE MACHINE TOOL ITALIA SpA, Milan (see No 465) the subsidiary of the American group LA SALLE MACHINE TOOL CO, Warren, Michigan. The latter recently formed another Turin subsidiary LA SALLE MACHINE TOOL EUROPA SpA (president M. Robert I. Sattler) and then it took over Sta Commerciale Sterzi Srl, which was then changed to La Salle Machine Tool Italia, with Signor G.L. Mazzarelli of Cimat as director.

** The Italian G.D. Sas di E & A SERAGNOLI COSTRUZIONE, MECCA-NISHEFONDERIE, Bologna (wrapping machinery for the confectionery, soap, tobacco industries etc) has formed a sales subsidiary in Düsseldorf under the name of G.C. AUTO-MATISCHE VERPACKUNGSMASCHINEN GmbH (initial capital Dm 50,000 - manager Sig Cesare Samoglia of Bologna). The parent company already has a sales subsidiary in Paris, G.D. ENVELOPPEUSES AUTOMATIQUES Sarl (formed in August 1966 - see No 376).

** Sigs Nicola Cosa and G. Bassi, both of Milan, have joined 80-20 in forming CIE ITALIENNE D'EQUIPMENTS INDUSTRIELS (C.I.E.I. FRANCE) Sarl in Paris (capital F 20,000). The company is managed by M. P.E. Briere, and will import from Italy automatic bottle dispensing machines and similar equipment for cooled products, liquid,solid and gas.

** The AUGUST THYSSEN-HUETTE AG group, Duisburg-Hamborn (see No 467) has begun negotiations - through its 95.3% Düsseldorf subsidiary Thyssen-Röhren-werke AG (see No 427) - with BORSIG AG, Berlin (see No 403) with the aim of establishing a joint subsidiary in Berlin making rolled products and tubes.

Borsig (nearly 6,000 workers - capital Dm 35 m.) belonged to the State group, Salzgitter AG before becoming part of the Berlin heavy-engineering and machine tool group DEUTSCHE INDUSTRIEONLAGEN GmbH (see No 457). Thyssen-Röhrenwerke (capital Dm 276 m. - 20,000 on payroll) has numerous factories in Mülheim, Ruhr, Dinslaken, Düsseldorf, Ruhrort.

** FREDRIK MOGENSEN A/B, Djursholm, Sweden (mineral screening equipment) has established a West German sales subsidiary called MOGENSEN GmbH, Wedel, Holstein (capital Dm 20,000) with Mr. Karl Eggerstedt as manager.

** The West German heavy engineering, machine tools, wood and paper-machinery group J.M. VOITH GmbH, Heidenheim (see No 446) has increased its stake in the Spanish paper-machinery firm TALLERES DE TOLOSA, SA, Tolosa, Guipuzcoa (200 operatives) to a majority interest, and it will now be renamed VOITH TOLOSA. The move has been carried out through the Madrid subsidiary Maquinaria J.M. Voith SA. The German group has considerable interests both inside and outside the Common Market.

** The appointment of Herren von Davidson, Zobel and Schroder to the board of the Paris refrigeration and air-conditioning installation concern DIENER-LINDE SA (see No 404) follows the latter being taken over by LINDE HAUSGERAETE GmbH, Wiesbaden (a 75-25 subsidiary of AEG-Telefunken and Linde AG, Wiesbaden - see No 468). The French firm was founded by Ste de Distributions Regionales D'Energie-Diener SA (part of the Paris group Gaz & Eaux SA) and La Chaine du Froid SA. With a capital of F 2.8 m. its new parent company took a 10.7% shareholding during 1967. The Linde group specialises in cold techniques, and in 1967 formed a Paris subsidiary, Ste D'Application Des Techniques Linde Sarl (see No 402).

** The American company I.T.E. IMPERIAL CORP, Philadelphia - formed by the merger four months ago of I.T.E. CIRCUIT BREAKER CORP, Philadelphia and IMPERIAL EASTMAN CORP, Chicago (see No 294) - has signed an association agreement with the Turin firm RIV - S.K.F. OFFICINE DI VILLAR PEROSA SpA (see No 398) covering the manufacture of pneumatic equipment and instruments as well as systems for fluid transport and transfer (valves, connecting pipes, etc). A new subsidiary will be established to back the agreement, IMPERIAL RIV Srl, Turin with Mr. W.C. Musham as president and run by Signor Renato Orlandi, who will represent the Italian partner.

The latter specialises in ball-bearings, engine parts, measuring equipment, machine tools and has six main factories throughout Italy. Since 1965 it has been a 66.6% interest of the Swedish precision casting and engineering group S.K.F. - SVENSKA KUGELLAGER FABRIKEN A/B (see No 462 - but which has 81% of voting rights). The American firm has other European subsidiaries, shared with local companies in both Britain and France.

** A merger within the French thermal treatment industry will result in T.M.T.T. - STE TECHNIQUE MODERNE DE TRAITEMENT THERMIQUE SA, Gennevilliers, Hauts-de-Seine (capital F 1 m.) taking over its affiliate A.T.O.S. - ATELIERS DE TRAITEMENT D'OUTILLAGE & DE SURFACE SA, Gennevilliers (capital F 400,000) which specialises in rilsan coatings and surface treatment. Both are linked with S.O.C.A.T.- STE DE SERRURERIE CHAUDRONNERIE APPLICATION THERMIQUE SA, Gennevilliers (capital F 196,000).

** The manufacturing and sales agreement recently agreed upon (see No 463) in the plastics machinery sector between MASCHINENFABRIK FAHR AG, Gottmadingen, Baden (an affiliate of Klöckner Humboldt-Deutz AG, Cologne) and BUCHER-GUYER AG MASCHINENFABRIK, Niederweningen, Zurich has resulted in the formation of a joint subsidiary called FAHR-BUCHER GmbH, Gottmadingen (capital Dm 1.5 m. - manager Herr Ernst Saverbruch).

** REDEX SA, Ivry, Seine (capital F 580,000) specialising in winding equipment for use in the wire-drawing, steel rolling and textile industries intends to strengthen its Common Market interests by establishing an Italian subsidiary in association with local interests.

** W.C.B. CONTAINERS LTD, Audenshaw, Manchester has taken control of the Belgian firm making materials - handling equipment for the textile industry TRAFITOL Sprl, Destelbergen, Ghent (20 employees) and its former owner M. Jules de Raedt will remain as manager. As a result of this move W.C.B. (300 on payroll) will widen its range of industrial containers and fork-lift trucks.

** The European interests of the leading American civil engineering group CATERPILLAR TRACTOR CO, Peoria, Illinois (see No 402) have been strengthened with the formation of a second Geneva subsidiary called CATERPILLAR OVERSEAS CREDIT CORP SA (capital Sf 12.5 m.) to arrange credit outside the United States for the group, its distributors and clients. It is based on the premises of the first Geneva subsidiary Caterpillar Overseas SA; the other European subsidiaries are Caterpillar Tractor Co Ltd, Glasgow, Caterpillar Belgium SA, Gosselies and Caterpillar France SA, Grenoble.

** PHILLIPS DRILL CO, Michigan City, Indiana (self-anchoring cores for concrete - see No 366) is to build a assembly plant at Katsenbach, Landstuhl which will employ 100 people in 1970. There are already two European manufacturing subsidiaries, Phillips Drill Co France Sarl, Le Vesinet, Yvelines and Phillips Drill (UK) Ltd, Slough, Bucks. Elsewhere there are plants in Toronto, Johannesburg and Singapore.

** EURINDUS GmbH, Düsseldorf (corrugated steel panels) has established a branch bearing the name EURINDUS WERK BRILON, Brilon. This will run the factory which has been built at Brilon.

The Düsseldorf concern (formed July 1967 - see No 429) is the subsidiary of EURINDUS SA, Brussels. This is linked by technical and commercial agreements with The Cellactite Co Ltd, Gravesend, Kent, a member of British Uralite Ltd, Gravesend.

FINANCE

** The links between DEUTSCHE BANK, Frankfurt, AMSTERDAM-ROTTERDAM BANK, Amsterdam, MIDLAND BANK, London and the STE GENERALE DE BANQUE SA within the Brussels based B.E.C. -Banque Europeenne de Credit a Moyen Terme SA (see No 441), in the Amsterdam B.E.C. Finance NV (see No 428) and in the U.S. European American Banking Corp, and European American Bank Trust Co (see No 455) will be strengthened by the opening of a joint office at Djakarta. Headed by Mr. J.D. Schoon, this is due to start operations in September.

FOOD & DRINK

** The Amsterdam investment company NED PARTICIPATIE MIJ NV (see No 460), a member of the Hague finance group DE NATIONALE INVESTERINGSBANK - HERSTELBANK NV, has acquired an interest of just over 25% in MILDIS HOLDING NV, Heerenveen, which has paid up capital of Fl 2.85 million (out of 3.99 m. authorised).

This recently formed company heads Eerste Friesche Vetsmeltering Gebr. Smilde NV, Heerenveen, and NV v/h FA. H. Smeding Jr, Harlingen, which formed it. The first treats and processes animal fats, and has branches or stores in the Netherlands (Apeldoorn, Broek, Zoetermeer and Rotterdam), and West Germany (Bockhorst, Bielefeld). The second manufactures margarine, fats and oils.

** The Spanish wines and spirits trading concern CODORNIU SA, Barcelona (capital Pts 35 m. - speciality, sparkling wines) is about to form a company to represent it in West Germany: this will be at Mannheim, and will take the name of Codorniu Deutschland GmbH. In March of this year, Cordorniu made a similar move in Paris where it formed the F 20,000 Codorniu (France) Sarl, a wholly French venture, financially with 90% of the equity held by M. Guenole Millour, and the balance by Andre Puisais.

** NEPERA SA, Paris (capital F 10,000) , a member of the Morris Plains, New Jersey group WARNER-LAMBERT PHARMACEUTICAL CO (see No 422) through its Harriman, New York subsidiary NEPERA CHEMICAL CO INC, has taken over the Marseilles concern, MANUCO-MANUFACTURE DE CONFISERIE SA (see No 385). It already held shares in this firm, along with another member of the group, RICHARD HUDNUT SA, Suresnes, Hauts-de-Seine (capital F 5.25 m. - see No 331).

The American group has various subsidiaries or affiliates in France other than Nepera (acting at the moment on advice from the Brussels consultancy concern, Marcheurop SA - see Chemicals) and including: Laboratoires Substantia SA, Suresnes (capital F 2 m.); Parfums Ciro SA, Paris (F 500,000), and Laboratoires Fougerat SA, Paris (F 25,000), as well as the reagents manufacturer Precisio SA (in association with the Clin-Byla pharmaceuticals group - see No 458).

** The Paris dairy products company CLAUDEL SA (see No 401 - a member of the Swiss food group OURSINA SA, Konolfingen, Berne - see No 462) has gained control of the Havre firm ETS AVENEL SA (capital F 1.2, 1967 turnover F 31.7 m. - 40% from exports). Avenel trades in, processes and sells food and agricultural products.

As a result of this move, Claudel will strengthen its export position. With the same objective in mind it backed the formation in March 1967 of the Paris investment company Cie Industrielle d'Exportation Laitiere SA (capital F 10,000). This took a majority shareholding in Francexpa-Ste Francaise Pour L'Exportation des Produits Agricoles SA, Paris in association with Sapiem - Ste de Participations dans L'Industrie Alimentaire SA (see No 452), Genvrain SA (see No 459), Laiteries E. Bridel SA, Retiers Ille - et - Vilaine, Ets Jules Hutin SA, Blaise-sous-Arzillieres, Marne and Solaipa-Ste Laitiere du Pays d'Auge SA, Vimoutiers, Orne.

** The agreement between the French pasta manufacturer PATES ALIMENTAIRES RIVOIRE & CARRET Sarl, Marseilles and ETS LUSTUCRU SA, Grenoble jointly to operate a factory being built at Noyons, Oise (daily capacity 250 tons) has now resulted in a joint move in Spain. In association with UNIPOL-UNION DES INDUSTRIES DES PRODUITS OLEAGINEUX SA (see No 445) and STE DES VINS DE FRANCE SA, Marseilles (formerly Margnat SA - see No 451) through STE FINANCIERE MARGNAT FRERES Sarl, Marseilles - they have formed RIVOIRE & CARRET ESPANOLA SA (capital Ptas 75 m.) to make and sell pasta.

Within the Rivoire & Carret group itself, two subsidiaries are to merge in a further rationalisation move. RIVOCCA Sarl, Paris is to take over STE INDUSTRIELLE DE PATES ALIMENTAIRES - S.I.P.A. SA, Marseilles (capital F 9 m. - gross assets of F 42.75 m. - see No 447). Rivocca has changed its name to SEPAREC Sarl (capital raised to F 5 m.) and is now based at Marseilles.

** The Turin investment company FINANZIARIA REGIONALE PIEMONTESE SpA (capital Lire 5,000 m. - see No 459) has extended its stake in the Italian drinks industry by acquiring a large interest in PERLINO & CO-VALSA SpA, Asti (capital Lire 150 m. - see No 452). This is headed by Signor Enzo Giachero and deals in vermouths, aperitifs and Asti type wines. Its recently appointed West German representative is Italvino GmbH, Wiesbaden, whilst a few months ago it acquired a stake in the wine-growing concern Bruzzone SpA, Strevi, Alessandria.

** The American company THE GRIFFITH LABORATORIES INC, Union, New Jersey has taken a 31.5% interest along with KUYPERS VAN DEN BOOM NV, to form a new Rotterdam company called GRIFFITH LABORATORIES (EUROPE) NV (authorised capital Fl 1 m.) This will sell food products, spices and preservatives.

GLASS

** The French groups CIE DE SAINT-GOBAIN SA and RHONE-POULENC SA (through its subsidiary C.T.A. - CIE INDUSTRIELLE DE TEXTILES ARTIFICELS & SYNTHETIQUES SA - see No 462) have decided to link in building a production unit for textile fibre-glass used in strengthening natural and synthetic rubber elastomers, especially for tyres. A joint subsidiary called ELASTOVER SA (capital F 400,000) has been formed with M. Pierre Vignon as president.

Both groups are already linked in Le Verre Textile SA, Paris (capital F 25 m.) which has a number of foreign interests. This is controlled by Saint-Gobain (49.9%) and the Gillet group represented by Rhone-Poulenc (20%), C.T.A. (5%) and Pricel SA (25%).

INSURANCE

** The Rome insurance group L'EREDA - CIA ITALIANA DI ASSICURAZIONI SpA has made its "Life" division a separate company named L'EREDA VITA SpA, Rome. This has Lire 500 million capital and Sig. P. Zeppieri as president.

** The Amsterdam insurance group NV ALGEMENE MIJ TOT EXPLOITATIE VAN VERZEKERINGS-MIJNEN-A.M.E.V. (see No 438) intends to take control of another firm in the same sector NV MIJ VAN BRANDVERZEKERING VOOR HET KONINKLIJKE DER NEDERLANDEN'DE GROOTE BOSSCHE VAN 1838". One of the group's most recent moves was to acquire control of Verenigde Verzekerings Mij. NV - V.V.M., Utrecht (see No 385). In 1967, it established AMEV of Australia (Pty) Ltd, which it controls through its subsidiary NV Beleggingsmij. Brabant (formerly NV Adviesbureau Brabant) with an authorised capital of Fl 10 million (55% paid-up) in charge of running its Australian interests.

NUCLEAR ENGINEERING

** The decision to build a high-temperature helium-cooled 30 MWe reactor at Hagen in West Germany has resulted in the formation of HOCHTEMPERATUR-KERNKRAFTWERK GmbH (initial capital Dm 30,000). This is backed by the local authorities of Düsseldorf, Aachen, Bremen, Hagen and Würzburg as well as by the electricity production and distribution company ELEKTRIZITAETS-WERK MINDEN-RAVENSBERG GmbH, Herford (owned by the towns of Herford and Minden) and talks are taking place for the inclusion of another production and distribution company VEW-VEREINIGTE ELEKTRIZITAETS WERKE WESTFALEN AG, Dortmund (see No 463).

Bids for the construction of the reactor have been made by BROWN BOVERI/KRUPP REAKTORBAU GmbH, Düsseldorf (capital Dm 2 m.) the joint subsidiary of Brown Boveri & Cie AG, Mannheim (a member of the Swiss group of the same name at Baden - see No 462) and of Fried.Krupp GmbH, Essen (see No 462). The latter has already been the main contractor for the Jülich experimental reactor, which is operated by Arbeitsgemeinschaft Versuchs-Reaktor (AVR) GmbH, Düsseldorf owned by the local authorities of Düsseldorf, Minden, Munich, Bremen and Hanover.

OFFICE EQUIPMENT

** The Dutch group VAN DER GRINTEN NV, Venlo (formerly CHEMISCHE FABRIEK L. VAN DER GRINTEN NV - see No 378) which makes reproduction equipment ("Oce" trade name) has acquired a new licensee in Britain, NIG SECURITIES LTD, London (now a 20% affiliate). The latter, backed by the Dutch group, has paid £690,000 for the "Azoflex" division of ILFORD LTD. Ilford, Essex (see No 442) a member of I.C.I. - Imperial Chemical Industries, which until now sold the Dutch group's reproducing equipment in Britain under the "Azoflex" trade name.

Van Der Grinten has an authorised capital of Fl 25 m. and with over 1,600 persons on its payroll has a turnover of Fl 140 m. (exports account for over 50%). Its subsidiary NV Apparatenfabriek Der Grinten-Emwee, Venlo, makes reproduction equipment, whilst others make colorants for food products (Ned. Boterleuselfabriek L. Van Der Grinten NV, Venlo) as well as compound nitrates, aromatic aminos and sulphanilic acids (Andeno NV, Venlo). Abroad it has subsidiaries with its own name in West Germany, Belgium, Austria and also controls Photosia SA, Montreuil, Seine-St-Denis;A/B Ingenieursutensilier, Stockholm; Hessel-Anderson A/S, Copenhagen.

Its new British affiliate controls J. Halden & Co Ltd and Nig Halden Ltd; in Belgium, Nig SA, St-Gilles-Brussels and there is an American affiliate, Speciality Coatings.

OIL, GAS & PETROCHEMICALS

** C.F.P. - CIE FRANCAISE DES PETROLES SA, Paris, has signed an agreement with the State-owned Indonesian concern PERTAMIN concerning their joint use of a 20,000 km^2 oil concession in Sumatra. The French partner will immediately be called upon to furnish an investment of $1 million, in addition to which some $10.5 million will have to be found over the next six years. The work of exploitation will be carried out by a joint subsidiary formed for the purpose. C.F.P.'s stake in profits will be 35%, or 32.5% according to whether production is below or above 75,000 barrels a day.

PAPER & PACKAGING

** FELDMUEHLE AG, Düsseldorf (see No 469) the largest paper concern in Europe, has taken over the Kriftel, Taunus printing company, GROSSDRUCKEREI WOELLER KG. This firm, which with over 400 on its payroll has an annual turnover of almost Dm 19 million, will continue to be administered by Herren Klaus Wöller and Gerhard Müller.

Feldmühle, a member of the Friedrich Flick AG group of Düsseldorf holds shares in another German printing company Obpacher GmbH Grossdruckerei Verpackungswerk Verlagsanstalt, Munich (see No 426).

** NORDLAND PAPIER GmbH & Co KG, Dörpen, formed in 1967 as the joint manufacturing subsidiary of the two Finnish paper companies, OY KAUKAS, Helsinki, and OY KYMIN, Kuusankoski, has formed a sales company in Dörpen under the name of NORDLAND PAPIER VERTRIEBS GmbH. This has Dm 20,000 capital, and is run by Hendrik Eereveld. The Dörpen works, which is due to come into operation before the end of this year, will employ 400 people, and have a capacity of 50,000 tons p.a. at the outset.

PHARMACEUTICALS

** DR A WANDER AG, Berne, a member of the Basle chemicals and pharmaceuticals group SANDOZ AG, both directly and through GLARO AG, Fribourg (see No 409) has raised the capital of LABORATOIRES BIOVIT Sarl, Champigny, Val-de-Marne from F 10,000 to 30,000. The French concern (manager M. Pierre Gschwind) is sited adjacent to its sister companies Ets Wander SA (capital F 4.65 m.) and Laboratoires Wander Sarl (F 600,000). The Berne company makes foodstuffs, dietary preparations and pharmaceuticals: it has subsidiaries or affiliates in several countries: West Germany, Italy, Belgium, Spain, Portugal, Austria and Britain (Wander Ltd - subsidiaries in Australia and New Zealand).

PLASTICS

** Headed by M. Andre Bernard, the French SALPA SA group (see No 438) which makes synthetic leather rubber and plastics for shoes, furnishings, leather work, cars, packaging, building and ready-made clothes has opened a branch at Littleborough, Lancashire under Mr. Eric P. Mawson. This will co-ordinate and extend its British sales operations.

Salpa (capital F 22.59 m. - annual turnover F 230 m) employs some 13,000 persons in 13 factories. Three are directly controlled (at Langeac; Pont-de-Bonvoisin; and Pont-Ste-Maxence) and the others are operated by subsidiaries: Ste Atlas SA, Paris with factory at Isze, Loire-Atlantique; Elastomeres & Plastiques-Sep SA, La Plaine-St-Denis (formerly S.C.C. - Ste Chimique du Caoutchouc); Les Isolants Francais (factory at Nantes); Targa SA (factory at Moissac); Alabel (Belle-Ile-en-Terre); the recently acquired Ste S.I.T.E.C., Precigne, Sarthe (see No 414). It controls several Italian companies and another in Belgium.

** SCHLEGEL MANUFACTURING CO, Rochester, New York (packing and sealing materials in rubber, wadding and plastic for the building and car industries) has, decided to build a Belgian factory to supply the countries of the Common Market. This will be at Gistel, Flanders and should start operations in late 1968. Employing some 30 people to start with, it should later have a payroll of 200.

Since early 1967, it has had a Brussels subsidiary, Schlegel SA (see No 399).

** The French plastics processing concern ETS GERGONNE SA, Oyonnax, Ain has made into a subsidiary the branch it opened at Kehl, Rhineland, during June 1967 (see No 418). The new GERGONNE GPI GmbH (capital Dm 30,000) has M. Claude Maetz of Strasbourg as manager.

PRINTING & PUBLISHING

** LES EDITIONS DE CREMILLE SA, Geneva has formed a Milan subsidiary called AMICI DELLA STORIA EDIZIONI LOMBARDE Sarl (capital Lire 950,000). This is run by Mme Schwertginger-Mali (an Australian resident in Paris) and it will publish historical works.

** The Dutch publishing group NEDERLANDSE DAGBLADUNIE NV, The Hague, (see No 450) has gained control in Haarlem of the off-set printer NV J.H. HENKES GRAFISCHE BEDRIJVEN (250 operatives - 1967 turnover Fl 10 m.). As a result the group will be able to rationalise its interests through gradually transferring work carried out by another subsidiary Holland-Breumelhof NV, Amsterdam (120 on payroll) to its new subsidiary. The acquisition of the offset works will also strengthen its position in the Dutch printing sector. For some months now, The Hague group has been cooperating in the technical and sales sphere with NV De Telegraaf, Amsterdam - editorial policy has remained separate - and they have formed a 50-50 subsidiary, Unitel NV.

** CIE INTERNATIONALE POUR LA DIFFUSION DE LA CULTURE EUROPEENNE Sarl, Paris (gross assets F 1.11 m. - see No 371 - controlled by the Swiss group CIDICE SA, Fribourg), which prints and publishes literary works and "Eurovox" records has been taken over by SOFELDI Sarl, Paris under M. Guy Loin. After having raised its capital to F 700,000, this has changed its name to CIDICE Sarl.

** The Milan group ARNOLDO MONDADORI EDITORE SpA (see No 462) has acquired complete control of its affiliate AUGURI DI MONDADORI SpA, (greeting cards, games, souvenirs, packaging) Verona, by buying the original stake of its American associate AMERICAN GREETINGS CO, Cleveland, Ohio, (see No 288). In 1967-1968, Mondadori had a turnover of some Lire 52,380 million (19% from exports) and a few months ago it rationalised its interests by taking over two affiliates, Mondadori Western Publishing SpA, Milan (see No 417) and Cartiera Valcerusa Genoa-Voltri (see No 392).

RUBBER

** RUBBERMAID INC, Wooster, Ohio, has formed a wholly-owned subsidiary in Amsterdam, DUPOL-RUBBERMAID NV. This has 20% paid-up capital of Fl 500,000, and is to make, finish and trade in rubber and plastic products. Rubbermaid has been established in the Netherlands since April 1966 (see No 352), with a subsidiary (50-50 with Vaessen-Schoemaker Holding NV, Deventer - see No 421) named Vaessen-Schoemaker Rubbermaid NV, Deventer.

The parent company makes rubber mouldings and plastic and plastic-laminated metal sundries plus motor and boat accessories. It has one other EEC subsidiary, the German Dupol-Rubbermaid GmbH Fabrik für Gummi- & Kunststofferzeugnisse, Sprendlingen (capital Dm 1.2 m. - payroll 200 - turnover Dm 10 m.).

SERVICES

** The German operations research concern INSTITUT FUER STRUKTURFORSCHUNG & PLANUNG GmbH, Bad Homburg, has joined with the authorities of the West Berlin Land in forming an engineering consultancy concern specialising in plant export to the East and the developing countries. This is called BERLIN-CONSULT GmbH, Berlin.

** The international organisation consultancy firm WOFAC (headed by Mr James H. Duncan) has formed a company in Amsterdam named WOFAC NV (authorised capital Fl 250,000 - 20% paid-up by the American SCIENCE MANAGEMENT CORP, Moorestown, New York - see No 458).

There is already a Wofac company in France at Neuilly, Hauts-de-Seine, which recently devised the names Orfac for its personnel selection and recruiting division, and Cogefac for its management consultancy division. There are other Wofac firms in London and Frankfurt.

** MANAGEMENT SELECTION LTD, London (see No 406) has raised the capital of its Paris subsidiary M.S.L. FRANCE SA (see No 362) to F 300,000, in order to back its expansion plans. Two French companies have given 15% backing each to this capital increase: STE AUXILIAIRE D'ETUDES (of the group NEUFLIZE, SCHLUMBERGER, MALLET & CIE - see No 466) and STE DE GESTION & DE PARTICIPATION DE LA FRANCE D'OUTRE-MER-SOGEPAFOM (BANQUE DE L'INDOCHINE group - see No 460).

TEXTILES

** The Dutch making-up concern VANDEM SPORT - CONFECTIE NV, Bergeyk, has formed an almost wholly-owned subsidiary in Brussels, VANDEM NV (capital Bf 500,000), to be run by MM. Van der Meiracker and Grol (its own directors) and M. Van Dijk of Brussels. It will both make and sell textile goods.

** The French knitwear group VITOS - ETS VITOUX SA, Troyes, Aube (see No 450) has taken over the women's and children's knitted garments concern, ROBELIN SA, Roanne, Loire. This company, formerly called Anik Robelin SA, prior to its merger with Robelin SA, Paris, in 1964, employs some 450 people in three factories, at Roanne and Le Creusot, for a F 13 million turnover from its "Anik" trademark.

TRADE

** The Amsterdam trading company S. ZUREL & CO NV (see No 246) has formed a subsidiary in Düsseldorf to sell timepieces and flowers and plants: the new ZUREL GmbH has Dm 20,000 capital and is managed by Mr. Louis Porcelijn of Amsterdam. The parent company has a specialised watchmaking subsidiary in Amsterdam, Zurel Uurverken NV, and since 1964 has owned Zurel Belgie NV at Kapellen-Kapellenbos.

** BADEL FRERES SA, Bagnolet, Seine-St-Denis (president M.J.C. Badel - capital F 100,000) which trades in rags, scrap metal, bones and skins, has opened a Brussels branch. The founder has some 50 employees.

** H.J. REESENK & CO NV, Zutphen (see No 432 - sales of machinery, tools, domestic appliances, sanitary ware), has begun talks with LEEUWENBERG ZONEN'S IJZERHANDEL NV, Amsterdam with the aim of taking over its wholesaling activities, whilst leaving it in control of its retail outlets. A few months ago the Zutphen firm gained control of the sales firm based in Gronigen, G.F. Wolters' Technische Handelmij NV.

TRANSPORT

** NABEK-NEDERLANDSE ALGEMEEN BEVRACHTINGS- & EXPEDITIE-KANTOOR NV, Rotterdam has established an almost wholly-owned Antwerp subsidiary called NV NABEK BELGIE (capital Bf 700,000). With Mr.Leonardus Verschur as president and run by Mr. Joannes Verschure, this will transport, load and despatch goods within Belgium and to other countries.

** The Dutch vehicles, machinery and equipment manufacturer A. NOOTEBOOM, FABRIEK VOOR WEGTRANSPORTMIDDELEN, MACHINERIEEN & CONSTRUCTIEWERKEN NV, Utrecht and Schiedam, has taken 79.6% in forming WAM NV at Wijchen with Fl 500,000 capital (44% paid-up) to make, service and rent transport. It is partnered in the venture by the Dordrecht concern SCHEEPSWERF & MASCHINENFABRIEK v/h H.J. KOOPMAN NV.

Koopman (payroll 150) makes and repairs boats, earth-moving plant, boilers, cranes etc, and since September 1964 has held shares in the travelling cranes concern, NV Combinatie Mobiele Kranen - C.M.K., Dordrecht, which it formed 50-50 with Metaalbedrijf Rademakers NV of Rotterdam.

** The American air cargo firm SEABOARD WORLD AIRLINES INC, Dover, Delaware and New York (formerly SEABOARD & WESTERN AIRLINES INC) has opened a Brussels branch under M. Victor Deloge covering Belgium and Luxembourg.

The founder (capital \$12 m - turnover \$50 m) employs some 1,300 and is run by Mr. Richard M. Jackson. It is mainly involved in air-freighting cargo between Europe and the United States, and has existing offices in most European airports, Paris (with a regional office in Lyons), Düsseldorf, Frankfurt, Hamburg, Munich, Nuremberg, Stuttgart and Rome.

VARIOUS

** ALFRED FRANZMANN & SOEHNE oHG, Idar-Oberstein, West Germany (cutting and trading in precious stones) has set up in Switzerland by forming MINERAL IMPEX AG at Rheinfelden with Sf 50,000 capital and Kurt Franzmann as president.

** German interests, in the persons of Herren Karl and Ernst Eigelshoven of Broichweiden have formed EIGELSHOVEN & CO Sprl at Heppenback in Belgium with Bf 250,000 capital to process and trade in timber.

** ETS E. HARDY Sarl, Paris, which for a turnover in 1967 of F 7 million makes picture framing, beading and trim in its works at Fontenay-Tresigny, Seine-et-Marne (payroll 100), has formed a sales subsidiary in the USA, HARDY VIKING CO, Tennent, New Jersey (capital \$100,000).

** S.T. DUPONT SA, Paris (headed by M. Andre Tissot-Dupont, factory at Faverges, Haute-Savoie - see No 436) which makes luxury lighters and other high-class smokers' requisites, has opened its own Brussels branch under M.J. Deneve, after having withdrawn from M. Altenloh his mandate as distributor for Belgium. With a capital of F 4 million since early 1965, S.T. Dupont already has London and Milan sales subsidiaries bearing its name.

** German interests in the person of Herr A. Sebastian Fackelmann of Nuremberg have formed FACKELMANN ITALIANA Srl at Monzeze, Milan with Lire 900, 000 capital to import and sell domestic appliances and equipment.

** The Swedish safety belts manufacturer HALLGRENS INDUSTRI A/B, Hyltebruk, which has been represented in West Germany until now by MAEHL & CO, Hamburg, has now decided to establish its own sales network. Thus it has formed HYLTE GmbH in Hamburg with Dm 20,000 capital and Mr. Kaleb Hallgren as manager. The parent company has about 50 people on its payroll, and its annual turnover is around Kr 2 million.

** The Dutch manufacturer of leather goods ZUID-NEDERLANDSCHE ZEEMLEDERFABRIEK NV, Oosterhout (300 operatives) has formed a West German sales subsidiary called ZUID-NEDERLANDSCHE ZEEMLEDERFABRIEK GmbH, Vockenhausen, Taunus (capital Dm 100,000). Managers are Messrs. Arnold Veeger, Breda and Josef Zimmermann.

** TUNCOVA SA, Madrid, has formed a wholly-owned Luxembourg subsidiary called TUNCOVA INTERNATIONAL SA (capital Bf 1.5 m). This will manufacture and trade in industrial plant and raw materials.

INDEX TO MAIN COMPANIES NAMED