Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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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	ITALY	BENELUX
54 Rue Vermont GENEVA TEL: 33 7693	72 Corso di Porta Romana MILAN TEL: 540.301 - 540.309	4 Boulevard Anspach BRUSSELS TEL: 18-01-93

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THE WEEK IN THE COMMUNITY

From our Correspondent in Brussels

September 25 - October 1, 1967

THE COMMISSION'S REPORT ON ENLARGEMENT

At 2 a.m. on September 29, the EEC Commission finally approved the report it had been asked by the Six to make, giving its opinion on the enlargement of the Community to include Britain, Ireland, Denmark and Norway. The communique which was later issued stressed that this had been approved by a unanimous vote - quite an achievement, when one bears in mind that the report analyses in detail all the problems raised by the four candidates, wherever these fall within the competence of the Commission. In 1961, when Britain first applied to join, the Hallstein Commission's opinion, including its opening and closing complimentary remarks, came to only four pages. This time, the Rey Commission's report covers 113 pages.

Although it has not yet been officially published, the following main points have so far filtered through from the report, which was despatched to the members of the Council of Ministers on September 30.

Scope of the Report: The document is related to the Treaties, and the various regulations and agreements which have been established since 1958, when they were first applied. The Commission has not tried to tackle the problems on the higher level of politics, where, in any case, it has no competence, and thus it does not deal with French political objections, since these are outside the Community framework. However, the Commission's findings do not corroborate the view held by Paris that enlargement would weaken the Community, although it does make certain provisos.

General Findings: The Commission's findings are here based on a statistical type of analysis of the economic structure one might expect in a Community of Ten. In the industrial sector, the Four are in general on the same level as the Six, and even Ireland, which might be classed differently, has made a considerable effort during the last few years to increase its industrial base. An enlarged Common Market should not destroy the existing agricultural balance, since the self-sufficiency ratio of the new Community would fall in wheat, but rise in beef. The new group would be unlikely to take a restrictive view over the question of increasing world trade, since the Ten's imports would go up much more, in relation to those of the Six, than exports. In addition, the Commission considers that the admission of the Four, far from weakening the Community, would enable it to make new progress. This could be so for scientific and technological co-operation, pursued on a much wider base. The same goes for monetary matters: as a good guardian of the Treaty, the Commission is unable to accept the suggestion made by Britain that she would not invoke the "mutual assistance" clause of Article 108 of the Rome Treaty in the case of a balance of payments crisis.

A solution must be found that will secure the lasting recovery of the British balance of payments, and in the long term create a unified European monetary system to include sterling.

Provisos: This optimistic assessment, however, is based on the fulfillment of several conditions. To start with, a number of matters are considered to be outside the scope of negotiations. In other words, the candidate countries must accept the Treaties and their development in toto - this covers the common agricultural policy, the common external tariff after the Kennedy Round, the agreements made between the Six and third countries, and the Community's institutional system. The latter might have to undergo some changes, such as an increase in the number of Commission members, but it must not in any way be weakened by enlargement of the Community. It is even suggested that some of the difficulties caused by an increased number of member States might be resolved by limiting the veto rights of the smaller countries.

Immediate Problems: There is a second group of questions arising directly out of problems connected with the candidate countries. First and foremost there is a need for solutions to Britain's monetary problems, the special foreign relations questions affecting the Four (EFTA and Commonwealth) and the financial contributions they should make to the Community. The latter point involves, in particular, their share of payments to FEOGA. However, for levies, the Commission refuses to admit that any change can be made in the ruling adopted by the Six, and 90% would have to be paid to the common fund. As matters stand, this would be a bitter pill for the Treasury to swallow.

A third essential condition is expressed in general terms: any enlargement of the Community should not impede its dynamism and cohesion, its natural tendency towards ever-closer co-operation, including that in the political sector. To get around the dilemma of deciding whether priority should be given to "enlargement" or to "advancement within", the Commission proposed the even pursuit of both objectives. However, it does not give any more precise information on this point, on grounds - and here it is quite justified - that the development of the Community depends essentially on the states concerned, whether these are the Six or the candidate countries, and in any case it has insufficient information on this point.

The Next Step: The Commission, in closing, stresses that its remarks are not final, and that in order to obtain the additional information it would like to have, it would be desirable for talks between both sides to begin. However, it does not make suggestions as to what procedure should be followed here, nore does it formally offer its services. The decision lies with the Six, and the conclusion is skilfully worded. The Commission has not insisted on the opening of intergovernmental negotiations, requested by Britain under Article 237 of the Treaty, and over which the Six are at variance. By stressing that its opinion is not final, the Commission has left the way open for contacts of a less restrictive nature, perhaps even exploratory in form, for which it might be made responsible.

Reactions: Obviously, the French can be expected to refuse to allow talks, even on the exploratory level. However, the Commission's opinion does seem to weaken their position - or rather strengthen that of the Five - to the extent that it encourages them in their quest to get talks with London under way. Cynics would here replace "encourage" by "compel", but the decision might depend more on British reactions to the Commission's tough demands, especially in connection with monetary, agricultural and institutional matters. On these points, the recent speech by Lord Chalfont to the Council of Europe and the article by the Chancellor of the Exchequer in "Le Monde" (see No 428) are not only signs of the British government's intention to keep up the pressure, but are also evidence of the change in its thinking about the problem of European unification. If the British make quick and positive reply to the many points raised by the Commission, it is clear that anyone trying to prevent negotiations from starting would find his position becoming more and more difficult to defend.

What are Negotiations? After all, in reality, there have been negotiations of a sort for the best part of a year between the various parties involved, and it is Mr. Wilson who has chosen to give these such an "anti-conformist" look. What the Commission has done is to keep the ball in play, when it might well have given a vague opinion, without any particular emphasis, which would have left matters to the Council of Ministers once again. By making a detailed and purposeful analysis, they made an important contribution to the dialogue between the Six and Britain, and they have made it in such a manner that it is up to Britain rather than the Six to make the next move.

The Commission's Challenge: In the words of a well-informed commentator, "If the first attempt by Britain failed, it was because the Five hid behind France, and Britain behind the Five. It was obvious that this would not succeed." The stand now taken by the Commission will force all concerned to show their true colours. Some will say that the real difficulty, and the reason for French opposition, lies outside the formal scope of the Treaties, and that therefore the Commission's report can have but little influence on the course of events. This is largely true, for Jean Rey and his colleagues do not have the power to prevent much larger scale political operations, which might multiply their well-intentioned efforts, but they cannot be accused of ignoring this important aspect of the problem. By stressing the close link between the enlargement of the Community and the strengthening of its cohesion and dynamism, the Commission is making both the British and the Six face up to their responsibilities. The report gives both sides food for thought, and one hopes that this will produce worthwhile results. The skilful way the Commission has drawn up the report is a sign of both its intelligence and courage.

The Position of Germany: This discussion of Britain's bid cannot be ended without mentioning the important role which Germany may well play in this matter (see "German Coolness") during the coming months, and seems to want to play whilst it has the chairmanship of the Council of Ministers. On Monday, Dr. Karl Schiller opened the first Luxembourg meeting of the Council to be held since the merger of the executives, and presented his colleagues with a dynamic work programme. Last week, his colleague Hermann Höcherl, who is president of the Agricultural Council, fought against the unanimous opinion of the other members to adjourn the debate on agricultural prices.

Immediately after Dr. Schiller's speech, the West German Secretary of State for Economic Affairs, Rolf Lahr, officially stressed the importance attached by the Federal Government to progress towards the merger of the Communities. Technically, this was not really necessary, since the Six have already agreed to carry this out in the three years following the merger of the executives. Politically, however, it lends impetus to the internal strengthening of the Community, which the Commission would like to see linked closely with its enlargement. The Community's executive, it is believed, would like to see the merger of the treaties take place at the same time as the accession of the new members. Thus, in its report it suggests that the five Commission members who would leave when a new single Commission is established, would be replaced by five allocated to the new member countries.

A Summit? At the end of October, Willy Brandt will raise once again the question of the "European summit" meeting, another sign of Bonn's aim of accelerating the internal progress of the Community. Admittedly, it is difficult as things now stand to assess the outcome of these moves, that might serve as much to prevent matters from deteriorating, as to redouble the quest for solutions to the various problems. In the end, all this might turn out to have little importance, but since the intentions behind the different moves are worthy, it is as well as to discuss them.

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FOREIGN AFFAIRS

German Coolness

On Monday, the EEC Council of Ministers met in Luxembourg and discussed the Commission's report on the candidature bid by Britain, Denmark, Ireland and Norway. Despite French - and some say German reserves - it was agreed that the report will be studied by the Permanent Representatives of the Six in Brussels in time for the next meeting of the Council of Ministers on October 23-24. The French representative, M. Boegner, was non-commital, although he did promise that his government would study the report carefully.

Reports that Dr. Karl Schiller, West German Economics Minister, suggested that the Four should not achieve full membership until the fusion of the Communities is complete, have received differing interpretations. Some believe that the Germans are trying to play along with the French line, as they feel this is a logical argument. However, the fusion will take at least two or three years, and it is to be expected that France will use the proposal by Bonn as another argument for delaying negotiations, even if they begin.

Since Dr. Schiller's speech, West German officials have been at pains to explain that he did not mean British entry should wait until the three Communities had been merged. However, sections of the German press seem to have interpreted his words as meaning that the entry of the Four should be simultaneous with, or even follow the merger. But on Tuesday, Dr. Schiller said "The Council meeting on October 23 will be decisive for the applications for membership from Britain, Norway, Denmark and Ireland."

* * *

Council of Europe: Call for Immediate Negotiations

At the conclusion of its two-day debate on the question of enlarging the Communities, the Consultative Assembly of the Council of Europe adopted a resolution calling for negotiations on this question "within the shortest possible time". It said that sufficiently long transition periods would, however, be necessary for the EFTA countries, to deal with the difficulties created by their trade with non-member countries, as well as by their agricultural and monetary policies. The Assembly believed that important political and economic advantages would result from the establishment of a continental-sized market, and this in turn would strengthen European technological development. Furthermore, there was an urgent need for the introduction of a European research policy.

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Greek Association with the E.E.C. in Peril

Criticisms of the Greek military regime and its undemocratic methods began this week to take more positive form in the European forum. There have been stirrings both in the EEC Commission in the European Commission of Human Rights.

Of major importance was the blocking by the Commission this week of a $10 million loan to the Greek government for the construction of a road in Crete. This loan formed part of the $175 million 5-year development aid programme, allotted for specific projects by the European Investment Bank under the Association agreement, and had in fact been approved by the Bank two months ago.

The juridical grounds for blocking the loan are the suspension of parliamentary democracy in Greece and the detention of Greek members of Parliament. This action has broken up the Greek-European Parliamentary Committee, which supervises the functioning of the Association. It has not met since April. Clearly, there are more deep-lying factors affecting the issue, and in particular the political one. M. Raymond Barre, and M. Jean Deniau, two of the three French Commissioners, as well as at least one of the Germans, were willing to approve the loan, but were overruled after a majority vote. This new use of majority voting procedures under Jean Rey marks a turning point in the character of the Commission.

The Board of the Investment Bank could reverse the decision of the Commission, but only by a unanimous vote. This, however, is unlikely to occur, since the Benelux countries are keen to support Sweden, Norway and Denmark in their condemnation of the Greek government under the Convention of Human Rights.

The blocking of this specific grant for the road in Crete makes it unlikely that any of the $56 million (£20 million) total grant for this year will be paid. This is the amount which remains uncommitted from the $175 million total which was put at Greece's disposal under the 1963 agreement, which in turn means that the whole development programme will peter out, and may even lead to Greece's whole association with the EEC being put in jeopardy.

Condemnation of the Greek government has also been strong in the Council of Europe. The Council's Consultative Assembly passed a resolution on September 26 warning Greece that unless she returned to a respectable form of parliamentary democracy, she would be in danger of expulsion from the 18-nation Council. The resolution stated that: "The Assembly holds itself ready to make a declaration at the appropriate time on the possibility of the suspension of Greece from, or her right to remain a member of, the Council of Europe". The resolution, put forward by the Scandinavian countries, had a lone dissenter, an Italian representative, the Marchese Lucifero d'Aprigliano, but even such strong backing cannot alter the fact that the Council has very little power to get things done beyond expulsion. Condemnation of Greece's "grave violation of human rights" and her expulsion from the Council will do little to make her more democratic and will only reduce our influence there. The Greek government has made a token reaction to the resolution, but it is unlikely to alter the course of its actions merely because of some pious hopes expressed by the learned fathers of the Council Assembly.

* * *

AGRICULTURE

<u>A Second "Mansholt Plan"?</u>

Even though there were deadlines to be met, the last meeting of the EEC agricultural ministers on September 25 and 26 proved utterly inconclusive, and little or no progress was made towards agreeing common price levels for 1968 as scheduled. What the meeting lacked in this regard, however, it made up in terms of policy discussion, and indeed the first main lines of an EEC structural policy for agriculture were laid down. This was due largely to the influence of Dr Sicco Mansholt, always a driving-force in Community agriculture, and who appears now to be making vigorous attempts to switch the focus from price policy and market organisation to structural policy, the path to which was in some measure indicated last June, when the Commission submitted its $672 million plan for ten structural programmes, guiding the work of FEOGA, to the member states (see No 415). Again, the price decisions now pending, since the introduction of common prices for many items on July 1 of this year, will represent a far more important step on the part of the ministers involved. Before July, the levels at which national prices were set were largely a matter of nice mathematical adjustment to ensure that each nation made as much progress as it could towards the eventual common price. Now that the ministers have the responsibility for deciding price levels for the Community as a whole, in vacuo, as it were, their decisions have a very much greater degree of political importance, and this perhaps explains their failure to reach agreement on this occasion.

However, the current position of EEC agriculture can perhaps be most clearly explained under the following three headings:

1) Price Revision: There is tremendous pressure from the farming community in all member countries for price revision in those sectors where the CAP permits it, especially for cereals and beef. For some of the Six (witness particularly the recent by-elections in some French rural constituencies), this presents a very real political problem, and unfortunately internal demands from one country to another are very much at variance. Thus Germany stands alone in seeking price increases for all cereals, even soft wheat, for which there are already Community surpluses. France, on the other hand, is after a higher beef price (opposed in this by the Netherlands) and the same for maize, where she is meeting opposition from Italy, and from most of the rest of the Five, who are anxious not to incur higher production costs in the poultry sector. To further complicate the issue, the Italians are, for political reasons, opposed to making it any more difficult for the Americans to sell their maize in the Community, though here again there is an internal conflict of interests, as the Italians also want higher rice prices, which would seem to involve raising the maize price also. This is but to scratch the surface of the debate, which becomes far more involved on such issues as the possible support buying scheme for beef, but it suffices to show the lengthy ramifications that have to be resolved.

2) Community Finances: Here, too, the meeting was reduced to stalemate, the problem being that all of the Six are very much behind the basic intent of the CAP to improve the lot of the agricultural worker, and would probably ratify universal rises in farm prices - were it feasible - but have to face the fact that such a move would not only upset world trade, but also place an intolerable burden on the finances of member states. When one bears in mind the level of producers' guaranteed prices already existing, this situation has obviously reached a critical stage, not least for those countries seeking membership, who are watching this sort of development with their closest attention. It appears that in this last meeting, Sicco Mansholt delivered an "impassioned" appeal to members to respect price discipline to the letter, and was at pains to stress the burden that would be placed on FEOGA by this year's record harvest. The Community's grain crop threatens to out-run silo capacity, for one thing, and support costs will obviously soar. Again, the latest forecasts for the cost of the common sugar policy are reputed to be double the original estimates ($70 to 80 million out of FEOGA - see No 396), and all in all the situation has become very fragile.

3) Structural Policy: The Six have thus found themselves bound to seek Commission arbitration on their claims, on the one hand (where its powers are clearly defined), and on the other, to seek solutions beyond the scope of mere price mechanisms. The manipulation of the latter, of course, would be sufficient, if the EEC's agricultural problems consisted solely in curbing surpluses and eliminating shortages, but unfortunately the present contention in the Community stems from a far more complex problem, as Sicco Mansholt's latest moves show - that of structural conditions in the various countries. Community prices are only the beginning, and to get anywhere with "Green Europe", its farming must be structurally aligned, at least in the sense of seeking maximum profitability.

The danger on this occasion was that the problem might have been put forward and its resolution demanded, but Mansholt saw this and temporised by getting at least the bare bones of a structural policy agreed. This should have been put to the Council of Ministers last week, but Mansholt prefers to hold it back for the next general debate they have scheduled for October 16, on the overall problem of agriculture - obviously he has in mind its incorporation in the wider scheme of EEC economic development. But in this time, such countries as French, which are under such pressure from farmers, may adopt measures damaging to such a scheme.

EEC ECONOMY

Planning in the Community

A study of the Medium-Term Economic Policy Programme of the EEC has just been issued with the title of "Planning in the EEC". Published jointly by Chatham House and PEP-Political and Economic Planning, this pamphlet is the latest of a series on Europe. It is written by Geoffrey Denton, Reader in Economics at Reading University.

He begins by discussing the nature of French economic planning up to 1958 and the economic situation in France during the period of the first three French plans (1945-1961). This leads to an examination of the changes facing the French economy and especially the French planners as a result of the establishment of the Common Market in 1958, followed by the consequential changes in French policy and planning. The study then reviews the main aspects of German economic ideology and practice in the 1950's with an indication of the major changes in German thinking and policy which have taken place during this decade. The differences between the two systems are analysed and this is followed by an outline of the area of common ground among the member states of the Community about the extent to which economies should be planned, which was facilitated by changes in both French and German thinking, and which in turn made possible agreement on the medium-term policy programme.

In the second section of his study, Mr. Denton examines the development of the EEC's medium-term policy from the Action Programme of 1962 to the approval of the MTP in 1967. He describes and comments on the main points of the First Programme: (i) the nature of the quantitative projections and the question of their further disaggregation; (ii) the role of interest groups, incomes and prices policy, and value planning; (iii) the regional aspects of the Programme and the problem of the structural adaptation of industry; (iv) the problem of the scale of enterprises, research and development, and the maintenance of competition; (v) labour supply and manpower policy.

Finally the implications for Britain and Six of the Programme are considered. It concludes that the Programme does little to restrict the freedom of member states to plan their economies in the way they choose, as the most it does is to rule out some of the extremes of national planning and of laissez-faire. Thus Britain's existing planning system would probably be only slightly affected by the Programme, should her bid for Common Market membership be successful. The consensus in the First Programme, corresponds, moreover, quite closely with British thinking on major aspects such as the flexible planning of public expenditure, regional policy and policy for structural change in industry. The programme differs from both the British and French national Plan in that forecasts are prepared and published separately from the Programme. Mr. Denton argues that Britain would in fact do better to separate them too.

However the Medium-Term Policy Committee does present a fairly powerful contradiction between senior national planners and policy makers, and its right to examine policies and express opinions in the light of the agreed Programme gives it additional means of influencing national policies. It may therefore come to exert considerable influence on national governments; and in 10 or 20 years time with the further development of the EEC, the authority of the Community's planners would becomergreatly enhanced.

"Planning in the EEC" by Geoffrey Denton

Chatham House/PEP European Series No.5 - 1/6
Research Publications,
18 Victoria Park Square,
Bethnal Green - London E.C.2.

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ECSC

A Link would be possible between Austria and the ECSC

From Our Correspondent in Luxembourg

The recent moves made to speed up the opening of negotiations for Common Market membership of Britain, Denmark, Ireland and Norway have tended to relegate discussion of the position of a previous candidate, Austria, who because of her neutrality, cannot become a full member of the Community. This is why Vienna used the world "arrangement" in its letter requesting links with the Common Market. In any agreement, Austria would like to have a number of reserve clauses covering: 1) neutrality in the event of an outbreak of hostilities; 2) a renunciation clause; 3) the right to make trading agreements with other states; 4) a clause guaranteeing the obligations created by the State Treaty.

In February of this year, the ECSC Council of Ministers asked the High Authority to carry out a preliminary study. However, the recrudesence of terrorism in the southern Tyrol has led to a state of tension between Rome and Vienna, and the Italians have blocked the opening of talks with Austria. But as a strong detachment of the Austrian army has been sent to prevent the further infiltration of terrorists into Italy, it is hoped that Rome will change her attitude and allow talks to procede between the Six and Vienna in the not-too distant future.

Steel & Coal: As far as ECSC industries are concerned, Vienna would like to become part of the steel customs union, whilst for coal there will be virtually no difficulties, since Austrian production - which was very small - has now completely ceased. However, the Austrian government will obviously have to agree to measures to prevent coal imports from third countries disrupting the coal common market. At present Austria imports around a third of its requirements in coal and coke from the Community, and it seems unlikely that this figure will increase even if an "arrangement" is reached with the ECSC.

Ore: There should be no difficulties over iron ore, since Austrian production is negligeable, and would in no way compete with that of member countries. Community exports of ore to Austria are very small and any "arrangement" will be unlikely to change this pattern, since there is no Austrian customs tariff on ore imports at present.

The Prospects: The Commission does however point out that Austrian production of merchant and special steel far exceeds that country's internal requirements. Nearly half of all rolled products are exported, and the Community takes over 50% of special quality steels. A great deal of this is sheet exported to West Germany under long-term contracts. There can be little doubt that Austria would try and boost its sales to the Community. However it is felt that even without the disappearance of tariff barriers, any expansion of Austrian steel production would amount to 3.5% of total EEC production. This might well be higher if only special steels were taken into consideration. Any doubts which exist within Community steel circles over a possible agreement with Austria are concerned with competition from these special quality steels.

For Vienna the main advantage lies in being within the coal and steel common market formed by the customs union. It would however have to introduce a tariff in line with the common external tariff fixed by the Six after the Kennedy Round. The entry into the ECSC of Austria would also mean that she would have to adopt all the market rules (Articles 60-65 and 66 in particular) affecting the coal and steel market: non-discrimination, market transparency, competition etc.. Because of the link between the adoption of these market rules and the complete suppression of the tariff duties, it is not thought likely that the tariff barriers between Austria and the Community would go at one fell swoop. Furthermore the introduction of a common tariff vis-a-vis the EFTA countries also creates problems, since at present EFTA members are exempt from paying tariff duties in Austria. The reintroduction of a tariff barrier between the latter and EFTA would have to be synchronised with the internal lowering of tariffs.

To prevent the "arrangement" between Austria and the ECSC from affecting the functioning of the ECSC, it would have to adopt other rules under the Treaty: those dealing with transport, forecasts, and finances. Austrian neutrality might cause some difficulties over the question of trading policy towards third countries and Community solidarity. If this arose, the Community might have to impose controls on the free circulation of those products, which might have been imported indirectly through Austria.

These are the main points involved in any possible "arrangement" between the Community and Vienna. The Commission's experts have already completed their studies, and once Italy lifts its veto they are ready to start talks along the lines of the mandate given to them by the Council of Ministers.

* * *

SOCIAL AFFAIRS

The Commission looks at Equal Pay for Men and Women

The Commission of the European Communities recently produced a report concerning the implementation of the equal pay principle up until the end of last year. The principle had been adumbrated in Article 119 of the Rome Treaty and was later defined in more precise terms in a resolution adopted by a Conference of Member States on December 30, 1961, which specified the last day of 1964 as the date for the completion of the resolution's aims.

This report had covered the progress of the equal pay principle in each of the Community countries, and had remarked significantly that in none of these had the principle been fully applied in practice. The new report covers by and large the same ground as the previous one and merely confirms the conclusions that the Commission drew on that occasion. In such sensitive matters as the economic position of women in the labour market, social progress is regrettably low, especially given the essentially conservative disposition of women. Thus, in this short time, few legal advances have been made. A new compulsory minimum wage for skilled men and women has recently been introduced in Luxembourg, but this is an isolated case.

Broadly speaking, the countries of the Six can be divided into two groups, those where women are more or less guaranteed the right of equal pay, which can be upheld by the Courts, namely Germany, Italy, France, and Luxembourg, and those countries where collective bargaining agreements provide some safeguards for the equal pay principle, namely Belgium and the Netherlands. The absence of a real legal safeguard in these countries does not necessarily imply a lack of application of the principle. It is rather a question of will to make the principle work, than of having a permissive legal framework, that is likely to bring success to the advocates of the equal pay principle.

The accompanying table shows the rates of increase of the gross mean hourly wages of male and female workers in industry. Particularly significant are the figures for Belgium and Luxembourg, where labour organisations have worked quite effectively to gain concessions, safe-guarding the principle.

Rates of increase of gross mean hourly wage of male and female workers in industry

Country	April 1964 - April 1966		April 1965 - April 1966	
	Men	Women	Men	Women
*Belgium	18.4	23.0	7.8	10.5
Germany	18.0	19.8	7.8	10.2
France	11.0	10.4	5.2	6.6
Italy	15.9	20.7	5.1	6.2
*Luxembourg	10.1	32.4	6.9	19.7
Netherlands	19.1	21.9	8.0	9.4

The Commission's report goes on to point out the delay in the full implementation of the equal pay principle, especially in sectors where large numbers of women are employed. Elsewhere, where the principle is officially recognised, it is nonetheless circumvented by under-valuing women's work compared with men's. Thus the Commission thinks it necessary that the terms of reference on equal pay for women should be broadened to include these peripheral loop-holes, such as discriminatory job classification, and contracts and methods of rate-fixing. Other questions to be looked into are the pattern of female employment and the vocational training of women. To make the implementation of the principle more effective, the Commission proposes to draw up a more foolproof plan of action which will frustrate the previous circumventions. It will, however, need a higher degree of co-operation from the Member states if real progress is to be made.

* * *

BRITAIN & THE EEC

Lord Chalfont in The Hague

On Wednesday of last week Lord Chalfont arrived in The Hague for two days of talks with the Dutch Government on Britain's Common Market bid. Since both the Prime Minister and Foreign Minister were out of the country, he met senior officials and the Secretary of State for Foreign Affairs Mr. de Koster, as well as the Minister for Economic Affairs Mr. de Block. Lord Chalfont indicated that if his country was prevented from joining the EEC it could probably survive successfully, but that such a development "would be a poor second best for us and Europe".

He said that he did not think that France would use her veto. She was willing to let Britain become a member of the Common Market, but warned that this would require long negotiations. Speaking on the question of European links with the United States he said that the special relationship between Britain and the latter should be replaced by a special relationship with Europe.

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Conservative Backing for EEC Bid

The day after Lord Chalfont's speech to the Council of Europe in Strasbourg (see No 428), the Shadow Foreign Secretary, Sir Alec Douglas-Home delivered a lecture to the Centre of European Studies and Research in Luxembourg dealing with Britain's Common Market bid.

There was "one compelling consideration" behind Britain's attempt to join the EEC. It was that it offered the best chance so far of ending conflict between the different European countries. Britain, since it had become a member of NATO, no longer sought to prevent the unity of Europe with the aim of stopping its domination by one country. But in his opinion "the integration of European defence by Europeans will follow, not precede, the economic and political advance towards unity".

Britain had "counted the economic cost of joining the EEC. This would amount to a balance of short-term disadvantage and long-term gain which it is not easy to detail and strike. Membership for us would be, perhaps to a greater extent than for any other, an act of faith." He had no fears that the Rome Treaty would impose supranational institutions on its members, and if this were attempted a country with fundamental objections would probably break away rather than accept. The future of sterling was a technical question, but this remained true whether or not Britain joined the EEC, and even at present all the Six became involved when sterling crisis arose.

The reason why Britain wished to become part of "a political conception of such grandeur" was that "in an age of giants it is the only way for her peoples to preserve their character and identity. Secondly, the industrial life on which modern standards are based demands organisation on such a scale. Thirdly, the combined resources of European countries can make a telling contribution to the developing countries of the world. Fourthly, it would eliminate the possibility of war in a continent which has been the source of two world wars."

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<u>Easy Change for English Law</u>

Lord Justice Diplock, who was involved in considering the implications for the English legal system of joining the Community during Britain's last attempt said on Friday that the various problems were rather more simple than had been made out. He thought that English law would "find no difficulty in adapting itself to accept the decisions of the European Court as to what the Rome Treaty and the regulations made under it mean". The European Court had kept itself largely to a general interpretation of the provisions and regulations with which it was concerned.

In his opinion, German procedural law was just as different from French law as that applied in England, and although there would be problems, he saw no reason why the English concept of law should not be successfully integrated into the system of the European Court.

* * *

<u>Important French Support</u>

The leading French political club, the Club Jean Moulin, in its latest bulletin published on Friday, called for the entry of Britain into the Common Market. Members of the club include top men from the French civil service and legal professions. The main points of the article are that any long-term development of the Community without Britain would be hazardous and incomplete. "It is in Britain that are found some of the most dynamic elements needed by Europe, if it is to face up to

American competition, especially in the science-based industries and in the financial institutions found in London."

The article continues along the lines that it should be obvious that there will be no true equality with the United States as long as Britain remains free to enter into closer links with the latter. Dealing with the Kennedy Round negotiations, it says that the attitude of governments varies according to the position they are in, and that if Britain was "un-European" during those negotiations, it was because she was outside the Common Market. Once a member, it maintains, Britain would adopt a "European" approach in any new tariff talks.

Dealing with the political aspects of British entry, the club states, "it would seem strange that Britain, which like France and perhaps more so, has been used to playing a world role, would be content with the political weakening of a Community in which it was a member. To fear that British entry would make it more difficult to build a political Europe and to disbelieve all of Mr. Wilson's remarks at Strasbourg and elsewhere seems extremely pessimistic". In fact, if anyone was so foolhardy as to impose a second veto, and thus provoke another crisis within the Community, this would do just as much to destroy the hope of any real political co-operation amongst the Six.

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FRENCH ECONOMY

FRENCH GOVERNMENT'S 1968 ECONOMIC FORECASTS

Last week saw the publication of the French Government's economic forecasts for 1968 linked with those for 1967. Although the GNP figure for this year has been reduced from 5.3% to 4.2%, the situation is expected to improve during the rest of the year and throughout 1968. The improvement is attributed to various factors, one being the upturn in the economies of France's major trading partners and the other the reform of turnover taxation.

Foreign Trade: On exports, the report states that the expected economic revival in West Germany should have a beneficial effect on France, Belgium, the Netherlands, Switzerland and Italy. Exports to both Britain and the United States should increase more rapidly. Although French export prices may be slightly lower and wider markets will be available, foreign competition will be stronger. In particular, German manufacturers will be assisted by the introduction of the TVA system.

Tax Reform: The reform of business turnover taxation - on January 1, 1968 - is aimed at medium-term results: the modernisation of both production and marketing, the harmonisation and simplification of the French tax system, and the beginning of its alignment with Community tax systems. Reform should yield lower investment costs, and thus encourage new investments. However, during the first months after reform has been introduced, there may be some distortion, since its exact effects cannot be accurately foreseen. Firms may be tempted to maintain prices at their previous levels rather than reduce them. But such a move and its effect on consumer prices might well reduce demand, and it could then lead to declining sales.

Prices: The report optimistically envisages that production prices will rise by only 1.8%. This is based on the assumption that industry will support the full potential of the reforms, and that the international economy also follows the expected upswing. Consumer prices are expected to go up only 3% by the extension of the TVA system, as international competition and the overall increase in consumption should prevent a larger rise.

Capital Formation: The gross fixed capital formation of private firms is forecast as 6.5% in 1968 (1967: 8% - 1966: 6.3%). The reasons behind the forecast are the poor returns achieved for the current year, and the fact that production capacity has been increased considerably since 1965. It is therefore uncertain whether they will continue to do so in the coming year. Family expenditure is expected to rise by 5%, provided the measures taken by the government to boost house construction begin to have an effect.

Consumption: Personal consumption should increase at the same rate as for the current year (overall: +3.8% - personal average: +2.8%). It would probably be greater but for the effect of the reform of the social security system, and the extended base of the TVA system. Above-average increases will take place for family medical expenditure

(+6.4%), transport (+5.6%), housing and entertainment (+4.2%). Below average rises are expected for clothing (+2.2%) and food (+2.6%). Savings (+5.3%) will be under the 1967 average, whilst investments will go up less in value (Ff 900 million compared with Ff 1,300 million in the current year). Although family resources will rise by 7.1% in value, direct taxes will increase by 10.2% (1967: 10.6%), and social security contributions by 17.3% (1967: 20.9%), making a real increase in family revenue of 6.7% in value or 3.8% in volume.

Exports: Exports to West Germany are expected to rise by 12%, to Belgium and Luxembourg by 10%, to the third world by 11%, to the United States by 6%. In fact, a very noticeable increase is considered likely in this sphere, from 3.2% this year to 11.4% in 1967. With imports probably doubling from 5.6% to 10%, there will, the forecast continues, be a trade deficit of Ff 5,800 million, slightly above the figure for this year.

FRENCH NATIONAL ACCOUNT	% volume increase	% volume increase - original estimates	estimates -revised in May %	Actual Estimates		% volume increase
				Value (1)	Volume%	
NATIONAL RESOURCES						
1 Gross domestic production	+ 5	+ 5.3	+ 4.7	475,644	+ 4.2	+ 5
2 Imports	+12.5	+11.1	+ 8	62,983	+ 5.6	+10
3 Total Resources	+ 5.9	+ 6	+ 5.1	538,627	+ 4.4	+ 5.6
4 RESOURCES UTILISATION						
5 Consumption	+ 4.5	+ 4.9	+ 4.4	351,730	+ 4	+ 4.2
6 Gross investments (fixed capital formation)	+ 4.9	+ 7.2	+ 7.2	118,131	+ 6.9	+ 7
7 Stock formation	4,985	-	-	4,462	-	-
8 Exports of goods	+10.5	+ 9.2	+ 4.7	57,850	+ 3.2	+11.4
9 Balance on services	+ 5	+ 5.3		6,449	+ 5.5	+ 4.8
10 Total Utilisation	+ 5.9	+ 6	+ 5.1	538,627	+ 4.4	+ 5.6
11 National per capita revenue	+ 4	+ 4.3	+ 3.7	+ 3.2		+ 4

(1) in current francs

HEADLINES

CONTENTS

ADVERTISING

** Two advertising groups, one based in London BENSON ADVERTISING GROUP LTD, and the other in New York NEEDHAM HARPER & STEERS INC, New York have formed a joint London subsidiary BENSON-NEEDHAM (EUROPE) LTD, to develop and co-ordinate their European interests.

This has already carried out two moves: 1) The takeover, with a 70% interest, of the Frankfurt agency NEUFA WERBUNG GmbH which was formed in 1959; 2) the takeover of the Paris agency SMITH-WARDEN-WILLAUMEZ Sarl (capital Ff 10,000) the name of which has been changed to WILLAUMEZ-BENSON-NEEDHAM Sarl. This was formed in September 1963 as the result of a link-up between the French advertising agent M. Jacques Willaumez and the London agency SMITH-WARDEN LTD, headed by Mr. Anthony Hyde. Furthermore Benson-Needham (Europe) intends to acquire interests in Dutch, Belgian and Spanish agencies during 1968.

Benson Advertising Group heads some 15 British companies and has another ten subsidiaries throughout the Commonwealth. It also has an interest in the Irish firm IRISH MARKETING SURVEYS LTD.

** A new Dutch advertising agency RECLAMEADVIESBUREAU KENYON WILES HOLLAND NV, Hilversum (capital Fl 250,000) has just been formed as the wholly-owned subsidiary of KENYON WILES EUROPE LTD, South Harrow. Headed by Mr. L. H. Kenyon, Natal, South Africa it has Mr. H. W. Kablean as managing director.

** Two of the three advertising networks headed by the New York INTERPUBLIC GROUP OF COMPANIES INC, (see No 365) have strengthened their Italian interests. McCANN-ERICKSON ITALIANA SpA, Milan the subsidiary of McCANN-ERICKSON INC, New York, has opened a Rome office, whilst QUADRANT has opened a Milan branch.

AEROSPACE

** AEROSERVIZI TRANSAIR SpA, Milan (authorised capital Lire 70 million - issued Lire 1.2 million) has just been formed as a joint subsidiary of TRANSAIR SpA, Milan (Signor P. P. Casana is president) and its parent-company TRANSAIR SA, Colombier, Neuchatel (see No 402). The latter is the Swiss subsidiary of the Marseilles shipping group Cie Fraissinet SA (see No 424) which distributes aircraft equipment made by the Beech Aircraft Corp., Wichita, Kansas on the French, Italian and Swiss markets.

The new firm has Signor Casana and M. Pierre de Chambrier, Colombier as directors. It will operate new air networks and service aircraft sold by Transair.

** A.M.S.-APPAREILLAGES & MATERIELS DE SERVITUDE SA, Choisy-le-Roi, Val-de-Marne (fixed and mobile test-beds for aircraft, missiles and engines, and ground servicing equipment) has signed a technical and sales agreement for North American with ALLIED INTERNATIONAL CORP., New York and BAUER

MANUFACTURING INC, Farmington. In return it will market and service Bauer temperature simulators in Europe.

Allied International has had a Belgian military sales and purchasing subsidiary (capital Bf 120,000) at Ixelles since 1966.

AUTOMOBILES

** The REGIE NATIONALE DES USINES RENAULT, Boulogne-Billancourt (see No 427), through its South African sales subsidiary Renault Africa (Pty) Ltd, has joined with the Rosslyn, Pretoria firm of DATSUN INVESTMENT CO, a subsidiary of the Japanese motor company, NISSAN JIDOSHA KOGYO-NISSAN MOTOR CO, Yokohama (see No 379), in forming Rosslyn Motor Assemblers. Renault holds the minority interest in this new company, which is to build "Rambler" and "Alfa Romeo" models, with capacity reaching 36,000 vehicles in 1968. Late in 1966, Renault Africa opened a £1 million factory in East London, South Africa, to build engines for the "R8" and "R 10" models, to be assembled and distributed by the local firm of C.D.A.-Cars Distribution & Assembly.

Nissan's most recent moves (it uses the names "Datsun", "Bluebird", "Cedric" etc) were: 1) a tie-up with 51% Belgian interests in the Brussels sales company NV Datsun Belgium SA; 2) a link in the Netherlands with Hart Nibbrig & Greeve NV, The Hague, in forming the Hague subsidiary Datsun Nederland NV; 3) the formation at Rüschlikon, Zurich of the sales concern, Datsun AG, and 4) the formation of two other sales companies, in Sweden and Denmark.

BUILDING & CIVIL ENGINEERING

** STE DES BASALTES FRANCAIS SA, Paris (second firm of that name - see No 336), which extracts basalt and manufactures tiles in its factory at Aubignas, Ardeche and its quarry at St-Jean-le-Centenier, Ardeche (300 on payroll) has made a public offer to purchase shares in SA DES CARRIERES DE L'OUEST-ETS BARRIER, Le Kremlin - Bicetre, Val-de-Marne, through BANQUE DE PARIS & DES PAYS-BAS (see No 428) and BANQUE NATIONALE DE PARIS-B.N.P. SA (see No 416).

Basaltes Francais was formed by the absorption of the original Ste des Basaltes Francais SA by Union Financiere S.I.I.A. SA, which took over the name. Its most recent moves have been: 1) The absorption of Ste Phoceenne Immobiliere & Agricole SA, Paris (capital Ff 350,000); 2) the purchase of an interest in Ste Immobiliere du 57 Rue Pierre Charron a Paris. Carrieres de l'Ouest (capital Ff 2,969,000) exploits porphyry quarries in Mayenne, clay and quartzite deposits in Cotes-du-Nord, Calvados, Mayenne and Manche, and granite in Cotes-du-Nord. It had a 1966 turnover of Ff 23.3 million. Since 1966, it has had 55.11% control of Ste des Carrieres de Thiviers SA (capital Ff 405,000), whose 1966 turnover was Ff 2.31 million, and it also holds shares in the Paris finance company, Union Immobiliere de France (capital Ff 300 million).

** The Anglo-Dutch and German concern REDLAND-BRAAS-BREDERO EUROPA NV, Utrecht (a Dutch member of the British group REDLAND HOLDINGS LTD, Reigate, Surrey, through its subsidiary Redland Tiles Ltd - see No 422) is about to establish subsidiaries in Belgium and Italy to manufacture its concrete tiles. These will be in addition to the company's already extensive interests in France, West Germany, the Netherlands, Switzerland, Sweden and Britain.

** The British real estate agency and investment company ODDENINO'S PROPERTY & INVESTMENT CO LTD, London which is very active in Britain, the United States and Australia, is about to increase its operations in the Common Market by setting up its first EEC subsidiary in Brussels.

The London company has a number of interests in the United Kongdom: Campden Hill Towers Ltd, Oddenino's Hotels and Restaurants Ltd, Peterborough Shopping Centre (Holdings) Ltd, Swindon Shopping Centre (Holdings) Ltd, Dunstable Shopping Centre (Holdings) Ltd, etc. The group also has five subsidiaries in Australia. In the United States, its subsidiary, Westminster Corp, New York recently acquired properties to the value of $36 million, in association with Real Properties Corp. of America, which a short while afterwards sold back its 35% share.

CHEMICALS

** The Milan sales company F. TILLMANNS SpA, has been appointed Italian representative for foundry products made by WESSELINGER GUSSWERK-RHEINGUSS- GmbH, Wesseling, Cologne.

The latter, a subsidiary of DEUTSCHE STEINZEUG- & KUNSTSTOFFWAREN-FABRIK FUER KANALISATION & CHEMISCHE INDUSTRIE, Mannheim-Friedrichsfeld (see No 395) is linked by sales agreements with the Frankfurt group FARBWERKE HOECHST AG (see No 426) and the Milan firm distributes some of the products made by Hoechst's subsidiaries on the Italian market. These include the plastics firm Kall Ag, Wiesbaden (see No 258) and Sigri-Kohlefabrikate GmbH, Meitingen, Ausburg (graphite electrodes) controlled respectively at 100% and 50% by Hoechst. Tillmanns also acts as distributor for other West German firms: Chemische Fabrik Stockhausen & Cie KG, Krefeld (products for the chemical, textile leather and pharmaceutical industries); Georg Schütz, Weisskirchen, Taunus; Naxas-Union Schleifmittel & Schleifmaschinen-fabrik, Frankfurt; Lüneburger Waschbleiche GmbH, Lüneburg as well as the quarry tile firm Wilhem Gail'sche Tonwerke KGaA, Giessen. The latter's products are distributed in France by a Paris subsidiary Gail International France "G.I.France", Sarl (capital raised to Ff 500,000).

Tillmans was formed in 1940 with Lire 10,000 capital by German business interests to sell chemical products, essences and raw materials for cosmetics. Today it has Lire 200 million capital with Signor Luigi Consonno as president and its directors include Herr Fritz Berg who heads Keramag-Keramische Werke AG, Ratingen (sanitary equipment).

** The vast new rationalisation scheme conducted by the Milan group, MONTECATINI-EDISON SpA will in the end affect a total of 31 building societies, finance and oil companies, and not 29 as reported in our last issue. Amongst the companies about to be taken over are: Sta. Richerche Idrocarburi-Metauro SpA., Milan (capital Lire 400 million), Sta. Depositi Costieri Dell' Adriatico SpA, Venice (capital Lire 500 million), Sta. Petroli Dell Isola SpA, Palermo, (Lire 100 million), Imad-Industria Azoto SpA, Naples (Lire 200 million), Sta. Immobiliare Adriatica SpA, Venice (Lire 533 million), etc.

** Through its holding in the Amsterdam company, TANATEX INTERNATIONAL NV, the American TANATEX CHEMICAL CORP, Lyndhurst, New Jersey, (see No 420), has set up a subsidiary by the name of Tanatex Italiana SpA, with a capital of Lire 3 million. This company, under the direction of Messrs.Barentz (Amstelveen) and Scott (Westfield) who also run the Austrian subsidiary, Tanatex Chemical Wien GmbH, is concerned with the chemical products trade, especially articles for the textiles industry and the treatment of fibres.

Apart from its subsidiaries in Amsterdam and Vienna, the American group already had interests in Paris, Krefeld and London.

** The Utrecht chemical firm ALBATROS SUPERFOSFAAT-FABRIEKEN NV - a joint subsidiary of the V.K.F.-VERENIGDE KUNSTMEST-FABRIEK MEKOG-ALBATROS NV and HOOGOVENS & STAALFABRIEKEN NV groups (see No 422) - has sold to the Montreal investment company Sogemines Ltd (a member of the Ste Generale de Belgique SA group - see No 399) its shareholdings in two North American companies, formed jointly with the British group FISONS LTD, Felixstowe, Suffolk (see No 422). The two companies involved are International Fertilizers Ltd, Quebec, and Albatros Fertilizers Inc, Caribou, Maine. The latter (capital $20,000) is principally involved in marketing in the USA, fertilizers made and sold by International Fertilizers Ltd in Canada. The latter (capital $1.275 million), also has sales subsidiaries at Cornwall, Ontario, St John, New Brunswick, and Quebec.

** The London company HOWARINE CALVERT LTD has formed a French company HOWARINE EUROPE SA, St-Denis, Seine (capital Ff 100,000). Interests in the new concern are also held by Messrs Bertram Calvert, Edgware, Middlesex, Myer Clapich, London, and Mlle Denise Ferré, Vitry-sur-Seine. The new firm, which will be headed by the latter and Mr. B. Calvert, will manufacture, market, import and export all types of adhesive products.

** The Belgian GLUCOSERIES REUNIES SA, Alost (see No 419) has carried out the reorganisation of its Luxembourg interests. One of its four holdings STE DE PLACEMENTS & D'INVESTISSEMENTS SA (see No 390) has solely underwritten the increase of ESVEGE SA's capital from Lux F 12 million to Lux F 24 million. Esvege SA is now called CIE INDUSTRIELLE & FINANCIERE DES PRODUITS AMYLACES-CIP SA.

** The West German chemical group FARBENFABRIKEN BAYER AG, Leverkusen (see No 424) is continuing to expand its American interests through its Canadian holding company BAYFORIN-BAYER FOREIGN INVESTMENTS LTD, Toronto. It has gained control of NAFTONE INC, New York which already was responsible for marketing its products through a distribution network in some 20 American towns.

Bayer's most recent moves in the USA have been the acquisition of complete control of Mobay Chemical Co (by purchasing the 50% share held by Monsanto Co, Saint-Louis, Mo. - see No 397) and Chemagro Corp, Kansas City, Mo. (through the acquisition of the 44% interest held by Pittsburgh Coke & Chemical Co, Pittsburgh Pennsylvania - see No 421).

COSMETICS

** The Paris company SCHWARZKOPF Sarl, the subsidiary of the German family-owned chemical and cosmetics firm HANS SCHWARZKOPF KG, Hamburg, has written off its debts by reducing its capital and then raising it to Ff 3 million. SCHWARZKOPF VERWALTUNGS GmbH is responsible for the activities of Hans Schwarzkopf KG.

** The New York cosmetics firm FABERGE INC (wholly-owned subsidiary of Rayette-Faberge Inc, St-Paul, Minnesota) which has strengthened the financial position of its Paris subsidiary PARFUMS FABERGE SA by raising its capital to Ff 1.33 million, has also made the latter responsible for the extension of its interests to West Germany.

The French subsidiary already has distributors in the Netherlands, (Handelsonderneming Westerloo NV, The Hague), in Italy (Sta Fara, Milan), and in Belgium (Produits Pharmaceutiques A. Christiaens-P.A.C. SA, Brussels).

ELECTRICAL ENGINEERING

** CIE DES COMPTEURS SA, Paris (turnover about Ff 750 million - see No 421) intends to strengthen its British interests through the formation, jointly with PARKINSON COWAN LTD, London (see No 248) of PARKINSON COWAN-COMPTEURS LTD, Stretford, Manchester (capital £20,000). This move covers measuring control and regulating equipment for natural gas distribution networks. The Paris firm has had a wholly-owned British sales subsidiary since 1964, CDC Great Britain Ltd, London.

Abroad the French group's most recent move was the formation in Italy through its affiliate Stabilimenti Siry Chamon SpA of two Milan companies Siry Chamon Impianti SpA and Siry Chamon Elettrica SpA (see No 421). Since 1965 the American company Robertshaw Control Co, Richmond, Virginia has been a shareholder in the French firm. The new British partnership has subsidiaries in several commonwealth countries, and already controls the Belgian Wild-Barfield SA, Brussels.

** The Belgian manufacturer of radios and TV sets PRECISIA TELE-VISTEN NV, Bruges, has now become the Belgian representative for products made by the West German family group KOERTING RADIO WERKE GmbH, Grassau, Bavaria (see No 419), as it has acquired the assets of BEGLEC-BELGIAN GERMAN ELECTRONIC CORP. SA, Brussels.

Precisia makes multi-standard monochrome and colour TV sets. It will be able to increase its range of products for sale through the promotion of stereo-equipment, tape-recorders and radios made by Körting in its factories at Grödij, Austria, and Pavia, Italy.

** BATEMAN ALKALINE BATTERIES (PTY) LTD, Steeledale (capital R 100,000), formed in South Africa as the result of a link-up between EDWARD L. BATEMAN LTD, Braamfontein (majority shareholder) and the French company STE DES ACCUMULATEURS FIXES & DE TRACTION SA-SAFT, Romainville, Seine-St-Denis (see No 389). The new company will manage a factory specialising in the assembly of alkaline batteries, produced by its French founder. The latter, a member of the French C.G.E.-CIE GENERALE D'ELECTRICITE SA, Paris, group, has recently raised its capital from Ff 3.16 million to Ff 21.056 million.

** Herren Hans Hecke, Gottfried Zeleny and Friedrich Tuppy are the managers of SIEMENS GmbH, Vienna, which has now been formally established in Austria, with a capital of Sch 60 million (see No 427). Formed as a subsidiary of the West German group SIEMENS AG, Berlin, the new firm will co-ordinate the group's Austrian electronic and electrical interests.

ELECTRONICS

** The French group INTERTECHNIQUE SA, Plaisir, Yvelines (see No 406), which makes electronic equipment and instruments for use in the aerospace and atomic energy industries, will in future distribute its products in Britain through the subsidiary INTERTECHNIQUE LTD, Portslade, Sussex (capital £3,000), which was formed in May 1967 and has now begun to operate. Until now its British representative was MILES HIVOLT LTD, Shoreham-by-Sea, Sussex - a member of the Shoreham group F. G. MILES ENGINEERING - whose personnel and activities have been taken over by Intertechnique.

The French group is linked in Britain through co-operation agreements with Jospeh Lucas (Industries) Ltd, Birmingham (see No 425), and British Oxygen Ltd, London (see No 402). This is mainly concerned with the sale in Europe of respiratory equipment mady by three firms closely linked with the second of the two British firms. These are British Oxygen Equipment Ltd, the American The Aro Corp., Bryan, Ohio (which has a London branch), and its subsidiary Firewell Co Inc (see No 251).

In France the group works in co-operation with S.F.I.M.-Ste de Fabrication d'Instruments de Mesure SA, Massy, Essonne (see No 406), in the research and development of respiratory equipment for civil aviation. It has linked with the latter and Ulmer & Co Sarl, Paris (aeronautical equipment), to form Eros, which will carry out research and development of respiratory equipment along with oxygen-supplying equipment.

** The New York Franco-American concern SCHLUMBERGER LTD (see No 407) has made a major expansion move in West Germany by having SCHLUMBERGER OVERSEAS MESSGERAETEBAU - & VERTRIEB GmbH, Munich, take over the instrumentation company EXATEST MESSTECHNIK GmbH, Leverkusen.

Schlumberger controls the Munich concern (70.4%), wherein its partner is KLEINWORT, BENSON, LONSDALE LTD (see No 391), and its other West German subsidiary is Heathkit Geräte GmbH, Sprendlingen, Hesse.

** WABASH MAGNETICS INC, Wabash, Indiana (magnetic components for the electronics industry), has formed a sales subsidiary in Düsseldorf called Wabash Magnetics GmbH (capital DM 40,000), and has made its own vice-president, Mr. Ronald W. Keipper, its manager.

In its factories at Wabash and Huntington, Indiana, the parent company employs 1,100 people, and its 1966 turnover was around $15 million.

** An agreement between the British company, BURNDEPT ELECTRONICS LTD, Erith, Kent, a subsidiary of the London firm ROYSTON INDUSTRIES LTD, (see No 417) and G.E.T.A.I. BELGIQUE-GROUPE D'ETUDES POUR LE TRAITEMENT AUTOMATIQUE DE L'INFORMATION Sprl, Etterbeek, Brussels, (see No 401) gives the British firm the UK sales rights for the Belgian company's electronic equipment. This is produced under licence from the French company, Getai-Groupe d'Etudes pour le Traitement Automatique de l'Information Sarl, Limours, Gironde, (see No 424) by Tranchant Electronique SA, Clichy, Hauts-de-Seine.

This agreement reinforces the ties between the two French firms, which already have a 50-50 joint subsidiary called Tranchant Ingenierie SA Clichy. The latter is under the directorship of M. Fernand Murtin, who is also director of the Limours company and head of the Belgian subsidiary. A company was formed recently in Britain (see No 424) to represent Tranchant's electronic equipment interests. Royston Industries is no stranger to the Belgian market, and has a Brussels company, Vidor SA, a joint subsidiary of the two sister companies Burndept Ltd, Erith, and Vidor Ltd, Dundee, Angus.

** NORTHROP CORP, Beverly Hills, California (aircraft construction and electronic instrumentation - see No 425), has bought up a 58% interest held by CSF-CIE GENERALE DE T.S.F. SA, Paris (see No 428), in the American components and special electronic tubes concern WARNECKE ELECTRON TUBES, Des Plaines, Illinois (see No 427). This company was formed in 1961 as a joint venture with HALLICRAFTERS CO, which became Northrop's aerospace division in 1966.

Northrop's two most recent operations in Europe were: 1) the reorganisation of its Italian interests, including the formation in Rome of Northrop SpA (auxiliary activities and sales in the aeronautics sector), and the transfer to Rome of the officies of its subsidiary Page Europe SpA (formerly Edison Page SpA, Milan); 2) the setting up of a Frankfurt subsidiary called Page Communications Engineers GmbH (capital DM 20,000) through its subsidiary Page Telecommunications Engineers Inc, Delaware.

ENGINEERING & METAL

** FINMECCANICA SpA, Rome (of the state-owned group I.R.I.- ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE - see No 422) and the typewriter calculating and accounting machines concern ING. C. OLIVETTI & CO SpA, Ivrea (see No 408) have made an agreement, part of which is the current formation in Turin of TE. CO. MU - STA TECNICO COMMERCIALE MACCHINE UTENSILI SpA. The two firms are linked 59-41 in the new company, which is to supervise close technical co-operation between them and handle sales of machine tools, manufacturing rights for which have been conceded by Olivetti to two subsidiaries of Finmeccanica. The latter are Soc. Az. Industrie Meccaniche Padovane - S.A.I.M.P. SpA, Padua, which will make small and medium size plane-type milling and grinding machines, and Stabilimenti di Sant' Eustacchio SpA, Brescia (see No 421), which will take over manifacture of large-scale plane grinding machines.

Olivetti's recent moves include the formation at Lugnacco, Turin in February of this year of Eco - Elettro Controlli SpA (authorised capital Lre 500 million - 15 million paid up), and the conversion of its wholly-owned Frankfurt subsidiary Deutsche Olivetti (capital DM 6 million) into a limited liability company. In 1966 the latter made a turnover of DM 77.3 million, as against 79.3 in 1965.

** The British SMALLPIECE SECURITIES LTD, Richmond, Surrey, has made over its interest in the West German MARTONAIR DRUCKLUFTSTEUERUNGEN GmbH, Düsseldorf, to a newly formed Düsseldorf administration company called MARTONAIR BETEILIGUNGEN GmbH (capital DM 330,000 - manager Herr Robert Tschöpe, a Düsseldorf lawyer). The Richmond firm also heads the British MARTONAIR LTD, Twickenham, Middlesex, which has 500 on its payroll, and produces compressed-air control equipment. The latter has distribution subsidiaries in its own name in France, (Vincennes); Belgium, (Brussels); the Netherlands, (Amsterdam); Switzerland, (Biel, Berne); Austria, (Vienna); Sweden, (Malmö); United States, (Easton, Pennsylvania); etc...

** Further to a co-operation agreement between the West German GEBR. SCHMEING WEBSCHUETZEN- & HOLZSPUELENFABRIK oHG, Weseke, Westfalen, and BRITISH NORTHROP LTD, Blackburn, Lancs, a joint subsidiary called NORTHROP SCHMEING LTD has been formed on the premises of the latter with £10,000 capital.

The German company employs 300 people in the manufacture of spindles and bobbins for the textiles industry: its main branch is in France, and was opened in Lyons in 1965 (see No 306). British Northrop has a West German subsidiary called Chaseside Engineering GmbH, Neu Isenburg (see No 365).

** The French PECHINEY SA group, Lyons and Paris (see No 423), is continuing with its internal reorganisation (see No 408). It has merged two more groups of its affiliates; 1) STE CUIVRE & ALLIAGES SA, Paris - the joint subsidiary of Cegedur and Trefimetaux before their reorganisation - has taken over ETS CHARPENTIER VOGT & GOGUEL SA, Paris (capital Ff 5.8 million); 2) STE GENERALE DES BAUXITES SA, Paris, will take over STE NOUVELLE DES BAUXITES DU SUD-EST SA, Paris.

The group began by reshaping its internal structure, but without re-arranging its metallurgical interests outside the Common Market or its own aluminium production. This resulted in the formation of three new Paris-based companies:

1) TREFIMETAUX G.P. (capital Ff 180 million) formed from Ste de Transformation des Metaux SA (formed in 1967 - capital Ff 10,000) as a joint administrative subsidiary for Pechiney SA and the former Trefimetaux SA (itself formed by the merger of Trefileries & Laminoirs du Havre SA and Cie Francaise des Metaux SA); after Trefimetaux's link with Pechiney, this will regroup the copper interests of the former, and also those of Cegedur SA-Cie Generale du Duralumin & du Cuivre SA under M. Joseph Desbordes.
2) CEGEDUR G.P. (capital Ff 80 million), formed as a second joint management subsidiary for Pechiney and the former Trefimetaux in 1967 as Ste d'Applications Metallurgiques SA (capital Ff 10,000). This has received a partial transfer of of the assets of the former Trefimetaux and it will specialise under M. Francois Marland in initial aluminium processing, whilst Cegedur-Cie Generale du Duralumin & du Cuivre is made into an investment company.
3) SCAL G.P.-Ste de Conditionnement en Aluminium SA (capital Ff 37.35 million), which will regroup the interests of Krieg & Zivy Emballage SA (now Scal GP) - after the latter has taken over Ste Francaise des Tubes d'Etain, Courbevoie, Hauts-de-Seine (capital Ff 2.4 million), and Ets Charles Coquillard SA, Froges, Isere (capital Ff 16 million) - as well as some of those of the former Trefimetaux. This will carry out the final stages of aluminium processing under M. Jean-Claude Hornns.

** The Lausanne holding company S.A.D.I.-SA D'IMPORTATION (see No 359), a member of the metal trading and mining group CONTINENTAL ORE CORP, New York (see No 409), headed by Mr. Henry J. Leir, has backed the formation in Luxembourg of BANQUE CONTINENTALE SA (capital Lux F 10 million). This group already had a number of commercial companies in Luxembourg: Overseas SA, International Gems SA, La Continentale SA, International Metals SA, SA Des Minerais, etc.

** The German GEORG FRITZMEIER KG, Grosshelfendorf (safety cabins and seats for farm and industrial vehicles), has formed a Luxembourg holding company under the name of BERU SA (capital Lux F 2.5 million).

The parent company (headed by Herr Rupert Fritzmeier - 750 on payroll) already has one subsidiary in Luxembourg, Fritzmeier Benelux Sarl, formed in 1964 at Mersch (see No 284). It also has a French interest, Georg Fritzmeier-France Sarl, Mulhouse, Haut Rhin.

** The Italian metal trading concern COMMERCIO FERRO & DERIVATI-COM.FE.DE. SpA, Milan, has raised its capital to Lire 50 million, and changed its name to Comfede Saprometa SpA after absorbing its Milan subsidiary Saprometa SpA-Prodotti Metallurgici & Affini. Sig. B. Elli remains president, having held this position in the firm now absorbed.

** DOSAPRO-MILTON ROY SA, Pont-St-Pierre, Eure (see No 394), has formed a new wholly-owned subsidiary called Dosapro Milton Roy SpA (capital Lire 10 million) on the premises of MILTON ROY SpA, Milan (see No 397). The founding company, under licence from the American manufacturer Milton Roy Co, Petersburg, Florida, manufactures analytical and control equipment (dosimetric and volumetric pumps). The new company has Mr. Robert Giguel as president, and Mr. John Procopi as joint manager, the latter being a member of Milton Roy SpA's board. It is to make, sell and install charging eqiupment for the chemical and engineering industries.

The French company recently increased from 50 to 100% its interest in its Madrid subsidiary Dosapro Iberica SA (capital Pts 5 million), which sells automatic can-filling machinery.

** REUTLINGEN LOSENHAUSEN MASCHINENBAU GmbH, Darmstadt (scale and balances - capital DM 0.5 million) has been formed as a joint venture between the German companies, LOSENHAUSENWERK Düsseldorf, MASCHINENBAU AG, Düsseldorf, and Dr. REUTLINGEN & SOHNE oHG, Darmstadt.

Reutlingen-Losenhausen (capital DM 4.5 million) in which the Glasmacher family have a 75% holding, has a payroll of 900 and a wholly-owned subsidiary in Switzerland, Lagus AG, Hergiswilp. The Düsseldorf company, which employs 150, has two subsidiaries abroad: Reutlinger France Sarl, Paris and Reutlinger GmbH, founded in Zurich in 1964.

** Negotiations between the family firm, J. B. VAN HEIJST & ZONEN NV, The Hague, which has now gone into liquidation, and the iron-smelting group, KON NED. HOOGOVENS & STAALFABRIEKEN NV, Ijmuiden, (see No 427), having fallen through, the ship-building concern NED. DOK- & SCHEEPSBOUWMIJ-N. D. S. M., Amsterdam is now to take over the latter's factory at Wierden, (pay-roll 230) and its brand name "Veha", (radiators, boilers for central heating, etc...)

One of N.D.S.M.'s recent moves (it is a subsidiary shared by the ship-builders NED. DOK MIJ. NV and NV NED. Scheepsbouwmij - see No 382), was a 50-50 link with the Swedish manufacturer of marine engines and machines, Eriksbergs Mek Verkstads A/B, Gothenburg, (part of the Angfartygs A/B Tirfing - see No 368). A joint subsidiary was formed to sell and hire high pressure cleaning machines under the name of Euromedkan NV, Amsterdam.

** The Milan firm TECNIMEX Srl has obtained a licence from the British firm ABACUS MUNICIPAL LTD, Sutton-in-Ashfield, Nottingham, to produce and distribute tubular steel goods in Italy. Abacus Municipal is a joint subsidiary of Abacus Engineering Ltd, Coventry, Warwicks, and Municipal Supplies Ltd, Edinburgh.

** EURINDUS SA, Brussels (capital Bf 1 million), has formed a Düsseldorf subsidiary called EURINDUS GmbH (capital DM 40,000). The managers are MM. Boris Schorine and Rene Pirus, managing director and director respectively of the founder. The Belgian company is the representative for corrugated and ribbed coated steel panels made by THE CELLACTITE CO LTD, Gravesend, Kent. The new firm is based on the premises of Cellactite GmbH, formed in 1965 (see No 321) as a direct West German subsidiary of the British firm, which itself belongs to the Gravesend group British Uralite Ltd.

** The Canadian MASSEY-FERGUSON LTD group, Toronto (see No 401), is negotiating an agreement, through its British subsidiary PERKINS ENGINES LTD, Peterborough (see No 384), with the French commercial vehicle manufacturer AUTOMOBILES M. BERLIET SA, Venissieux, Rhone (see No 420), to manufacture and market diesel engines in the 8 to 20 litres capacity range. If the talks are successful, a joint subsidiary will be set up to operate a new factory, to be built in the Lyons region.

The Canadian group already has a French subsidiary, formed in 1952, called Moteurs Perkins SA, Saint-Denis, Seine-Saint-Denis, which employs some 700 people. Berliet, which is already considering how this agreement might be extended to countries outside France, recently became an 80% subsidiary of the SA Andre Citroen group, Paris. The latter is in turn closely connected with the French Michelin group.

** M. Charles Briwa, managing director of the German firm CORNELIUS APPARATE GmbH, Düsseldorf, is now also the director of CORNELIUS GmbH, recently set up in Austria with a capital of Sch 100,000 for the sale of soft drinks vending machines and allied equipment for the racking of drinks, produced by the American company Cornelius Co, Anoka, Minnesota (see No 420).

In Europe, the latter also controls Cornelius Nederland NV, Amsterdam, Cornelius Italiana Srl, Milan, Cornelius Co (U.K.), London, and Corso SA, Barcelona.

FINANCE

** Having made a public offer to buy shares in DEUTSCHE OBERSEEISCHE BANK, Berlin and Hamburg, in August of this year (see No 422), the DEUTSCHE BANK AG, Frankfurt (see No 423), has now increased its controlling interest from 52.5 to around 95%.

Deutsche Oberseeische Bank has DM 15 million capital, and its main interest is in Germany, with Privatdiskont AG, Frankfurt (see No 415), whilst abroad it holds shares in the Spanish Banco Comercial Transatlantico and Immobiliaria Contrans SA, both in Barcelona, and in Banco Aleman Transatlantico, Buenos Aires.

** DOETT SA has just been formed in Luxembourg as an investment company, the 88% subsidiary of CREGELUX - CREDIT GENERAL DU LUXEMBOURG SA (see No 421), with $5,000 capital and three directors of its founder, MM. Welbes, Arend and Kremer, as its administrators.

** The groups, ROTHSCHILD FRERES SA, Paris,N.M. ROTHSCHILD & SONS, London, BANQUE PRIVEE SA, Geneva (in which the Edmond de Rothschild group has an 85% holding), BANQUE LAMBERT Scs, Brussels, and PIERSON, HELDRING & PIERSON, Amsterdam have set up the investment company NEW COURT SECURITIES CORP in New York. This move was in line with the recent creation of an investment trust company in the Dutch West Indies, Five Arrows Fund NV, Curacao (authorised capital $500,000), by the five branches of the ROTHSCHILD group under the financial leadership of the American branch, through the Canadian finance company Five Arrows Securities Co Ltd, Toronto (see No 424).

New Court Securities will deal only with companies, and not directly with the public, but it willnot be concerned with stock issues on the American capital market. Apart from this, it will be in charge of the buying and selling shares for the Rotshchild account, and will supervise the investment work of the Rothschild group's two companies in North America. These, Amsterdam Overseas Co, New York and Five Arrows Securities Co Ltd, Toronto, will be under the direction of M. G. P. Fleck, and his board of advisors will consist of: MM Birkenhind (president), Baron Guy de Rothschild, Baron Elie de Rothschild, Jacob Rothschild, Philip Shebourne, Harry D. Pierson, Allard Jiskoot, Baron Lambert and Francois Pereire.

** The close ties between the CIE DE PONT-A-MOUSSON SA, Nancy, the CIE FINANCIERE DE SUEZ SA, Paris and the STE. LYONNAISE DES EAUX AND DE L'ECLAIRAGE SA, Paris (see No 426) are to be extended when the first two take a holding in the Lyons company, if negotiations now in progress are carried through successfully.

Lyonnaise des Eaux (president M. Maurice Bonfils), is concerned mainly in the running of a network of water-mains (in more than 350 towns and villages in France, serving a population of more than two million) and other public utilities there and in Africa. The company is also concerned with electronics, (through its interests in Cocelam, Radio-Belvu, Cifte- Cie Industrielle Francaise des Tubes Electroniques); engineering (Sigma-Ste. Industrielle Generale de Mechanique Appliquee), nuclear power, oil etc. It recently took a 10% interest in the water purification company Degremont SA (see No 427), and at the same time Pont-a-Mousson gained an 11.8% interest. Lyonnaise des Eaux is also associated with Pont-a-Mousson and with Suez in the ventilation and air-conditioning company, Ameliorair SA, and in the holding company Ste. de Placements, d'Etudes & de Gestion SA, which is itself a shareholder in the engineering firm Tunzini. SA.

** NORDFINANZBANK ZURICH AG (formerly VERWALTUNGSBANK ZURICH AG - see No 260) has formed a Luxembourg investment company under the name of LIBLO HOLDING SA (capital Sf 1.5 million). Two board directors of the Swedish bank SVENSKA HANDELSBANKEN A/B, Stockholm (see No 428), which has a 60% controlling interest in the Zurich bank, have been appointed as its administrators.

** The I.O.S.-INVESTORS OVERSEAS SERVICES LTD financial group, Panama (see No 427), has strengthened its West German interests with the formation of ALTERSINVEST-BERATUNGSGESELLSCHAFT FUER ANLAGEPLANUNG & ALTERS-VERSORGUNG mbH, Munich (capital DM 100,000), with Dr. Ernst Heissmann as manager. It will be mainly concerned with pension funds.

Within West Germany, the Panama group - headed by Mr. Bernard Cornfeld - controls Investors Overseas Services in Deutschland GmbH (capital DM 100,000), whose headquarters is shortly to move from Düsseldorf to Munich. Dr. Erich Mende, retiring chairman of the West German Free Democratic (Liberal) party and former Federal vice-chancellor, has just been appointed to the board at annual salary of DM 120,000. The group, which sells stock certificates for an estimated DM 80 million each year in West Germany, also intends to form a Munich bank in the near future under the name of I.O.S. BANK AG (capital DM 10 million - see No 418).

** A group of Scandinavian banks, headed by SVENSKA HANDELS-BANKEN A/B, Stockholm (see No 419) intend to gain control of the Paris UNION INTERCONTINETALE DE BANQUE SA (see No 356). The other banks involved in this move are DEN NORSKE CREDIT-BANK A/S, Oslo (see No 411), KJOBENHAVNS HANDELSBANK A/S, Copenhagen (see No 411), and KANSALLIS-OSAKE-PANKKI, Helsinki.

The Paris bank (capital Ff 6 million) is linked with the New York Continental Grain Corp group (see No 421), which in 1962 acquired the banking interests of Joseph Danon & Cie Snc, Paris. Its main interests lie in Finacom-Ste Financiere de Developpement Commercial SA, Paris - along with Banque Lambert Scs, Brussels - which specialises in financing HP car sales.

** BANQUE SELIGMAN (LOUIS HIRSCH SA, Paris - see No 411), which is linked with the Canadian financial group C.E.M.P.-INVESTMENT, Montreal (see No 326 - headed by the Bronfman family), is in the process of being taken over by the BANQUE LOUIS-DREYFUS SA, Paris. With a capital of Ff 10 million (see No 361), the latter is a member of the Louis Dreyfus & Cie Snc group, one of the biggest world-wide concerns in cereals. Louis Dreyfus is the ninth largest French banque d'affaires in France. With a capital of Ff 5.99 million, Banque Seligman is itself the result of a merger between two private banks, Louis Hirsch & Cie Sca and Seligman & Cie Sca, Paris. The interests of the company include, Cie Europeenne de Banque SA, Eurofrance Fonciere SA, Club Mediterranee SA, U.F.I.-Union Francaise Immobiliere SA, etc.

FOOD & DRINK

** The Belgian brewery BROUWERIJ. VAN ALKEN SA, Alken has raised to Ff 300,000 the capital of its Paris subsidiary ALKEN FRANCE Sarl (formerly at Courbevoie). This manufactures all types of alcoholic and non-alcoholic drinks and is a 75% direct interest of the Belgian concern, with the remainder shared equally between five of the latter's managing partners.

** The dairy holding company CH. GERVAIS SA, Paris (see No 415) - now merging with the DANONE SA group, Levallois-Perret, Hauts-de-Seine - has had its capital raised to Ff 38.34 million after acquiring a larger interest in two of the group's foreign companies CH. GERVAIS AG, Munich and FROMAGERIES CH. GERVAIS EXTENSION BELGE SA, Brussels, by buying up shares held by various investors including two Swiss firms Sapam SA, Geneva and Fiduciaire International SA, Basle.

Until now Gervais had a 65% interest in the Munich concern (1966 turnover of DM 174.4 million) and a 12.5% direct interest in the Belgian firm (capital recently raised to Bf 80 million).

** The Dutch milk co-operative, FRIESCHE CO-OPERATIEVE ZUIVEL EXPORT VEREENIGING "FRICO", Leeuwarden (see No 368), has backed the creation in Port of Spain, Trinidad, of a 51% subsidiary, FARMHOUSE INDUSTRIES LTD, with the balance held by its local agent, Mr. Anthony N. Sabga. The new company has been formed for the processing of powdered milk, sent in bulk by the Dutch company.

The latter recently took over a concern in the same field, N.V. Kortenkaas Industrie & Handelmij, Oosthuizen. Since 1963 it has been represented in France by Frico-France Sarl, Mouvaux, Nord, in a 49.95% association with the French concern, Losfeld Freres & Lesaffre Snc., Mouvaux.

** The Frankfurt brewery BINDING-BRAUEREI AG (annual turnover of around DM 100 million - see No 406) has extended its interests by taking over ALLGAEUER BRAUHAUS AG, Kempten, Allgäu. The brewery is a more than 50% interest of the RUDOLF A. OETKER group, directly (and through BANK FUER BRAU-INDUSTRIE, Frankfurt).

The newly-acquired firm (capital DM 2.3 million) was until now owned by Edelweiss Milchwerke K. Hofelmayr GmbH, and during the last financial year it produced some 220,000 hectolitres of beer with a turnover of DM 23 million. It has a 95% controlling interest in two other Kempten breweries: Allgäue Weizenbräu and Gasthausgesellschaft Gambrinus mbH. As a result of the new move Binding-Brauerei plans to make "Binding" beer at Kempten.

OIL, GAS & PETROCHEMICALS

The state-owned Rome group E.N.I.-ENTE NAZIONALI IDROCARBURI SpA has had its Milan subsidiary SNAM SpA (see No 419) completely absorb a company which passed recently under its control, PETROLI PEGLI SpA, Milan.

** Following a series of agreements between the French and the Algerians, SONATRACH-STE. NATIONALE DE TRANSPORT & DE COMMERCIALISATION DES HYDROCARBURES, Algiers has acquired two new subsidiaries. The first company, Somalgaz SA, will be formed as a joint subsidiary (on a 50-50 basis) of the Algerian public company and its French opposite number, E.R.A.P.-Entreprises de Recherche et d'Activites Petrolieres, Paris (see No 422). It will be concerned with the supply of Algerian gas to the French market and the setting up of liquefaction plants and methane transportantion systems. The second company, Altra SA, (a manufacturer of oil pipelines), will also be a joint subsidiary, but this time Sonatrach will have a 51% majority holding and the balance of the shares will be held by Union Industrielle d'Entreprise SA, Paris (see No 399).

The latter (capital Ff 4 million) is controlled by the Andre Miller Corporation "Amco" SA, Paris (capital Ff 10 million).

PHARMACEUTICALS

** The American pharmaceuticals group RICHARDSON-MERRELL INC, Wilmington, Delaware (see No 417) is rationalising its Italian interests (see No 414), and its Florence subsidiary FARMOCHIMICA CUTOLO CALOSI SpA (capital Lire 1,200 million) has absorbed the Naples laboratories of ISTITUTO SIEROTERAPICO ITALIANO SpA (see No 383) and changed its name to Richardson-Merrell SpA, now for purely commercial operations. The group's other major subsidiary in Italy, Wm S. Merrell SpA, Milan, recently absorbed the Rome company, Istituto Chimico Eurosud SpA.

** The New York chemical and pharmaceutical group STERLING DRUG CO INC has strengthened its French interests by raising the capital of two companies which it controls completely through its subsidiaries WINTHROP PRODUCTS INC, New York and STERWIN AG, Zug. The two French firms are LABORATOIRES WINTHROP SA (capital now Ff 6 million) and UNION CHIMIQUE POUR LE MARCHE COMMON SA (capital now Ff 4 million) and both are based at Clichy, Hauts-de-Seine.

The New York group's recent moves include the formation in London of a research company called, Winthrop Biologicals Ltd (capital £100) through its wholly-owned subsidiary Sterling-Winthrop Group Ltd, London. It has also acquired control of the American cosmetics firm Lehn & Fink Products Inc, Bloomfield, New Jersey.

PLASTICS

** The Greek ARISTOVOULOS G. PETZETAKIS SA, Moschaton, Piraeus, has withdrawn French distribution rights for its flexible plastic irrigation tubing (Heliflex, Spirax, Spiralex, Petrolux, etc.) form the Paris concern MAPLEX-MANUFACTURE DE PLASTIQUE EXTRUDE Sarl, and placed them with a newly-formed company in Paris called HELIFLEX FRANCE Sarl.

The new firm has Ff 40,000 capital, and is to make, sell, import and export tubing and other plastic materials: it will also act as the agent for another Greek concern, M. & N Petzetakis SA.

PRINTING & PUBLISHING

** A joint venture by Swiss and Italian interests has resulted in the formation of FABIGRAFT ITALIANA Srl, Milan (capital Lire 150,000), for all types of printing work. The founders are Signor Dussan Fabic, Milan (president), and Werner Strohmeier. The latter is president of the Swiss company Frisomo AG, Zug, which deals in licence exploitation, especially those connected with the cinema.

TEXTILES

** The American carpet manufactuere E. T. BARWICK MILLS INC, Chamblee, Georgia (see No 297), has strengthened its European interests by taking over one of the leading Dutch manufacturers of tufted carpets, LAROS TAPIJFABRIEKEN v/h JAN WILLARD NV, Oss. At present this is a family firm, headed by Mr. A. C. Steemans, with a payroll of some 450 people. Its name will be changed to E. T. BARWICK MILLS NEDERLAND NV, and will be responsible for the European interests of the American group, including a factory at Bolton, Lancs, controlled by the British subsidiary E. T. Barwick Mills Ltd. The latter was formed in 1966 as the result of a link-up with Wm. Goodacre & Sons Ltd, Kendal (member of the Beautility Ltd, London, group). The American firm also has sales subsidiaries in Frankfurt, Lucerne and London.

** The German textile products wholesaling concern F. W. BRUEGELMANN SOEHNE oHG, Cologne, is to take over a similar concern called MENGEL & RITTER, Frechen-Marsdorf.

The former is a family group, employing about 1,700 people, and having branches in Frankfurt, Munich, Dortmund, Wesel, Saarbrucken, Nuremberg, Koblenz, etc. The Frechen group is headed by Herr Ludwig Mengel, and embraces two sister companies, employing about 600 people: Mengel & Ritter KG (formed in 1943) and Mengel & Ritter Vertriebs GmbH (formed in 1949).

** The Panamanian WERNER ASSOCIATES INC SA, (formerly Werner Textile Associates Inc SA), which already has a branch in New York, has chosen Belgium as the bridgehead for its Common Market activities: it has formed a textile goods sales branch in Brussels, under M. Raoul Verret.

TOBACCO

** The Amsterdam company TURMAC TABAC MIJ NV and its sales subsidiary INTERNATIONAL SALES & IMPORT CORP. (INTERNATIONALE VERKOOP & IMPORT MIJ.) NV (see No 374), which belong to the South African group REMBRANDT TOBACCO CORP. SA, Stellenbosch (see No 428) have formed five Amsterdam cigarette and tobacco manufacturing and sales companies. Each has Fl.10,000 capital and all are run by M. A. D. J. Rompa, Amstelveen with Messrs Van Roermund and Alexander Orlow as directors. All three are on the board of the founder.

The companies just formed are: 1) AMERICAN CIGARETTE & OVERSEAS (AMERIKAANSE CIGARETTEN MIJ. OVERZEE) NV, a sister-company of firms already established in Luxembourg, Frankfurt, Berchem-Antwerp, Brussels, Zurich and London; 2) RIGGIO TOBACCO CORP. OF NEW YORK (RIGGIO TABAKMIJ. VAN NEW YORK) NV with a Luxembourg sister company; 3) ST.REGIS TOBACCO CORP. (ST. REGIS TABAK MIJ) NV which has sister-companies in Luxembourg and Zug; 4) ROTHMANS OF PALL MALL (ROTHMANS VAN PALL MALL) NV and 5) REMBRANDT TOBACCO CORP. OVERSEAS (REMBRANDT TABAK MIJ. OVERZEE) NV.

The Stellenbosch group is linked in Britain with Carreras Ltd, Basildon, Essex (see No 411) within Rothmans Tobacco (Holdings) Ltd, London. It has appointed one of the latter's subsidiaries, Rothmans of Pall Mall Ltd, to launch "St. Moritz", a new menthol cigarette. This firm which already controls Rothmans of Pall Mall (Overseas) Ltd SA, Luxembourg, formed another company there in January 1967, Rothmans Group Services Ltd S.A.H. (administration and investment - capital Sf 100,000).

Rembrandt recently increased to over 30% its share in the West German cigarette and tobacco manufacturer Martin Brinkmann AG, Bremen. It had previously backed the change of name of one of the latter's subsidiaries from Rothmans Cigarettenmanufaktur Hamburg GmbH to Constantin Cigarettenmanufaktur Hamburg GmbH with the aim of boosting sales of "Constantin" cigarettes.

TOURISM

** Belgian and Swiss investors have formed a Luxembourg holding company under the name of STE D'INVESTISSEMENT TOURISTIQUE & IMMOBILIER HOLIDAY CLUB SA (capital Lux f 100 million). The new company is directed by M. Jacques Dansette, and is for share purchasing, particularly in the tourist sector. Its parent companies are R. L. LARCIER & CIE, Brussels (see No 424), which holds 51.88% of the capital, and UAM AIRMOTEL AG, Basle, which holds 47.94%, whilst a token 0.1% is in the hands of AIRTOUR SA, Brussels. UAM also made various contributions in kind to the new venture, together with its portfolio holding (about Lux f 11 million in value) in Tourinvest SA, Luxembourg (see No 359).

Larcier has also formed another holding company in Luxembourg (almost entirely under its control), with the same terms of reference as Holiday Club, called Sofitour SA (capital $1.6 million, 50% paid up), which has M. Raymond Larcier as president.

TRADE

** Recently set up in Milan by the Panamanian holding company, HERSUDY INVESTMENT CORP (see No 425) the consumer goods trading company HERSUDY FIN & FREE DISCOUNT HALL-F.D.H. Sas has just opened a branch at Pavia.

** The Panama company INDYCOM ENTERPRISES INC SA has purchased an interest in the Italian trading company IMPORT EXPORT URIMPLEX Sas, Como (branch in Milan), which has raised its capital to Lire 5 million. The partners in this company are Sigs V. Cecaro and C. Guasconi.

The latter is also manager of Indycom Italiana (capital Lire 500,000), formed earlier this year in Milan by the Panamanian concern for imports and exports of foodstuffs.

TRANSPORT

** The SITE SA-STE INDEPENDANTE DE TRANSPORTS EUROPEENS, Paris has formed a Belgian subsidiary called STE INDEPENDANTE DES TRANSPORTS EUROPEENS (BELGIUM) - SITE BELGIUM SA. The founder's president M. Jean Paul Fisse holds the same post in the new company, which has Bf 250,000 capital. It will carry out all operations connected with freighting and removals, and will also manufacture the packaging.

Site SA (capital Ff 50,000) is a subsidiary of the New York firm First Resources Corp and is the French representative for the New York transport and removals firm Routed-Thru-Pac Inc.

** The Paris transport R & D company TECHNI-MARINE Sarl (formed in May, 1963 - see No 331) has raised its capital to Ff 160,000 to admit two new associates with 6.25% each: STE NAVALE VIELJEUX, Paris (99% subsidiary of Cie Delmas-Vieljeux SA - see No 421) and STE NAVALE CAENNAISE SA, Paris (affiliated to Ste de Mines & de Produits Chimiques SA - see No 397).

These two new shareholders join the following: Cie Nantaise des Chargeurs de l'Ouest SA; Nouvelle Cie Havraise Peninsulaire de Navigation SA; Ste Francaise de Transports Petroliers SA; Banque Louis Dreyfus & Cie SA; Cie Generale Transatlantique - C.G.T. SA; Saga - Ste Anonyme de Gerande & d'Armement SA (of the group MM. De Rothschild Freres and affiliated to the Dutch PHs Van Ommeren NV); Cie Maritime des Transports de Goudron SA; Cie Nationale de Navigation SA (subsidiary of the U.G.P. - Union Generale des Petroles); Ste de Transports Maritimes Petroliers SA and Worms, Cie Maritime & Charbonniere.

** STA PER LO SVILUPPO DEI TRASPORTI INTERNAZIONALI MARITTIMO-TERRESTRI-S.T.I.M.A.T. SpA, Trieste, has been formally established with the backing of SHELL ITALIANA SpA, Genoa (the wholly-owned subsidiary of the ROYAL DUTCH SHELL group - see No 427), in association with various Italian banking, financial and insurance groups. The new concern will be involved in every sphere - market research, sales co-ordination, exports, transport, technical assistance - for boosting fruit and vegetable exports from Mediterranean countries, and in particular from Italy. The plan envisages the creation of a large number of 1,000 ton fast container ships. These will be able to load in small harbours a few hours from where the produce is actually grown. Apart from boosting Italian exports to northern Europe, it should help to cut out the wastage and expense caused by middlemen, and at the same time revive the port of Trieste.

The Italian backers of STIMAT include Assicurazioni Generali, Banca Nazionale Italiana, Banca Nazionale del Lavoro, Banca di Napoli, Bastogi, Marittima C. Cameli, Fiat, Finam, Finanziaria Ernesto Breda, Fincantieri, Finmare, Finsider, IMI, Irfis, La Centrale, Adriatici di Sicurta, Sta Rivalta Scrivia, Sta Finanziaria Regionale Friuli-Venezia Giulia Friulia, Sta Nazionaleimprese Sviluppo Industriale.

** The Dutch-Swiss group THYSSEN-BORNEMIZA (see No 426) has taken a 50% interest - through its Swiss holding company, formed in 1964, SA DI NAVIGAZIONE MARITIMA DORADO, Castagnola, Ticino (capital Sf 3 million) - in the formation of HOLDING EUROPEENNE MARITIME SA, Luxembourg (capital $1.7 million). The remainder of the capital is shared equally between C.G.T.-Cie Generale Transatlantique SA, Paris (see No 426), and SOMAPAR-Ste Maritime de Participations Sarl, Paris (see No 401), the holding company for the Paris shipping group Worms & Cie.

** The Belgian real estate company CONSORTIUM DE PARKINGS SA, Brussels (headed by Charles de Pauw - see No 413), has set up an airline company, BRUSSELS AIRWAYS SA, Brussels, with a capital of Bf 10 million. M. de Pauw is the managing director of the company, and the board consists of MM. Armand Blaton, Aldo Vestapane and Air Commodore Mitchell, who are all minority shareholders in another company in the group, Terres & Domaines SA, Brussels (see No 345).

M. de Pauw has also backed the recent formation of several property companies on the premises of Consortium de Parkings (capital Bf 10 million). Amongst these are Ste Immobiliere "la Maisieroise" SA, (in association with Terres & Domaines), Immobiliere de Maisieres SA (with the civil engineering firm Blaton - see No 420), etc.

VARIOUS

** The Panamanian forestry concern, NORABO INC, has, with Belgian and German backing, formed a company in Luxembourg called SILVALUX SA, Ettelbruck (capital Lux F 2 million). The new firm has M. Robert van der Kerchove as president, and is for all manufacturing and commercial activities in the forestry sector: it will also build and run holiday chalets and camping sites.

** VISCOFALE-FRANCE Sarl has just been formed in Paris with Ff 21,000 capital as a Franco-Italian joint venture. It is managed by M. Georges Wacheux, who holds a 33% interest, and is for all commercial, financial and property operations connected with the furnishings and decor business.

** The management consultancy concern, BENJAMIN SPIRO ASSOCIATES INC, San Francisco, California (formed in 1962 with $1,000 capital), in order to facilitate contact with its European and African clients, has opened a branch in Lausanne under Herren Franz Oppenheimer and Rodolphe Faessler.

** GEEST INDUSTRIES LTD, Spalding, Lincolnshire, is at the moment preparing to form an Italian subsidiary under its own name for supplies of potatoes, peaches, and grapes.

Geest, with an authorised capital of £500,000, has a payroll of around 2,500, and its activities cover the field of importation and distribution of fruit and vegetables; the growing and selling of bulbs, and the production of materials-handling equipment.

** The German WESTAG & GESTALIT AG, Wiedenbrück, plans to sell its 74% interest in STE INDUSTRIELLE IVOIRIENNE DES BOIS-SIBOIS SA, Abidjan, Ivory Coast. The latter has been operating a veneer-peeling factory since 1964, having been formed the year before (see No 262), and the minority interest is held by LA FORESTIERE EQUATORIALE SA, Abidjan, a member of the MM. RIVAUD & CIE Snc, Paris, group, through l'Union de Titres & de Participations SA, Paris (see No 425).

The Widenbrück concern specialises in plywood, and its DM 11.2 million capital is held by local family interests. Its directors include Mr. Ernest Hirscheimer of Montreal. It employs about 1,200 people for an annual turnover in excess of DM 52 million.

** MEUBLES M.D. SA has gained control of STE POUR L'EXPLOITATION DES PROCEDES RAZAFFY SA. Both are based in Paris, and make ready-to-assemble furniture. In 1966 they had a cumulative turnover of Ff 3,000 million, and a payroll of 525. M.D. will now use Razaffy's "Oscar" trade-mark, and will co-ordinate their sales policies within the Common Market.

M.D. recently took over another firm in the same sector, Ste Multiforme Sarl, Paris (capital Ff 73,100), which makes ready-to-assemble furniture and "Alcora" office equipment in its factories at St-Aubin, Calvados and Varennes, Allier. When this occurred, M.D. raised its capital to Ff 2.1 million. There is a Brussels subsidiary, Meubles de Gaston Poisson-Les Meubles de France Sprl, and it also has distributors in West Germany and Italy.

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