Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

harm. of leg. Ref files

October 19, 1967 No. 431

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

October 9 - October 15, 1967

BRITAIN: THE DIPLOMATIC OFFENSIVE BEGINS

From our Correspondent in Brussels

The major diplomatic offensive over British entry into the Community has been launched sooner than most thought likely. Within the space of a few days, the opposing sides have mustered the majority of their forces under some of their chief commanders. This sudden change in the situation is mainly due to the British government, which, once it was given the go-ahead at the Labour Party Conference (see No 430), decided to take the initiative. Not without reason, London has come to the conclusion that the time is now ripe for a tactical move. In fact any other attitude, once the Commission had handed over its report, might well have suited French attempts to stave off the evil day at all costs. Would the Six have been in such a hurry to reach a decision, if Mr. Wilson had not shown that he was impatient? If this mood of stagnation had continued, the meeting of the Council of Ministers on October 23 and 24 in Luxembourg would probably have led to a postponed decision, but its outcome, now, may well be of the utmost importance. London's moves have lent the whole question an air of urgency.

Lord Chalfont in the Van: Last week's offensive began with Lord Chalfont making his first speech in Brussels since taking up residence there (see No 430). Addressing the Association of European Journalists, he made it quite clear that although Britain took a flexible attitude towards the various problems, these could only be resolved once negotiations had started, and he insisted that they should do so, as soon as possible. Britain would go on knocking at the clearly labelled door it had found until the door was opened. He did not accept arguments that British entry should be delayed until the economic union of the Six had been completed, since this would be a veto by adjournment. In fact the economic union would benefit from previous British entry. As regards the proposal for first merging the Communities, Lord Chalfont said that although Britain could negotiate with a single Community, the existing treaties were a suitable basis for negotiation, and that this proposal could be used to delay talks. He also thought it was reasonable for the Six to work out a common approach to British entry, but this should not delay the opening of negotiations, as they had already had a long time to consider this particular point.

Yes to Supranationalism: Three main points emerge from Lord Chalfont's Brussels speech and the other statements he made during the course of the week. Firstly, Britain is pressing its case to convince the Six of its sincerity over "supranationalism". The Minister of State at the Foreign Office repeatedly stresses his country's willingness to accept the Community's institutional system, especially the Commission's right to propose measures, and majority voting within the Council of Ministers. This is not considered a necessary evil, since Britain has no intention of slowing progress towards European unity, and is ready to accept all aspects of European integration, both economic and political, likely to result from the Community treaties.

Europe's "Special Relationship": In Brussels and London, Lord Chalfont continued to stress - this time for the benefit of Paris - that once Britain joined the Common Market, she would no longer have a "special relationship" with the United States. If this continued to exist, it would be between the Community and Washington. Britain has no wish to be an "American Trojan Horse" within the Common Market. In fact the opposite applied, for if Britain has now made a strong bid to join Europe, it is because the latter is the only viable alternative to becoming an American vassal. An enlarged Community should not turn its back on Atlantic co-operation, but should carry it out on the basis of equality and independence.

Winning Over Doubters: Though few would expect these repeated professions of European faith to crush the scepticism still prevalent in some quarters, they are beginning to make some large dents. The British diplomatic offensive is aimed at removing the political doubts it has to contend with, and thus weaken the arguments of its opponents. These are finding it more and more difficult to fight on this particular part of the field, except by a straightforward test of the British Government's intentions. The fight will have to range over the points covered by the Commission's report, the area covered by the three treaties, and here Lord Chalfont was less forthcoming. Admittedly, the Belgians and West Germans advised the British not to use the WEU meeting, held in London on October 12, as the occasion for a detailed reply to the Commission's report. Britain's EEC negotiator made a speech in general terms, although he did deal with the question of sterling and the balance of payments. He assured his listeners that the British economy was not suffering from a fundamental disequilibrium, which prevented the country from achieving a growth rate of more than 3% without a balance of payments crisis; and that the pound could continue to be a reserve currency within the Community without risk to its other members. But this did not entirely convince his audience, and the latest trade figures hardly give cause for further optimism on this score. But whatever the real chances of any improvement, Lord Chalfont made it clear that London is willing to negotiate with the Community over these problems, and there is no longer any just reason to refuse this.

The Danger of an Open Break: The situation has not changed so suddenly through British action alone, but because everyone concerned has begun to realise what might happen if there was an open break between London and the Six. Lord Chalfont referred to this in his Brussels speech, and a few days ago M. Michel Debre, French Finance Minister, spoke of this in much the same terms: "if there should be another refusal, the Common Market might find it difficult to function properly, since it contains elements, which are so strongly in favour of British entry ..... that the absence of satisfaction over this would lead them to block the economic progress begun during the last few years". He was referring to the Dutch government, if not to others, which so committed itself in Queen Juliana's speech from the throne, that efforts to block the EEC's internal development seem to come very much within its capacities.

Socialists Support British Bid: There are others, apart from The Hague, which Paris must consider. Pressure from Holland is backed by the launching of another attack from the European Socialist parties. The General Council of the Socialist International meeting in Zurich asked its members to use all their influence on their governments to secure the opening of negotiations with Britain before the end of 1967. One might be tempted to think that this was nothing more than a pious hope, were it not for the fact that the Socialists hold important posts in two of the Common Market's "key-governments", and are out-and-out anglophiles.

Nenni's anti-Gaullism: This is especially the case for Italy, where the Socialist party holds the key to governmental stability, and where Pietro Nenni, anxious to fight the Communists at the next Parliamentary elections from a position of his own choice, has a European policy calculated to appeal more to left-wing voters than an "Atlantic" policy. Furthermore, Nenni's "Europeanism" is coloured by a violent anti-Gaullism, which brings him whole-hearted support for Britain's bid. Even if the Italian Christian Democrats have rather more doubts, the attitude taken by their PSI allies somewhat limits the Moro government's freedom of movement.

Reasoned support from Bonn: A similar situation reigns in Bonn, although there the differences are less marked. During the major foreign affairs debate in the Bundestag on October 13, Willy Brandt warmly welcomed Britain's membership bid, calling it "an historic opportunity, which should not be taken lightly". But the speech by Dr. Karl Mommer on behalf of the Social Democrats has a considerable importance. Whilst Chancellor Kiesinger invoked the Franco-German Treaty of Friendship to avoid a clash with General de Gaulle, and suggested a policy of persuasion and conciliation, Dr. Mommer felt that Bonn had nothing to lose by taking a firm line over this question. "Surely Franco-German friendship was strong enough to bear such a shock" - in any case, why should this come out as such a one-sided arrangement, with Bonn always following the dictates of the Elysee?

Real Trouble for Britain: Within the Community, therefore, pressure on Paris has strengthened. None of the Five seem any longer to be in a position to submit to a new "veto" and continue as before, without running the risk of serious trouble at home. This view is strengthened by the fact that if Britain was rebuffed once again, she might suffer a serious reverse. The Commission's report shows that the main problem raised by Britain's bid (apart from abstract political problems on a higher level) is her economic situation and the fate of the pound. This has now - perhaps wrongly - become the key issue. If the door is once again slammed in Britain's face, there are good psychological grounds - as well as monetary ones - for believing that the pound would face another crisis. Third countries who hold sterling balances almost all seem to be convinced that the salvation of the British economy lies in its integration into the Common Market. The Times clearly underlined this in its editorial on October 14: "If a veto were applied now, however, it could precipitate an international economic crisis". It goes on to consider the political effects, which must surely give France's partners food for thought. "If there were a sterling crisis, the veto would be seen as a repeated French attack on Britain's livelihood, a declaration of unremitting hostility".

The Danger for France: There can be no doubt about it, the issue is reaching dramatic proportions, and to attempt to gain time in the hope that things will calm down is no longer any answer: in fact any French move to temporize will be regarded by all as a decisive French concession. Paris seems to be aware of the danger of being caught standing still and at the highest level things have begun to move.

No Real Change in Paris: Reports after the meetings General de Gaulle had with Sir Patrick Reilly, British Ambassador to France, and the President of the single Commission, M. Jean Rey, indicate that France has not modified her position. Given the main problems connected with London's EEC bid, this is not surprising. However, one may well ask whether, as regards the specific question of opening negotiations, the French Government is not preparing to make the minimum of concessions needed to prevent a split amongst the Six. Much points to this:

France does not want a Split Community: Firstly, in his speech, M. Debre did not say that France would rather see the Common Market slow down, than let Britain enter. To get around his dilemma he suggested a well-known middle course: the signing of a trade or association agreement with Britain, which might be used as a test period before full membership. The fact that this proposal was in no way constructive, given the hostility towards any such arrangement expressed by the British Government, is not important. The message which stands out from M. Debre's speech is that this time the French Government would not welcome a crisis within the Community. The economic and political climate in October 1967 is much changed from that existing in June 1965. In other words, France might well recoil before the threat of a major clash with her partners.

M. Rey Received at the Elysee: Secondly, not a whisper has been heard as to what passed between General de Gaulle and M. Jean Rey, but the very fact that he was received at the Elysee on his first visit to Paris as President on October 12 is what really matters here. His speech before the European Parliament seeking support for the rapid opening of negotiations with London had cast serious doubt on the likelihood of this meeting taking place. Rumours had been heard that the General was not pleased, and that he had no intention of putting himself out. He could have done so without violating the rules, since he is the Head of State as well as leader of the government. What actually happened was that Jean Rey was received with all the honours laid down by protocol, and spent three-quarters of an hour with his host. None would read into this that General de Gaulle now agrees with the ideas of the Commission, but at least he showed some deference for the institution and its opinion.

Bonn: The Honest Broker: On October 13, Willy Brandt and Chancellor Kiesinger proposed that they should find a way to avoid the impending impasse. This suggestion probably did not come without prior reference to Paris, and the evening before, the French Ambassador to West Germany had a discussion with the Chancellor. But West German leaders are not content to be mere "honest brokers": they have overtly been making attempts to link Britain's bid with the question of a "European summit".

The Reasons for the German Approach: To understand Bonn's position, one should mention that the French are not just confining themselves to raising the question of association for Britain once again. The word from Paris is that before opening talks with London, the Six should try and reach a common position as regards the main problems raised by the British bid. This may well be nothing more than a delaying tactic, for as Pietro Nenni said in Zurich: "If the Six had had to do the same before signing the Treaties, they would still be holding discussions". On the other hand, this could well reflect a justifiable fear, and this is the interpretation given in Bonn: the need to safeguard the Community's assets and development. An enlarged Community should not be allowed to take a new direction, particularly one which might be harmful to France, and here the common agricultural policy, due for revision in 1969, is a major factor. Until now, France was able to force her views on to West Germany, often standing alone, but what would happen if the latter were supported by Britain?

How to Compromise? How can these two necessities be reconciled: the sustained development of the Community, and the avoidance of delay in opening negotiations with Britain? An agreement underwritten by each of the Six at a "European summit" would be a device formal enough to prevent details from clouding the issue. Such a move therefore seems possible and useful, but it does leave us open to difficulties over the allied question of political union. If failure were to occur at such a level, the effect would be absolutely disastrous. Thus if such a meeting is necessary and cannot be avoided, it should be prepared with great care. But to do so brings the risk of delay.

Kennedy Round-style Talks: Perhaps the reason why General de Gaulle received Jean Rey so warmly was that in its report the Commission took care to leave itself scope for action, if necessary. On a procedural basis, any negotiations conducted through the Commission would be less compromising for Paris - and therefore possibly more acceptable - than intergovernmental negotiations. It would be possible to block these without the formal use of the veto. As far as the substance of negotiations is concerned, the Commission's report made it quite clear that it has no intentions of dealing lightly with Britain, even in the agricultural sector, where the ardent anglophile Sicco Mansholt is in charge. The steps required by Britain are in accordance with strict Community doctrine, and there is therefore no danger that Jean Rey and his colleagues might be "tricked" by their opposite numbers. Finally this method of negotiating through a third party enables the Six to carry on another series of regular negotiations between themselves, before giving fresh instructions to their representatives - the Commission. This is exactly what happened in the Kennedy Round. Each time Jean Rey reported back to the Six, they not only discussed the other side's proposals, but used them as the bases of a new round of negotiations amongst themselves.

Another "Summit" Needed: Obviously this is a clumsy way of going about things, and it also gives the Commission further responsibilities and more authority. But there seems to be no other way of avoiding a crisis, no other way of opening negotiations, without making France accept impossible concessions. One might say that it is the only way of gaining time, without losing any, but even so, it is unlikely to lead to anything conclusive. For this reason, another European summit seems the only way out, with so much at stake, and working through the Commission might well give the

Six time enough to prepare the summit with proper care. Finally, once the Six give the Commission a preliminary mandate for talks with Britain, they might also decide that the Foreign Ministers should get down to the question of political union, as this was decided upon at the Rome summit.

This view may be over-optimistic, but what recommends it is the fact that the dimmest views of the prospects would bring absolutely no-one any satisfaction, were they to be realised.

* * *

HERR BRANDT IN PARIS

On Monday and Tuesday of this week, the French Foreign Minister, M. Couve de Murville, has been having talks with his West German colleague, Herr Willy Brandt, in Paris. This meeting was part of the normal bilateral consultations between the two countries under the Franco-German Treaty of Friendship. The two Ministers discussed West German efforts to improve her relations with Eastern Europe, the nuclear non-proliferation treaty and other matters of interest to both sides. However, the principal topic was the British bid to join the Common Market.

Herr Brandt appears to have had little success in achieving any favourable change in the attitude of the French, who now seem bent on delaying negotiations as long as possible. Although Bonn has prepared a compromise plan, whereby there would be parallel discussions between Britain and the Commission (with the latter in return reporting back to the Six, who would be holding separate talks on the problem amongst themselves), the indications from Paris are that even this is probably unacceptable. France wants the Six to discuss the British bid in detail before giving the Commission even an exploratory mandate, and this means further delay. Bearing in mind that on January 1, 1968, M. Couve de Murville becomes President of the Council of Ministers, the scheme is obvious, for as President of the Council, the French Foreign Minister will have ample scope for delaying tactics.

Herr Brandt, however, showed his colleague in the Quai d'Orsay quite clearly that West Germany was favourable to the idea of British entry, and that although there were problems, these could be overcome. As present President of the Council of Ministers, Herr Brandt will probably try to get them to reach a decision at their Luxembourg meeting next Monday and Tuesday (October 23 and 24), and although the Bonn government does not wish to annoy Paris, it may well be faced with a very delicate situation, should the French reject any form of compromise solution.

* * *

E.E.C. ECONOMY

Recent Developments

Industrial Production: Due to seasonal factors this is difficult to assess accurately, but there are signs of modest expansion. In West Germany holiday closures helped to keep the overall production index down, although production went up in some industries. In Italy industrial production was strong in early summer, but exports were weak, as in Belgium, where this was probably largely responsible for stagnation. In Luxembourg the position has been affected by the decline in iron ore output, whilst in the Netherlands there has been little improvement, despite increased exports. Finally, in France the situation does not appear to have changed during the course of the summer: the stimulus provided by exports, investment in stocks and private consumers' expenditure all continued to be weak.

Unemployment: The improved West German economic position seems to indicate that this may now be levelling itself out. In the Netherlands the number of those out of work has levelled off. In France and Belgium the rising trend of unemployment seems to have slowed down, whilst in Italy numbers seem to be dropping once again.

Consumer Prices: These have remained fairly steady throughout the Community. The unusually good weather caused fruit and vegetable prices to decline more than is usual for the time of year. The effect of the raising of the price of petroleum products was small, as was that of such price rises as those for public transport, gas and electricity in France, Dutch turnover taxes and the Belgian cigarette tax. These factors will, however, probably contribute to an upward trend in consumer prices during the next few months.

Balance of Trade: The Community's balance of visible trade continued to level off. The economic situation in the major export markets has not helped, neither has the continued closure of the Suez Canal, which has affected exports to Asian markets. The value of imports from third countries showed a trend which was roughly parallel to that of exports, as several member countries are starting to restock with raw materials and semi-manufactures, and the effect of the increase in freight rate increases as a result of the Middle East crisis is now making itself felt. As regards the foreign trade position of individual countries, West German trade surpluses continued to slide, whilst the French August deficit cannot be considered a sign that her trade balance is changing its tendency to recover.

Tax Revenue: In some member countries the trend of current budget revenue was far from unfavourable during the first half of the year. In the Netherlands the year-to-year growth was higher than at the same time last year, and a speculative increase in turnover tax was probably a cause. In France receipts were 9% up on 1965, and in Belgium this figure was 11%. The tax revenue in West Germany was down, due to the weakened economic position, whilst in Italy revenue continued to rise.

Long-Term Interest Rates: These appear to be steadying in their downward trend, although in some member countries they are showing signs of fluctuation. The lowering by the Bundesbank of the minimum reserve ratio exerted a further expansionary influence on the liquidity of the commercial banks, who may have thereby increased their purchases. In the Benelux this trend was probably due in part to a less restrictive money and credit policy, and in Italy measures taken by the central bank appear to have had a damping influence on interest rates. In France, the decline of long-term interest rates was probably due to seasonal factors. However, the Commission considers that in relation to the economic situation, the level of interest rates in the Community is still tending to be rather too high.

* * *

THE COMMUNITY

M. Robert Lecourt, President of the European Court of Justice

M. Robert Lecourt was elected president of the Court of Justice of the European Communities for a three-year period of office. He replaces M. Charles Hammes of Luxembourg, who is retiring. M. Lecourt has been President of the M.R.P. (Mouvement Republicain Populaire), French Minister of Justice, and a judge at the European Court since 1962. Mr. Donner (the Netherlands) and Herr Strauss (West Germany) have been elected Presidents of the two Chambers.

* * *

EURATOM

A Tri-Partite Atomic Agreement

The German, Dutch and Belgian governments have just concluded an agreement to co-operate in the construction of a prototype fast reactor or fast breeder reactor. This is a project of prime importance; the reactor, which will cost some Bf 15,000 million, will have a capacity of 300 megawatts, and should begin generating electricity in 1973-74. Without being sensational, this agreement finally brings to fruition a hope that had been held out for some time past, that a real "Community" prototype fast reactor would one day be built. The interest roused by this type of nuclear plant, unanimously considered the reactor of the future on account of its impressive performance (it produces more fuel than it consumes), explains Euratom members' eagerness to have their own stake in this sector. This trend soon became apparent, and it was France who made the pace, because she was the most advanced in the field. Thus the only real ambition that Euratom can still nurture, is to channel efforts made individually by members on this sort of scheme into a concerted programme.

A consortium of German, Dutch and Belgian firms will be in charge of the construction of the prototype, which will be installed "somewhere in Germany". The main firms concerned in the project are Siemens-Interatome, Belgo-Nucleaire and Neratoom. The allocation of costs will be as follows: Germany 70%, and 15% for the other two.

BRITAIN & THE E.E.C.

The British Government has been continuing its offensive on the need for the immediate opening of negotiations with the Council of Ministers. On Tuesday, the Foreign Secretary called the French Charge d'Affaires in London to the Foreign Office and made it clear that Britain considered that negotiations for full membership should start as soon as possible. This was the first official contact between the British and French Governments on this subject since Sir Patrick Reilly, the British Ambassador, was summoned to the Elysee earlier in the month and told that continued pressure for immediate talks were not in the best interests of either side.

*

A Timely Move: French Press Received in London

Last week the Foreign Office invited a group of a dozen Paris journalists over to London for a series of discussions with those particularly concerned with Britain's approach to the EEC. They were able to put questions to, amongst others, the Prime Minister, the Chancellor of the Exchequer, the President of the Board of Trade, Lord Chalfont, the new Secretary of State for Economic Affairs (Peter Shore), Aubrey Jones, Chairman of the Prices and Incomes Board, and Stephen Brown, Chairman of the CBI.

Such a radical step, that of inviting foreign journalists to what really amounted to a "tete-a-tete" with the leading politicians of the land, had never before been contemplated by Britain. These new tactics, and especially the foreign press conference, have begun to make an impression abroad. The French Press seems now to be more convinced of Britain's keenness to join the European Community. On Saturday, "Le Monde" carried a long article by one of its special reporters, who had been one of the party of Paris journalists received by the Foreign Office. The writer of the article, M. Pierre Drouin, was evidently impressed by the reception he and his colleagues received from the British government, and by the contrast this offered with the sometimes offhand treatment meted out to the Press by the De Gaulle administration.

M. Drouin also seems impressed by the not inconsiderable change in Britain's official attitude towards Europe. He speaks of Britain's "offensive de grand style", when describing her new approach to Common Market entry, and of a "determination farouche" now felt by the whole nation not be left outside the European club. This time, M. Drouin concludes, Britain has really caught "the European virus".

This seems to illustrate what Jean Monnet has repeatedly pointed out, that once Britain is convinced of the vitality of the Common Market, she will want to join. This time now seems to have come: never before have the British sought to prove their good will on so many fronts and with such effectiveness, never for a moment considering an alternative policy. British eyes, according to M. Drouin, are all turned in one direction, that of Europe.

The article goes on to discuss the usual arguments for and against Britain's entry into the Community, with much space given over to the British point of view - why, for example, the Labour Party, having not so long ago been against Common Market entry, is now so keen to push for negotiations without delay, and why the question of sterling was no real obstacle to entry, given a measure of good-will from the Six.

With the possibility of a "miracle economique" in 1970 (when the fruits of British economic planning may be culled, and North Sea gas will provide a cheap source of power), the gradual winning-over of British agricultural interests into the Common Market camp and the new dynamic method of approach to the Six, M. Drouin concludes on a very hopeful note. With the conditions for entry more favourable than they have ever been before, Britain will leave no stone unturned in her bid to join.

* * *

France: Public Opinion Sympathetic to Britain

A poll carried out on behalf of the French left-wing weekly "L'Express", between September 13 and 19 by the French Public Opinion Institute shows that 53% of Frenchmen are "sympathetic" towards Britain, compared with 21% who have the same feeling towards West Germany. This shows a considerable change from three years ago, when the West Germans led the British by 41% to 37%.

* * *

COMMONWEALTH

More Reactions to Britain's EEC Bid

Over the past week, three of Britain's major trading partners in the Commonwealth voiced again their objections to Britain's proposed application to join the Common Market. Speeches made by the various Commonwealth officials involved ranged in tone from that of enforced resignation to the facts of the case to that of controlled alarm at the consequences of the bid.

Alexander Ross, chairman of the United Dominions Trust, speaking in Wellington on October 15 regarding the future of Anglo-New Zealand trade, called for wide diversification of New Zealand trade. Only by such an active policy of diversification could New Zealand avoid economic disaster; fortunately such a process had already begun, but it had to be further extended and accelerated. A stronger view of the situation was taken by Sir Andrew Linton, Chairman of the Dairy Board, one of the key industries in the conflict. If Britain were not to ask for some modification of the Community agricultural policy, New Zealand would face absolute disaster if and when Britain joined the EEC. There were no comparable outlets to that of the UK which could absorb New Zealand production of butter and cheese if the former were to close its market irrevocably to New Zealand.

On October 12, Mr. J. F. W. Haak, the South African Minister of Economic Affairs, arrived in London to discuss the ramifications of Britain's second application to join the EEC. The declared object of his visit was "to make certain that all interested parties knew the problems which would arise if Britain's entry into the EEC caused the elimination of South Africa's tariff preferences in the British market". In a speech delivered at a luncheon given by the United Kingdom-South Africa Trade Association, he declared that Britain's joining the Community would seriously cut down South Africa's exports and thereby reduce the viability of the exporting industries. The contraction that these industries would suffer "would be so serious a financial blow as to impair on a lasting basis their ability to continue to operate as economically viable undertakings".

The South African problem is certainly one that should not be passed over lightly. About one third of her exports, excluding gold, are sent to the UK, and if the Commonwealth preferences which facilitate this free movement of goods were to be withdrawn, South Africa would have to face a reduction in about half of these goods, especially fresh fruits, wines, dairy products, canned fruit and vegetables. As in the case of New Zealand, it will not be easy to find fresh markets for these products, especially given the external tariff wall of the Community and the added hindrance of regulations and price support schemes within it.

Speaking at another luncheon on Wednesday last, Sir Alexander Downer, High Commissioner for Australia, spoke in more emotional terms of a close relationship between Britain and Australia which showed signs of changing. He, somewhat vainly now, called for a renaissance of the Commonwealth ideal - "the historical ties between Britain and Australia should not be disregarded". Also, there were practical considerations to be taken into account. British investment in Australia had exceeded £1,000 million over the past 20 years. Australia, too, was a rich country that was attracting investment from many quarters; in the long run then "the sufferer will not be us, but you".

All this, of course, is of great importance, but it runs against the inevitable economic and geographical facts of the situation. The economic, technological and geographic facts which make Britain's entry into the EEC a must are also at work in the case of Australia. She must accelerate a tendency to regionalism that has already become apparent in her policies. The visit of Mr. Sato, the Japanese Prime Minister, is not without great significance, nor the increasingly close economic ties with the USA. Australia cannot escape the economic and geographical facts of her proto-Asian environment. Calls to Commonwealth solidarity and talk of "our Mother Country" cannot alter these facts.

* * *

COMMENT

A Letter from Rome

BRITAIN'S BID FOR EEC MEMBERSHIP - AN ITALIAN VIEW

Whilst politicians, almost to a man, have approved Britain's application to become a member of the European Economic Community, reactions have varied considerably in other circles. The matter has been widely discussed by professional organisations, the industrial federation, the major trade unions and the heads of Italian agriculture, an in no case have they merely reverted to the positions adopted in 1960, when Britain made her first soundings among the Six.

At that time, Italy was but taking her first fumbling steps along the road towards European integration, a task demanding great sacrifices and considerable change in the economy, to come into line with the Community system. Investment policy, in particular, came in for a complete overhaul, in both the public and private sectors, as did the union system, in an ever-widening labour market: on the home front, there were even divergencies between the various sectors inside the country, as far as union methods and procedure were concerned, let alone the differences that existed between these and those followed elsewhere in the Community.

The whole problem now appears in a very different light, especially if one approaches it out of the political context. Firstly, the overwhelming majority of economic opinion in Italy is firmly in favour of Britain's admittance into the Community, and whilst there might be the odd reservations, these are not insurmountable, particularly as British membership is looked on more as a necessity than a matter of mere expediency. Employers' federations, both industrial ("Confidustria") and agricultural (The General Agricultural Confederation) have taken unequivocal stands in favour of Britain, and the General Trade Confederation, too, has published its views. For the wage-earners, the problem has been studied by the three main trade union councils: the Christian Democrat CISL, the Socialist UIL and the Communist GGIL, although the last is not, of course represented on the EEC's Economic and Social Committee. The last body to offer its findings was the CNEL, the National Economic and Labour Committee, which concentrated mainly on the financial and commercial aspects of the matter.

Confidustria's stand might be summed up as follows: 1) True to its most fundamental principles, it starts by looking at Britain's application in a favourable light, having always maintained that the broadening of competition will strengthen, rather than undermine national economies, even though sacrifices must be made at the outset; 2) Following the spirit of the Treaty of Rome, Confindustria stresses that Britain must accept all that is laid down in that Treaty before her application can be considered, particularly those clauses relating to the harmonisation of the various markets; it nevertheless accepts Britain's need to have a transitional period in which to adapt herself, and to take measures to solve those difficulties that her membership of the EEC might pose for members of the Commonwealth; 3) Membership should not, however, be pursued by the British Government as a way out of sterling problems, or as a means of resolving difficulties within the Commonwealth: Britain must come in on a precisely equal footing to that of all other Rome Treaty signatory countries; 4) Confidustria holds that the enlargement of the Community by the admission of Britain and the other EFTA countries should bring economic benefit to all member countries, and finally refute any policy ideologically based on the notion of national self-sufficiency.

Angelo Costa, president of Confindustria, recently took the opportunity of further clarifying the stand taken by his organisation, stressing that, for him, far more important than any "date" of entry for Britain was the matter of how she might be allowed into the Community, and what, if any, changes this would mean in the Rome Treaty. Like the Commission in its report on enlargement, he was keen to stress that such a development should in no way alter the structure or the substance of the EEC, nor detract from its main objective, which is not only customs union, but full economic union for all members.

From the industrial angle, he foresaw no great hardships for Italy, once Britain became a member, but felt that with agriculture it would not be such plain sailing: for Britain to adapt her system to the Community system would demand major changes in her economic policies at large, with the obvious repercussions this would have on the cost of living, unless of course, this were to be compensated by reductions in purchase tax and so on. The greatest difficulties for Britain, however, were foreseen in the relinquishment she would have to accept of some degree of sovereignty over her internal and external economic policies. This must be accepted, however, if the stagnation of the Community venture is not to set in at mere customs union level: if there is no common economic policy, the Community is almost certainly doomed to failure.

Turning to the pros and cons of Italy and Britain being in the EEC together, Signor Costa suggested that it would be unwise to exaggerate the technological advantages that might accrue to Italian industry. Of course, taking the technological progress achieved by the Community to date, the admission of Britain would make for more sweeping agreements, and facilitate the exchange of information, but this should be seen as a development for the common good of the Community, and not as a "plum" for any one country. Neither should any "great leap forward" be expected for the under-developed regions of Italy, for once again any advantages stemming from policies concerning this sort of matter would be for the benefit of all member countries, the Community being treated as a whole. Again, there is as yet no way of knowing how Italy might take advantage of British entry to improve her own standing with those Commonwealth countries that supply raw materials. Another imponderable is the extent to which British industry might prove to be competitive with that of the EEC, as this is a thing which varies from sector to sector, and it does look as though Britain would find little difficulty in gearing her industry to a satisfactory competitive level in the Community.

Signor Costa felt that the actual duration of the transitional period would follow from the content of the membership undertakings, and the nature of the particular problems that might arise in Britain's adaptation, structurally, to the requirements of the Community system. In some respects, the transition could be very short: two or three years for the free circulation of goods, for example; but in others, such as the common agricultural policy, it might need to be much longer. But all in all, the problems will be numerous, and one has only to consider such matters as the harmonisation of fiscal, investment and social security systems, the problem of selective employment tax, company taxation and the free circulation of labour to see the sort of work that lies ahead.

Nevertheless, and here Confidustria corroborates what the General Agricultural Confederation has to say, the agricultural policy remains the question over which Britain is going to find the greatest difficulty - at a technical level - in reaching a settlement with the EEC. Neither of these two organisations, however, take a particularly pessimistic long-term view of this question. Alfonso Gaetani, president of the agricultural organisation, works from the premise that the admission of Britain would further the overall movement towards the strengthening of the Community, allowing always for the fact that the nature of her admission could yet cast a different complexion on this. His main point, of course, is that from the agriculturalist's angle, the difficulties will be legion. Marathon followed marathon in the hammering out of the CAP at ministerial level, until finally the weaker agricultural countries gave their assent to all the various single price arrangements, and agreed to the administration of the policy by a single body - that of the Brussels Commission.

Until the CAP was finally agreed, national agricultural policies were much at variance, coloured with a multitude or provisions seeking the defence and support of the home market, and aimed at maintaining its structure and conditions. These were reflected in production costs, crop distribution and so on. To overcome all these the timetable set down in the Treaty had to be speeded up, and still we are some way off from the definitive unification of the six markets. This is certainly the opinion of the largest farm workers' union, the Christian Democrat National Federation of "coltivatori diretti". Thus does Signor Gaetani touch upon one of the most perplexing problems faced by the Community: how to give agriculture sufficient protection (vital to improving the lot of some 14 million farm workers, whose excessively low pay has a generally undermining effect on the economic development of the Community), and at the same time prevent inflation and still pursue higher export levels to third countries.

Although Italian agriculture favours British membership in principle, this position carries the overriding proviso that each and every new member country of the Community must not only accede to, but also do its utmost to further the economic integration sought in the Rome Treaty. This form of integration, despite the normal play of competition between the various sectors at national level, can never be achieved unless it is ensured that dominating positions are not secured by some at the expense of the economically less strong nations, such as Italy, whose agriculture suffers from the generally poor quality of soil and climate. The main problem for British agriculture, in going over to the Community system, will be the loss of the generous public subsidies it at present enjoys, but this is a problem that can be resolved through gradual alignment with the Community system. Italian produce may well corner a respectable share of the British market, but the opposite could as easily take place if Britain manages to handle the change of system with skill.

In Italy, it is well known that Britain, as a large importer of agricultural products, will be obliged to make hefty contributions to the Guidance and Guarantee Fund (FEOGA), because of levies on imports from third countries. It is also well known that the price of food is bound to reflect the disappearance of deficiency payments, and that some Commonwealth countries are going to feel the pinch when they find that preference swings from them to the EEC, which will become Britain's source of many items that they, traditionally, have supplied, Nevertheless, there seems every chance that British imports of these goods from EEC countries, when she joins, will rise considerably, and that for certain goods the balance of trade will show a swing in her favour, the effect of which will be to offset levies on many of her agricultural purchases, such as wheat, secondary cereals, butter, cheese and fruit.

A thought that should be always present in British minds is that all these problems have been faced before - by the present members of the Community. Even France, which now seems to be getting so much out of the Community system, once had very strong reservations about rising farm prices, and their resultant effects on pay and industrial costs. Italy, too, is still faced with problems of falling production and the lowering of agricultural revenue in those sectors where Community prices are below the world price.

The stand taken by the main union movements in Italy over the British question remains to be examined, and this we shall do in a second "Comment".

HEADLINES

AUSTRIA	TRADEX INTERNATIONAL (civil engineering plant) forms subsidiary	E
FRANCE	AMERICAN MOTORS slackens ties with RENAULT: licences to POCH	B
	CGE, LEBON and LYONNAISE DES EAUX to pool radio and TV interests	D
	PULLMAN group forms second KELLOG engineering subsidiary	E
	BIRFIELD (GKN group) increases control over GLAENZER-SPICER	F
	American PERMACLEAN forms second EEC cleaning plant subsidiary	F
	SCHWARTZ-HAUTMONT/SOCALTRA/DOUAISIS handling plant link-up	G
	PONT-A-MOUSSON/SUEZ/LYONNAISE DES EAUX increase their ties	H
	BANQUE DE PARIS & DES PAYS-BAS to become largest banque d'affaires	I
	W. R. GRACE backs major expansion of BOREL catering group	J
	MAPA rubber to absorb FIT shoe-soles etc	N
GERMANY	GENERAL INSTRUMENT electronics forms first direct subsidiary	E
	BURNHAM CORP (heating) forms second Common Market subsidiary	H
	CHASE MANHATTAN to open agency in Munich	I
	BRITISH AMERICAN TOBACCO subsidiary buys stake in fruit juce firm	J
	OETKER group takes over SCHREMPP beers	K
	BAKER PERKINS gains 45% stake in LENSING packaging plant	M
	TIME INC buys large holding in ROWOHLT paperbacks	M
ITALY	ZOUT-ORGANON forms new pharmaceuticals trading company	B
	MONSANTO forms company to sell Luxembourg subsidiary's fibres	C
	SAINT-GOBAIN to concentrate glass interests around MODIGLIANI	K
LUXEMBOURG	AMERICAN HOME PRODUCTS forms new hormones and antibiotics firm	L
NETHERLANDS	NEDERLANDSE OVERZEEBANK and BANKIERSCOMPAGNIE forge links	H
	F.N.C.B. to open first full branch in Rotterdam	I
	VERKADE to make crackers by ADAMS (BEATRICE FOODS group)	J
	DE CIRKEL takes over PILASTRO after split with COPPERAD	Q
SPAIN	AKU concentrates Madrid and Barcelona artificial fibres interests	N

CONTENTS

AUTOMOBILES

** The groups, AMERICAN MOTORS CORP, Detroit, Michigan (see No 429), and R.N.U.R.-REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt (see No 429), have terminated certain of their agreements in Europe, in particular that relating to the joint construction of a "Rambler" assembly line in Brussels (for which the American group is now seeking another European partner). In France, the first has withdrawn its licence from Renault for the exclusive agency for its vehicles, and made this over to ETS JACQUES POCH Sarl, Neuilly, Hauts-de-Seine (see No 393), best known as the French importer and distributor of Russian "Moskovitch" cars. In Latin America, their joint Peruvian subsidiary, Industria Automotriz Peruana SA, is to be wound up. This was formed in 1963 with Sol. 1 million capital and assembled 3,000 "Rambler" and "Renault" cars a year.

CHEMICALS

** The Dutch group KON ZOUT-ORGANON NV (see No 426) has extended its Italian interests by forming NOVADEL, STA CHIMICA SpA in Milan with Lire 20 million capital, for all trading activities in chemicals and pharmaceuticals. The new firm has Mr. Pieter R. A. Malths as president, and J. Boero of Mornago as managing director. Control of it is shared between two of the Dutch group's indirect subsidiaries, KON INDUSTRIEELE MIJ v/h NOURY & VAN DER LANDE NV and NV NOURY & VAN DER LANDE'S HANDELMIJ NV, both of Deventer (see No 392), and directly under the control of Kon Zwanenberg-Organon NV, Oss.

The Italian interests of the Deventer chemicals group (citric acid, perborate of soda, constituents for plastics, paper, paint, insecticides, etc.) were until now mainly represented by Noury Italia SpA, Milan (capital Lire 200 million), and a 50% Turin subsidiary, Noury-Rumianca SpA (capital Lire 600 million), formed early in 1961, in association with Rumianca SpA (see No 412).

** The Dutch manufacturer of industrial colourants, lacquers and varnishes, VAROSSIEU & CIE NV, Alphen, Rijn (see No 284), has acquired control of another firm in the same sector, J. V. VAN WIJK & CO VERNIS & JAPANLAK FABRIEKEN NV.

Varossieu (capital Fl 4 million) has a majority shareholding in a Surinam subsidiary, Varrossieu Suriname NV (authorised capital of Fl 125,000). In 1961 it obtained a licence from the American group NATIONAL GYPSUM CO, Buffalo, New York, to make "Gold Bond" paint for outside use. A wholly-owned subsidiary, Muurverffabriek Gold Bond Holland NV (capital Fl.5,000), was set up to exploit the licence. In January 1964, it took over the paint manufacturer NV Verffabriek Artekobin Producten, whose business was moved to Alphen. In June 1966, it formed a Utrecht sales subsidiary, Rietveld, Behang- & Verfhandel NV (authorised capital Fl 150,000). Since 1962 it has had a West German sales network, and in the same year it acquired control of its Belgian distributor.

** The FRIED KRUPP group of Essen (see No 428) has made over to the Hamburg import company LUDOLPH STRUVE & CO GmbH its 31% interest in the only German company producing natural graphite, GRAPHITWERK KROPFMUEHL AG, Munich. This company has DM 1.75 million capital, and its other shareholders (35% and 31% respectively) are the banks BANKHAUS H. AUFHAEUSER KG, Munich (see No 390), and BAYERISCHE HYPOTHEKEN- & WECHSELBANK AG, Munich (see No 421). It produces about 30,000 tons of graphite a year, for a turnover of around DM 14 million. In Salisbury, Rhodesia, it has a manufacturing subsidiary (see No 310) called Rho-German Graphite (PVT) Ltd, formed 50-50 in 1965 with a local group.

** The Italian COSME CO. ITALIA, Albinea, has signed an exclusive distribution agreement covering Soviet perfumes with V/O SOJUZCHEMEXPORT.

** The Milan interests of the MONSANTO group of Saint-Louis, Missouri (see No 421), have been strengthened through the formation of a new sales subsidiary, MONSANTO ITALIANA SpA (capital Lire 1 million). Headed by Messrs T. Claeys, C. Dowing and R. E. Soden, this will distribute synthetic and artificial fibres made by the Luxembourg subsidiary MONSANTO CIE, Echternach, as well as all types of chemical and plastic products.

The American group has long had a Milan subsidiary, MONSANTO SpA (authorised capital of Lire 50 million - increased in early 1966 to Lire 25 million). It has, however, sold off several of its other Italian interests, and the latest to go was a 40% stake in Applicazioni Chimiche-ACSA SpA, Porto Marghera, Venice (see No 402), acquired by the Montecatini-Edison SpA group of Milan.

ELECTRICAL ENGINEERING

** The German CONCORDIA MASCHINEN & ELEKTRIZITAETS GmbH, Stuttgart, and the Swiss FABRIK ELEKTRISCHER APPARATE SPRECHER & SCHUH AG, Aarau, Aargau, have linked 50-50 in the formation of a Stuttgart high tension electrical engineering company called Concordia Sprecher Schaltgeräte GmbH, the DM 100,000 initial capital of which will almost immediately be raised to DM 2 million.

The Swiss firm has Sf 12 million capital, and its 1966 turnover came to Sf 74 million. Its group payroll comes to around 5,000, including its Austrian subsidiary SPRECHER & SCHUH GmbH, Linz, and its interests in Spain, Portugal and Brazil. Concordia is a family firm, with DM 2 million capital, and it has factories at Stuttgart, Sielmingen and Maichingen (about 1,000 on payroll).

** RANSBURG ELECTRO-COATING CORP, Indianapolis, Indiana (see No 384), which already has one West German subsidiary called Ransburg GmbH in Heusenstamm, Frankfurt (capital DM 1 million), has set up in France by forming Ste Ransburg SA at Montreuil-sous-Bois, Seine-St-Denis. This has Ff 250,000 capital, and is to make and sell plant for paints and coating materials: it has M. Pierre G. Durando as president, and will be run by Mr. Harold P. Ransburg. The American firm specialises in electrostatic pulverisation processes for paints.

ELECTRONICS

** The American WANG LABORATORIES INC, Tewksburg, Massachusettes, company, a 25% interest of the WARNER & SWASEY CO, Cleveland, Ohio, group (see No 423), has just established an almost wholly-owned Belgian subsidiary, WANG EUROPE SA, St-Josse-ten-Noode (capital Bf 500,000). This will manufacture, sell and lease electronic equipment. The president is Mr. An Wang, Lincoln, Massachusettes, and it is run by M. Jacques Boivin, Paris.

** C.G.E.-CIE GENERALE D'ELECTRICITE SA, Paris, has made an agreement in principle with the two investment companies, LEBON & CIE SA (see No 426) and STE LYONNAISE DES EAUX & DE L'ELAIRAGE SA (see No 428) with a view to pooling their technical manufacturing and trading resources in the field of radio and television sets. In charge of the venture will be a study group formed 50-50 by CGE, especially in the running of the Mondeville, Calvados, factory of Sonormel-Ste Normande de Fabrications Electroniques SA (see No 270), one of the most up-to-date TV production units in France.

CGE has a stake in the radio and TV market through two subsidiaries: Cie Continentale Edison SA, Paris (controlled 55.7% directly, and 20.4% indirectly, through Cie Generale d'Electro-Metallurgie-C.G.E.M. SA, its 61.8% subsidiary), and the latter's almost wholly-owned subsidiary, Ste Nouvelle Sonora SA, Puteaux. Since 1964 the interests of Lebon & Cie and Lyonnaise des Eaux in this sector have been supervised by Cocelam-Cie Centrale d'Electronique & d'Appareils de Mesure SA, Montrouge (in which each have a 35.6% interest - see No 428), the main trademarks of which are "Sonneclair", "Ribet-Desjardin" and "Grammont".

** The Italian radio, TV, domestic and electronic appliances concern AUTOVOX SpA, Rome (see No 363), has just made a technical and sales co-operation agreement with MOTOROLA INC, Franklin Park, Illinois (see No 385). The Italian concern will receive an American licence to manufacture Motorola's colour TV sets, and to sell these throughout the Common Market.

Motorola's most recent move in the EEC was the formation of an almost wholly-owned sales subsidiary in Milan, Motorola Semi-Conduttori SpA (in which Motorola Semi-Conductor Products Inc, Phoenix Arizona, has a token shareholding). Another Milan company, METRO-ELETTRONICA, is also to represent the American group on the Italian semi-conductor market. Autovox (directly controlled by LA CENTRALE-Finanziaria Generale SpA, Milan, and indirectly through Sifir-Romana Finanziaria SpA, Rome), has a New York sales subsidiary called Autovox Co of America, and is already linked, in Mallory Timers Continental SpA, Rome, with the American concern P. R. Mallory & Co Inc, Indianapolis, Indiana.

** The American scientific and laboratory instruments concern GILFORD INSTRUMENT INC, Oberlin, Ohio has formed a sales and manufacturing subsidiary in France in the name of GILFORD EUROPE SA, Malakoff, Hauts-de-Seine (capital Ff 100,000).

** The American electronic components and equipment concern GENERAL INSTRUMENT CORP, Newark, New Jersey (see No 413) has formed a company in Wiesbaden called GENERAL INSTRUMENT DEUTSCHLAND GmbH, with DM 100,000 capital and Herr Horst Schirmer as manager.

The parent company (1966 turnover $154 million) controls the Italian General Instrument Europe SpA, Naples (formerly P.A.E.-Pirelli Applicazioni Elettroniche - see No 384), and its other main points of establishment in Europe are General Instrument France SA, Paris and General Instrument (UK) Ltd, London, which was formed in February of this year with £10,000 capital.

ENGINEERING & METAL

** TRADEX INTERNATIONAL - STE TRANSATLANTIQUE D'EXPORTATION & DE DEVELOPPEMENT ECONOMIQUE SA, Paris, trading internationally in civil engineering and materials-handling equipment, machine tools etc, has formed TRADEX INTERNATIONAL GmbH in Vienna, Austria with Sch 400,000 capital. The French firm (headed by M. Jacques Bataille - also a director of Poclain SA, Plessis-Belleville, Oise), formed TRADEX INTERNATIONAL (UK) LTD, Weybridge, Surrey in April of this year, and shortly afterwards AMERICAN TRADEX CORP, New York (see No 406). Tradex International raised its capital last June to Ff 2 million.

** GRENCO NV, s-Hertogenbosch (refrigeration equipment, especially for shipping - see No 382) has formed a sales and servicing subsidiary in Hamburg called Grenco Schiffskuhlanlagen Service GmbH (capital DM 20,000 - manager Herr F. Pennings).

The parent company, which is controlled by GRASSO'S KONINKLIJKE MACHINE-FABRIEKEN NV, s-Hertogenbosch (see No 398), employs about 300 people. It is represented abroad by the following subsidiaries: Grenco Engineering & Contracting Ltd, Old Woking, Surrey; Grenco Iberica S.L., Madrid; Grenco (South Africa) Pty Ltd, Le Cap, and has agencies in Brussels, Istanbul, Sao Paulo, etc.

** The New York group PULLMAN INC has strengthened its French interests (see No 427) by forming a new direct almost wholly-owned subsidiary, CIE CONSTRUCTION KELLOGG SA (capital Ff 100,000), with Mr Warren L. Smith as president and run by Mr. James A. Petrie of London. M. H. de Suremain will be acting president at first.

In July 1967, Pullman made its Paris branch into a subsidiary called Kellogg France SA (capital Ff 250,000). This company is largely involved in carrying out engineering works in Iran on behalf of Shahpur Chemical Co, Bander Shahpur.

** The American group CRUCIBLE STEEL OF AMERICA, Pittsburgh (see No 420) has closed down its Düsseldorf subsidiary CRUCIBLE STAHL GmbH, which was formed in 1964 with a capital of DM 20,000 (see No 269). The American steel group has previously wound up its Paris subsidiary Aciers Crucible SA, and has carried out a similar operation on its Italian subsidiary Acciaierie Crucible Vanzetti SpA. The American group, however, still controls the European company Crusteel Ltd, Sheffield, which was formed at the same time as the German company.

** The London BIRFIELD LTD group (see No 393) intends to strengthen its indirect French interests by increasing its control over GLAENZER-SPICER SA, Poissy, Yvelines (see No 323). The latter makes transmission equipment, universal joints and couplings for cars and agricultural machinery, and has a capital of Ff 15.7 million. It is a 45% affiliate of the West German holding company UNI-CARDAN GmbH, Lohmar, Rhinland (see No 353), which has made a take over bid for the French company.

Birfield, which has held a 40.0% interest in Uni-Cardan since its formation in late 1964 (see No 275), was recently acquired by the GUEST, KEEN & NETTLEFOLDS LTD group of Smethwick, Staffs. It recently began moves to extend its interests in Europe, and these include: 1) the opening of a technical assistance branch in Milan by its subsidiary Birfield Trasmissioni SpA, Brunico (capital Lire 190 million); 2) the formation of an Austrial sales subsidiary, Birfield Overseas Vertriebs GmbH, Vienna (capital Sch 100,000 - directly controlled by its Irish subsidiary), which is run by Messrs H. E. Hill and L. R. Miller.

** The Swiss company BROWN & SHARPE AG, Dietikon, Zurich, has opened a Milan sales and technical assistance branch, headed by Sig Mario Ceresa. The founder is a member of the American manufacturer of tools, machine tools and hydraulic equipment, BROWN & SHARPE MANUFACTURING CO, North Kingstown, Rhode Island.

The Swiss company, which is headed by M. E. Brutwiller, was formed by the American group in early 1966 with Sf 360,000 as capital. It heads its sales network in West Germany, Italy, Austria and Switzerland, and is also responsible for importing into these countries equipment made in the United States or by its British subsidiary, Brown & Sharpe Ltd, Plymouth, Devon.

** The American group PERMACLEAN CO, Deerfield (formerly Duraclean Co), which makes cleaning machinery and equipment, has formed a second Common Market company VON SCHRADER FRANCE Sarl, Neuilly-sur-Seine, (capital Ff 20,000). This will import, export, market and lease cleaning equipment, especially for carpets, and will be headed by M. Joël Boirayon.

The group already controls the West German Permaclean GmbH, Wiesbaden, formed in 1963 by Herr and Frau Daner, with a capital of DM 20,000.

** ATELIERS DE CONSTRUCTION SCHWARTZ-HAUTMONT SA, Paris (see No 415), SOCALTRA-STE ALSACIENNE D'ETUDES & DE TRAVAUX SA, Neuilly-sur-Seine and Graffenstaden, Bas-Rhin (see No 408), and ATELIERS MECANIQUES DU DOUAISIS SA, Douai, Nord, have decided to carry out a partial merger of their assets. They will make over their interests in the continuous handing sector to a new joint company, which will be one of the leading European companies in this field.

SOCALTRA (the joint subsidiary of Hispano-Alsacienne SA, Alsthom SA and Chantiers de l'Atlantique Penhoet-Loire SA) recently signed an exclusive reciprocal co-operation agreement with Dia Maschinen Export, East Berlin, and TAP-Transport Anlagen Projekt Veb, acting on behalf of the materials handling and lifting group TAF-Transportanlagen Kran- & Fördertechnik VVB (both of Leipzig). Under this agreement, the French firm gained world-wide rights for East German patents in return for technical assistance and equipment. It is also linked through co-operation agreements with the West German, Lauchhammer Maschinenbau & Stahlbau GmbH, Düsseldorf-Benrath, a wholly-owned subsidiary of the Demag AG group. In France it is linked with Ets Caillard & Cie, Le Havre, Seine-Maritime.

In June 1967, Schwartz-Hautmont linked with Aluminium Alcan de France SA, Paris (a subsidiary of the Montreal group Alcan Aluminium Ltd), in a move to set up two joint companies to operate one of the former's plants at Anizym Pinon, Aisne (see No 415).

The two subsidiaries are now being formally established. The first is called Alcan-Schwartz, Filage & Oxydation SA, Paris, and has M. Henri Moullier as president. The choice of Simetal as a name has been dropped, and the new firm has an initial capital of Ff 100,000 (to be raised to Ff 5.5 million) with 51% held by Aluminium Alcan de France. It will extrude aluminium and alloy profiles, as well as carrying out anodisation and polishing. The other subsidiary, called Ste Industrielle de Transformation & Construction-SITRACO SA (initial capital of Ff 120,000) is an 83% interest of Schwartz-Hautmont. With its head office at Rueil-Malmaison, this will transform the extrusions into window and door-frames for use in the building industry.

** The American group STANLEY WORKS INC, New Britain, Connecticut, has wound up its Milan subsidiary, STANLEY WORKS ITALIANA Srl (capital Lire 900,000), which was formed in 1960. The New Britain company makes hand tools, ironmongery and electrical equipment, and it has several Common Market subsidiaries. These include Stanley Works GmbH, Velbert, Rhineland, and (in association with Brockhaus Söhne KG, Plettenburg), Stanley-Brockhaus Ges. Für Verpackung GmbH, Plettenburg, in West Germany; in France, Stanley (France) SA, Paris (capital recently increased to Ff 2 million), in the Netherlands, Stanley Works (Nederland) NV, The Hague (capital Fl 50,000), and in Britain, Stanley Works (G.B.) Ltd, Sheffield.

** Dutch interests represented mainly by Mr. Gerrit Pieter Reevers, Zaandam, are behind the formation of MOGEER BELGE SA, Brussels (capital Bf 130,000). This will be involved in the import and export business, and sales of all types of metal products, especially steel and rolled products.

** The link-up between the three French groups CIE DE PONT-A-MOUSSON SA, Nancy, CIE FINANCIERE DE SUEZ SA, Paris and LYONNAISE DES EAUX & DE L'ECLAIRAGE SA, Paris, will lead to a rationalisation of their present direct and indirect joint interests, through the acquisition of crossed shareholdings (see No 428). As part of the rationalisation moves, TUNZINI SA, and AMELIORAIR SA (both based in Paris), whose production work is complementary, will merge. In the new group, called TUNZINI-AMELIORAIR SA, Pont-a-Mousson will hold 17%, Suez 10% and Lyonnaise des Eaux 8%. Specialising in air conditioning and ventilation, it will have seven factories, employing some 6,000 people, with an annual turnover of around Ff 500 million. Ameliorair's foreign interests were limited to Britain, where it controlled Ameliorair Ltd, Rochdale, Lancs. However, Tunzini (whose president, M. Bernard Tunzini, will occupy the same post in the new group) already controls a large international network. Its main interests include: 1) in West Germany Hager & Weidmann AG, Bergisch-Gladbach, Tunzini Klimatechnik GmbH, Bensberg, Cologne, and Heizungs & Klimatechnik GmbH, Berlin; 2) in Britain De Vilbiss-Durr - Tunzini, London; 3) in Belgium Tunzini - Benelux SA, Brussels, and Sotec-Ray SA, Forest-Brussels; 4) in Italy Tunzini Italiana SpA, Milan; 5) in Spain Airesa SA, Bilbao; 6) in the Ivory Coast Tunzini Afrique SA, Abidjan, etc...

** BURNHAM CORP, Irvington, New York (a manufacturer of heating equipment - see No 376) has backed the formation of BURNHAM GmbH, Düsseldorf (capital DM 20,000) whose directors are Messrs Hendrik Meyer, Amersfoort, and Siebrecht Müller, Nijkerkerveen.

The American group (1966 turnover of $19 million) has had a European interest since last year, when it acquired a 51% share in the Dutch company Burnham-Europa NV, Amersfoort. The remaining shares in the latter are held by Ingenieurs-bureau Voor Gastechniek-Amgas, a subsidiary of Wolter & Dros NV (see No 374). The American group also controls the Canadian subsidiary Lord & Burnham Co Ltd, St-Catharines, Ontario.

FINANCE

** NEDERLANDSE OVERZEEBANK NV, Amsterdam, and BANKIERS-COMPAGNIE NV, Rotterdam (see No 412) are negotiating the establishment of a close co-operation arrangement, possibly with a view to a merger later.

As a holding company, Bankierscompagnie (capital Fl 37.5 million) has interests in the Rotterdam bank Mees & Hope (the largest Dutch private bank), and the Rotterdam insurance firm of R. Mees & Zonen Assurantien. Its main shareholders are the banking and insurance concerns, Mees & Hope; Morgan Guaranty International Banking Corp, New York; Hong Kong & Shanghai Banking Corp, London and Hong Kong, and Vereenigde Bezit van 1894 NV, Rotterdam.

** THE CHASE MANHATTAN BANK, New York (see No 421), plans to increase its standing in West Germany by opening an agency in Munich, to support the business of its branches in Frankfurt (headed by Herr Otto Schoeppler) and Düsseldorf (directed by Herbert Jacobi).

The American bank also plans to take a 30% interest in the formation in Britain of a leasing company to be called Equipment leasing Co, in which venture it will be partnered by the London firms, Hambros Bank Ltd (see No 411), Standard Bank Ltd (see No 370), and Noble Lowndes Holdings Ltd.

** The FIRST NATIONAL CITY BANK, New York (see No 428), plans to acquire wider representation in the Netherlands, where for a long time it has had but one agency in Amsterdam (see No 370): once the necessary authorisation comes through, it is to open a branch in Rotterdam.

** A merger to be formalised before the end of 1967 will make the BANQUE DE PARIS & DES PAYS-BAS SA, Paris, the leading French banque d'affaires with funds amounting to nearly Ff 1,000 million and shareholdings shown on the annual balance sheet of Ff 780 million. Its capital will be raised to Ff 474 million and reserves to Ff 513.2 million.

Banque de Paris & des Pays-Bas will take over; 1) Ste d'Investissement de Paris & des Pays-Bas SA (see No 427), 19.36% of the Ff 170 million capital of which it holds directly (since the former's acquisition in late 1966 of Ste d'Investissement Chimie Petrole SA - see No 384); its net assets amounted at the end of 1966 to Ff 265.9 million, and its shareholdings were estimated to be worth Ff 220 million; 2) Cie Generale Industrielle Pour la France & l'Etranger SA (see No 424), in which it holds directly 13.70% of the Ff 63.36 million capital (6% is also held by the Electrobel SA group); this is an investment company in which the Paris banking group Stern & Cie S.C. (represented by M. Antoine Stern) has considerable interests, and since late 1966 it has had a subsidiary Comptoir Financiere pour l'Industrie-COPFI SA (capital Ff 2 million - see No 394). In early 1967 the latter took over its business as a financial establishment. Its portfolio worth Ff 167 million at the end of 1966 (stocktaking value of Ff 38.5 million) represents extremely diversified interests in Belgium (Cobepa SA), France and Luxembourg (Financiere de Gaz & d'Energie).

FOOD & DRINK

** FOUCROY NEDERLAND NV, The Hague, the subsidiary of the Belgian spirit merchants ETS. FOUCROY SA, Brussels, will in future be the sole Dutch distributor of brandies made by BISQUIT-DUBOUCHE & CIE SA (along with "Ricard" brand spirits), which was recently taken over by Ste Ricard SA, Paris (see No 376).

Until now "Bisquit" brandies were distributed in the Netherlands by Lefebure & Zoon, Amsterdam, and in Belgium by Erven Lucas Bols Sprl, Brussels (a subsidiary of the Amsterdam company NV Amsterdamsche Likeurstokerij "T'Lootsje" der Erven Lucas Bols).

** B.A.T.-CIGARETTEN FABRIKEN GmbH, Hamburg (a member of the London group BRITISH AMERICAN TOBACCO CO LTD - see No 398) the second German manufacturer of tobacco and cigarettes after REEMTSMA, has carried out a diversification of its interests through the acquisition of a majority share in the fruit juice concern DONATH-KELTEREI GmbH & Co KG, Unterföhring. This has a share capital of DM 3 million, and with some 200 staff on its payroll, had a 1966 turnover of DM 22 million.

** The agreement signed between the Danish company PLUMROSE A/S, Copenhagen (see No 337) gives the Italian firm SpA G. ARRIGONI, Trieste the exclusive representation and distribution rights for Italy of food products made by the former. This was acquired in 1965 by the Det Ostasiatiske Kompani A/S, Copenhagen group, and has several Common Market sales subsidiaries including Plumrose GmbH, Hamburg and Springrose (Nederland) NV, Amsterdam. Arrigoni belongs to the Milan group CENTRALE SPA (see No 427) and controls one of the largest food canning factories in Italy at Cesena. The Milan group recently took over its finance subsidiary Sifir SpA, Rome which formerly held a direct 70% interest in Arrigoni.

** Under an agreement signed between ADAMS INTERNATIONAL, South Beloit, Illinois (a member of the BEATRICE FOODS CO, Chicago group - see No 413) and the Dutch biscuit firm KON. VERKADE FABRIEKEN NV, Zaandam (see No 392), the latter will manufacture under licence and market in the Benelux countries crackers produced by the former. This will take place in the factory at Weert of Finnbrood NV, which the Dutch firm recently acquired and made into Verkade Weert NV.

Kon. Verkade Fabriken makes "crackpain", a type of barley and oat crispbread under the "Wasa" brand name. The original licence for this product is held by the Swedish group WASABROD A/B, Filipstad.

** With the aim of strengthening its financial position so that it can establish a chain of restaurants on French autoroutes, CIE DES RESTAURANTS JACQUES BOREL SA, Paris will increase its capital from Ff 20.11 to Ff 30.6 million. This will be entirely underwritten by the New York chemical and pharmaceutical group W. R. GRACE & CO (see No 422), which will thus become one of the main shareholders along with Banque de L'Union Parisienne SA, La Concorde SA, Ste d'Etudes & Financement d'Entreprises SA, all three in Paris; Burnham International, Nassau, Bahamas; J. Lyons & Co Ltd, London; Pan Holding SA, Luxembourg and Wimpy International Inc, Chicago.

The Borel group (2,000 on payroll - 1966 turnover exceeded Ff 90 million) includes some twenty companies. The main ones are 1) Cie des Restaurants Jacques Borel SA (114 restaurants including 76 canteens) which gained control during 1963 of Cafe Biard SA, Paris, the brasserie-restaurant,self-service and liquid refreshment concern, and took it over earlier this year. In 1966 it took over Grillades Maillot, Milk Bar Richelieu, Ste d'Etude & de Distribution de Produits Alimentaires-Sedipa and Ste de Gestion Wilson (all in Paris). It is linked by franchising contracts for "Wimpy" foods with the London group J. Lyons & Co Ltd, and its Chicago subsidiary Wimpy International Inc; 2) Ste Centrale d'Achats de Produits Alimentaires-SCAPA (group purchasing organisation); 3) Ste d'Etude & d'Organisation de Restaurants-S.E.O.R. (restaurant construction and design); 4) Ste de Promtion Touristique des Autoroutes-S.P.T.A. which was formed recently and whose capital is due to be increased to Ff 5 million.

** The Hamburg gtoup RUDOLF A. OETKER (annual production of 1.2 million hl) has carried out a new rationalisation move with the acquisition, through its Frankfurt subsidiaries BINDING-BRAUEREI AG, and BANK FUER BRAU-INDUSTRIE of a majority shareholding in the BRAUEREI SCHREMPP AG, Karlsruhe brewery (capital DM 3.9 million). The latter is the second brewery in Karlsruhe (after Bauerei Moninger) and the Munich merchant bank MERCK, FINCK & CO oHG (see No 364) has sold its 25% interest. The newly acquired brewery has an annual capacity of 170,000 hl. which for 1965/66 produced a turnover of DM 15 million, and it also controls a subsidiary Fidelitas Geränke GmbH, Karlsruhe which specialises in non-alcoholic drinks.

Rudolf A. Oetker recently acquired control of the Allgäuer Brauhaus AG brewery (see No 429).

GLASS

** A further rationalisation of the Italian interests (see No 423) of the French glass group CIE DE SAINT-GOBAIN SA, Neuilly-sur-Seine will strengthen its Milan subsidiary VETRERIA ITALIANA BALZARETTI MODIGLIANI SpA. With Sig E. Masella as president, this company (capital Lire 3,600 million) will take over Wanner SpA, Milan (capital Lire 250 million), Protexa Italia SpA, Chieti (capital Lire 200 million) and Fibre Di Basolto Isolati SpA, Milan (capital Lire 100 million).

A move some six months ago enabled the same subsidiary to regroup two companies which it already totally controlled Termoacoustica SpA, Pomezia, and Promoplast SpA, Naples.

** The Mainz optical and special glass firm JENAER GLASWERK SCHOTT & GEN (which is controlled by CARL ZEISS STIFTUNG - see No 426) has just formed a Paris subsidiary JENAER GLASWERK SCHOTT & GEN. Sarl, which is run by Herr Dieter Vogel, former sales director for the German group in Columbia. The new company has a capital of Ff 150,000, and control is shared between the founder and one of its subsidiaries, Vereinigte Farbenglaswerke AG, Zwiesel; it will sell glass and chemical products, especially those used in laboratories. These will continue to be distributed on an exclusive basis by Ste d'Etudes & de Distribution-Sotudis Sarl, Paris, and the German company is considering the acquisition of an interest in the latter, with the aim of strengthening their links.

INSURANCE

** The Milan group CIA DI ASSICURAZIONE DI MILANO SpA (see No 363), has gained control of the Paris insurance company LA MINERVA DE FRANCE (CIE D'ASSURANCES CONTRE L'INCENDIE, LES ACCIDENTS & LES RISQUES DIVERS) and changed its title to GROUPEMENT OCCIDENTAL D'ASSURANCES SA (capital raised to Ff 10 million).

The latter has now made over its insurance interests to the Italian group's Paris branch (headed by M. Yvon Andre) with the aim of specialising in life policies. La Minerva de France was formed in 1960 by the Rome company LA MINERVA-VITA SpA (a member of the Rome group La Minerva) with 18.7% being held by La Minerva SA, Paris. Assicurazione de Milano (capital recently raised to Lire 3,600) also has a Swiss affiliate, Ticino-Sta d'Assicurazioni Sulla Vita SA, Lugano (branch at Zurich).

OIL, GAS & PETROCHEMICALS

** The Belgian oil products distribution company ETS ROUSSEEL NV, Bruges (see No 374), has acquired three new shareholders, which together hold approximately 33% of the capital, which has been increased to Bf 10 million. These are PETROLE & DERIVES SA, Luxembourg, BELGOMAZOUT NV, Antwerp, and BELGISCHE OLIEMIJ. NV, Hoboken. The shareholding of BELGOMINE ST-NIKLAAS NV, St-Niklaas-Waas, has been reduced from 40 to 21.2%.

The same companies recently took an interest along with Avia France, Paris, Avia Nederland NV, Soestdijk, and Avia Mineralol GmbH, Munich, in the formation of the Belgian co-operative company Avia Belgie Luxembourg Sc, Antwerp (capital Bf 80,000). The purpose of this was to promote the sale of Avia oil products in Belgium and Luxembourg.

PHARMACEUTICALS

** The AMERICAN HOME PRODUCTS CORP, New York (see No 425), has strengthened its European interests with the formation of a subsidiary, AYERST BENELUX SA, Schaerbeek, Brussels (capital Bf 500,000). Control is shared by the founder and six other companies in the group, including AYERST, McKENNA & HARRISON LTD, Montreal, AYERST Srl, Rome, AMPRO DEVELOPMENT CORP, New York, and STE FRANCAISE DE CHIMIE INDUSTRIELLE & BIOLOGIQUE, Paris.

The new company (president Mr. William F. Laporte and managed by Sig. Ariel Elia, Rome), will trade in and possibly manufacture all types of pharmaceutical products including hormones and antibiotics.

The group's most recent moves within the Common Market has been have been the formation in France of Laboratoires Bismupharm SA, Montrouge, Hauts-de-Seine, through Ste Francaise de Chimie Industrielle & Biologique SA, control of which the group acquired several months ago.

PLASTICS

** The Peterborough, Northants plant manufacturer BAKER PERKINS LTD (presses, thermoplastic formers, rubber processing, food production equipment etc - see No 345) has strengthened its position in the EEC, by the purchase, for £75,000, of a 45% stake in the share capital of RUDOLF LENSING KG, Recklinghausen.

The German company (majority interest held by Herr R. Lensing) specialises in the plastic packaging sector. In West Germany, Baker Perkins already has one subsidiary, Forgrove GmbH Verpackungs Spezialmaschinen, Cologne (capital DM 1,165,000). Its other European interests include, in Switzerland, Baker Perkins AG, Zug (branch in Paris) and Baker Perkins Far East AG, Zug.

** The world's leading zip manufacturer, the Japanese group YOSHIDA KOGYO KK, Tokyo (see No 262), has backed the formation of an almost wholly-owned indirect Paris subsidiary, YOSHIDA (FRANCE) Sarl (capital Ff 50,000). Controlled by the Dutch subsidiary Yoshida (Nederland) NV, Sneek, and run by M. I. Miyamoto, the new company will import, export and market manufactured products, including zips, thread, ribbons and tapes, as well as precision eqiupment.

PRINTING & PUBLISHING

** The American WALT DISNEY MUSIC CO, Glendale, California, has set up a music publishing company in Frankfurt under the name of Walt Disney Musikverlag GmbH (capital DM 20,000), under the management of Roy Disney, James Johnson, Cardon Walker, Cyril James (of Haywards Heath) and Horst Koblischek.

The parent company is a member of the Burbank, California group Walt Disney Productions (turnover $64 million in 1966), which already has two subsidiaries in Frankfurt: Walt Disney Filmverleih GmbH, formed in October 1963 with DM 20,000 capital, and Walt Disney's Mickey Maus GmbH.

** TIME INC, New York, having embarked on negotiations with a view to gaining a stake in the business of ROWOHLT TASCHENBUCHVERLAG GmbH, Reinbeck, Hamburg (see No 426), has now secured a 33.3% interest in this company. Rowohlt (headed by Herr Heinrich Ledig-Rowohlt) is one of the largest paper-back concerns in West Germany (detective novels, classics, topical and reference works), and has published over 80 million copies in the last 15 years.

In West Germany, the American group already holds a 50% interest (through Life Circulation Co and Time-Life Broadcast Inc, New York) in the TV programme concern Du Mont-Time Film- & Fernsekproduktion GmbH, Cologne, where it is linked with Mr Alfred Du Mont (10%) and the publishing house of Verlag M. Du Mont Schauberg, Cologne (40%). In the printing sector, it has a Dutch subsidiary called Printing Developments International (Nederland) NV, Haarlem, which recently opened a branch in Munich (see No 426).

RUBBER

** MAPA SA, Villiers-le-Bel, Val d'Oise (see No 421) the French manufacturer of sanitary rubber goods is about to absorb STE DES PROCEDES F.I.T. SA, Paris (see No 408). Once this has been carried out it will become MAPA-FIT SA and will raise its capital from Ff 8.066 to Ff 14.856 million. FIT (capital raised in May 1967 from Ff 6.28 to Ff 11.31 million) was originally involved in tyre-retreading, but then extended its activities to soleing (through its wholly-owned subsidiary Paritzky SA, Mauleon, Basses-Pyrenees) as well as to rubber goods for use in industry (factory at Moirans, Isere). In 1966 it had a turnover of Ff 55 million and since the beginning of 1967 has been linked by technical co-operation and sales agreements with two British companies Avon Rubber Co, Melksham, Wilts, and Mobbs Miller Units Ltd (part of the Mobbs & Lewis Ltd group, Kettering, Northamptonshire).

Mapa will now control nine factories - seven in France - with a payroll of 2,000 and its 1966 consolidated turnover exceeded Ff 100 million. With M. Jean Menasche as president, its subsidiaries include Frooms-Blausiegel Gummiwarenfabrik GmbH, Bremen (formed by the recent merger of Hanseatische Gummiwarenfabrik and Blausiegel Richter Kaufer & Co GmbH (see No 414) as well as Gummiwerk Erfurt KG, Erfurt. In Britain it is linked on an equal basis in a subsidiary with the latex goods manufacturer W. W. Haffenden Ltd, Sandwich, Kent (part of the London group Haffenden-Richborough Ltd.

TEXTILES

** The Dutch plastics and chemicals group A.K.U.-ALGEMENE KUNSTZIJDE UNIE NV, Arnhem (see No 426) is reorganising its Spanish interests by merging LA SEDA DE BARCELONA SA, Barcelona, (directly controlled at 24%, and another 38% through the holding company International Viscose Co NV, Breda - see No 421), with PERLOFIL SA, Madrid (45% controlled - see No 362). The new single company will be under the direct majority control of A.K.U. La Seda (capital Ptas 333 million) makes rayon and polyester fibres under the "Terlanka" trademark, while Perlofil specialises in nylon fibres and threads.

The Dutch group's other Spanish interests are: 1) the sales subsidiary Iberenka SA, formed in 1965 with Ptas 2 million capital, controlled 20% directly and 43% through La Seda and Perlofil; 2) the acrylic fibres concern Cyanenka SA, Barcelona, controlled 47% (directly, and through La Seda and Perlofil).

** The reorganisation of the internal structure of the Dutch group headed by the Helmond investment company TEXOPRINT NV (see No 397) an affiliate of the Unilever and Kon. Textielfabrieken Nijverdaal-Ten-Caate NV groups, will result in it becoming a manufacturing concern, once five of its wholly-owned subsidiaries have been absorbed: 1) ANKERSMIT'S TEXTIELFABRIEKEN NV, Deventer (see No 366); 2) VLISCO TEXTIELDRUKKERIJEN NV, Helmond (formerly NV P.F. Van Vlissigen & Co's Katoenfabrieken); 3) NV STOOMWERVERIJ NIJVERHEID, Enschede - which will move its workshops to Boekelo; 4) NV STOOMBLEKERIJ, Enschede (recently merged with the previous company); and 5) NV DE KEMPEN, Baelen-Wezel, Belgium, the subsidiary of Vlisco.

** MANUFACTURE FRANCAISE DE TAPIS & COUVERTURES SA-M.F.T.C., Paris (see No 389), has just signed an agreement with LORTHIOS, LEURENT & FILS SA, Tourcoing, and will thus acquire the latter's "Carpet" division, including one of its two Tourcoing factories. M.F.T.C. was already linked with Lorthios in the joint selling organisation France-Tapis Sarl, which in turn is linked for sales with the West German firm Vorwerk & Co KG, Wuppertal-Barmen (see No 245).

In 1965, M.F.T.C. acquired from Saint-Freres SA, Paris (by which it is controlled), an automated weaving mill at Leers, and after the new move it will have six mills at Beauvais, Roubaix, Tourcoing and Mouscron. With an annual turnover of around Ff 110 million, it controls 50% of French carpet production. In 1966, the Lorthios group had a turnover of Ff 21 million (2/3 from carpets) and it employs some 1,200 people.

M.F.T.C. and Lorthios already linked a few months ago with two other firms in the same sector, S.I.F.T.-Ste Industrielle Francaise de Tapis SA, Tourcoing, and Saint Freres SA, to form S.E.P.T.-Ste d'Etudes pour la Promotion du Tapis Sarl with the aim of rationalising the manufacturing and sales policies of its founders.

TOBACCO

** The Bremen MARTIN BRINKMANN AG group (see No 428) and the Antwerp group UNION FINANCIERE BELGE DES TABACS "TABACOFINA" SA (see No 418), which are already closely linked through reciprocal licensing agreements, are strengthening their co-operation at both manufacturing and sales levels.

The German group (controlled by Herr Wolfgang Ritter - DM 100 million capital) is closely linked with the South African group Rembrandt Tobacco Corp SA, Stellenbosch, which recently increased its shareholding, previously limited to 30%. The Belgian firm, in which Cie d'Anvers NV, Antwerp, sold its 2.44% interest in 1964, has as main shareholders the Van Zuylen and Van der Elst families. With Bf 840 million capital, it has interests in many foreign concerns, including Tabak Export & Import Cie NV, Amsterdam, Holding Ed. Laurens SA, Basle, Cumberland Export Tobacco Co Inc, Richmond, Virginia, Laufina SA, Caracas, Cie Lopes SA Industrial de Fumos, Rio de Janeiro.

TRANSPORT

** THE GENERAL TRANSPORT CO Sarl, Paris (capital Ff 400,000), the subsidiary of The General Transport Co, New York, has linked 50-50 with the Dutch H. DIJK INTERNATIONALE EXPEDITIE NV, Rotterdam, to form E.C.S.-USA EXPRESS CONTAINER SERVICE ROTTERDAM NV (capital Fl 100,000) with M. J. J. Schouten as director.

** The Belgian international transport firm ZIEGLER & CIE Sprl, Brussels, has established a West German subsidiary called INTERNATIONALE SPEDITION ZIEGLER & CO GmbH, Aix-la-Chapelle (capital DM 20,000). The managers of the new concern are MM. Arthur and Robert Ziegler.

VARIOUS

** The market research firm UNTERNEHMEN & MARKT AG, Rheinfelden, Aargau (capital Sf 50,000), has extended its Swiss interests by opening a branch in Basle. The Rheinfelden firm is an affiliate of GFM-GESELLSCHAFT FUER MARKTFORSCHUNG mbH, Hamburg (see No 356), which is headed by Herren J. Schwenzner and E. Andersen, and has a capital of DM 342,000. With a turnover of some DM 5 million, it is one of the leading West German firms in this sector.

** The Swedish manufacturer of brushes (mainly in plastic) A/B HUSQVARNA BORSTFABRIK, Husqvarna, has wound up its West German sales subsidiary. Called HUSQVARNA BUERSTEN & PLASTIK GmbH, Düsseldorf, this was formed during 1964 with a capital of DM 200,000 (see No 284).

** FICH INTERNATIONAL LTD, Toronto, Ontario (see No 324), has decided to wind up its INSTITUT FICH BELGIQUE SA, St-Josse-ten-Noode, Brussels, subsidiary (capital Bf 50,000), and M. Alfred Bauwens will carry out the operation. The concern was formed in late 1965 to teach data processing techniques and methods, and allied sales operations.

The Canadian group has a wide range of European subsidiaries carrying out similar functions: Fich Ges. Für Datenverarbeitung mbH, Düsseldorf, Fich Institute of Data Processing (U.K.) Ltd, Manchester (two offices in London), Fich EDB Instituttet A/S, Copenhagen, and Fich Instituto (Espana) S.L., Madrid, etc.

** The American company ROCHESTER GAUGES INC, Dallas, Texas, has linked on an equal basis with Belgian interests (mainly represented by ENTREPRISES EMERIC KROCH SA, Woluwe-St-Etienne) to form a new Brussels company, ROCHESTER GAUGES INTERNATIONAL SA (Bf 2.5 million capital), with Mr. Jack W. La Due, Dallas, as manager. This will import, export, market and manufacture tanks and liquid storage plant.

** Set up in London in July 1965, NORTH SEA DIVING SERVICES LTD (capital £50,000) has formed a wholly-owned subsidiary in Rotterdam, NORTH SEA DIVING SERVICES (NEDERLAND) NV. The latter company (capital Fl 50,000), under the direction of Mr. Ian Fraser and Mr. Geoffrey Gould, was founded, as was its parent company, for the purpose of deep-sea diving and exploration.

** The West German manufacturer of office equipment HANS SCHNAECKEL GmbH, Weiden, Cologne (self-inking pads), will now have its products distributed in France by DIRECT PRINT FRANCE Sarl, Thiais, Val-de-Marne. With Ff 20,000 capital, the manager is M. Edgard Ressot.

** One of the two firms formed by the break-up in the Netherlands of COPPERAD-PILASTRO NV (see No 430), PILASTRO NV, Zwanenburg, specialising in furniture, has been acquired by NV DE CIRKEL, Zwanenburg. This belongs to a group of four family firms, who after having co-operated over a long period of time have decided to merge to form a new company called AHREND GROEP NV. Apart from Cirkel, they are NV WED. J. AHREND & ZOON'S HOLDING, KAMPADA NV and NV ODA v/h VAN DE KAMP. This will be run by Messrs A. Q. de Flines, A. J. van de Kamp, J. Mulders and J. Schröefer.

Copperad NV has taken over the air-control interests of the former Copperad-Pilastro.

** Having given over its brand names and its manufacturing formulas f for glues, pencils etc. to BAIGNOL & FARJON SA, Boulogne-sur-Mer, Pas de Calais, (see No 259), STE KOH-I-NOOR HARDTMUTH SA, Paris, (capital of Ff 0.9 million) will go into liquidation. It had had control of STE. MARQUISE (St-Paul-en-Jarez, Loire) since 1959, and was connected to the Austrian group, Koh-I-Noor Hardtmuth AG, Vienna (capital of Sch. 8.4 million).

LATE FLASH

FINANCE: The direct 50% subsidiary planned for the Common Market by the London property and investment group, ODDENINO'S PROPERTY & INVESTMENT CO LTD (see No 429) has now been formed in Brussels under the name of CONTINENTAL PROPERTY INVESTMENTS (BELGIUM) SA, with Mr. Instone Bloomfield as president. The remainder of its Bf 1 million capital was put up by three subsidiaries of the group: Anglo-European Property Co (Holdings) Ltd (20%), Anglo-European Property Co Ltd (20%), and Heribank Nominees Ltd (10%).

INDEX OF MAIN COMPANIES NAMED