

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

THE WEEK IN THE COMMUNITY
September 4 - September 10, 1967

COMMON MARKET:	Page 1
An eventful autumn - Legal matters	
EXTERNAL AFFAIRS:	Page 5
Links with Spain	
ECSC:	Page 5
Need for coal crisis solution	
EURATOM:	Page 8
For peace only	
EIB:	Page 9
Motorway loan - New bond issue	
EFTA:	Page 9
Britain and the EEC:	Page 10
Cautious TUC support	

COMMENT

The Technological Gap - *In ref. file*
a political problem for Europe

STUDIES & TRENDS

Community Steel and the Technological Revolution *In ref. file*

EUROFLASH: *Business penetration across Europe*

Headlines	Page A
Index	Page P

September 14, 1967

No. 426

LIBRARY

LT
FF
JB
KL
EK
AD
IS

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED

EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT TEL. 25202/4 TELEX 95114

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e

TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER .. PAUL WINKLER

EXECUTIVE EDITOR .. CHARLES RONSAC

MANAGING EDITOR ANDRE GIRAUD

SWITZERLAND

54 Rue Vermont GENEVA
TEL: 33 7693

ITALY

72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX

4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

o

SUBSCRIPTION RATES

U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS

U.S.A. AND CANADA \$250 ONE YEAR \$135 SIX MONTHS INCLUDING AIRMAIL

OTHER COUNTRIES AT LOCAL EQUIVALENT OF U.K. RATES

© EUROPEAN INTELLIGENCE LTD.

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

THE WEEK IN THE COMMUNITY

September 4 - September 10, 1967

From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

An Eventful Autumn

"I have the impression that this autumn is going to be a very interesting time," said Paul-Henri Spaak to a group of journalists recently. The former Belgian minister was probably right, in the sense that the Six cannot, either morally or in practice, avoid taking decisions on a number of subjects. Even should they wish to delay, they are not likely to get any support from the newly reconstructed Commission, which shows no signs of favouring a policy of temporisation.

Renewed Energy: On July 31 its head, M. Jean Rey, ordered a month's complete rest for his colleagues and their staffs, but no more. Work was resumed in September with an energy which has rarely been equalled in the past, and which was badly needed in view of the complete reorganisation of the Commission's staff, made necessary by the fusion of the three executives. The Commission realised that it would have been impossible for it to function so long as this reorganisation was not complete, and took steps to accelerate the process. By the end of July, functions had been allocated to the Commissioners themselves, and the heads of directorates had been appointed. Before the end of September detailed work plans should have been drawn up for all the directorates, and any duplication of responsibilities adjusted.

The operation is designed not only to provide the Commission with an efficient apparatus, but also to imbue it with a spirit of speed and effectiveness. This is confirmed by certain changes which have been made in working procedures. On the eve of each meeting of the Commission, for instance, the Commissioners' principal assistants will meet with the general secretariat to plan the next day's work and, in particular to sort out the non-controversial items which can be approved without further discussion. This procedure is designed to eliminate tiresome last minute debates, and the consequent waste of time. Although this procedure might be contested on purely formal grounds, its use in the committee of permanent representatives has demonstrated its effectiveness.

Decisions Needed: The energy, which the Rey Commission appears to be cultivating as its chief virtue, is not only expressed in procedural matters. Problems themselves are also to be handled with despatch, and the most urgent of them have already been examined at the first meeting after the holidays on September 6. These are matters which must be decided in the near future, such as the Communities' budgets. Euratom is the most pressing case, since, in theory, a budget is required for its third five-year research programme, starting on January 1 next. The situation is fraught with

complexities. Not only is the procedural situation abysmally behindhand, but the Commission is also only too well aware of the depth of the differences between the Six on the future of Euratom. What it has to produce for the Ministers is not so much a budget as a political deal.

Euratom: It is manifestly impossible to reach complete agreement in less than three months, and it seems likely that the Commission will propose a moratorium of one year, during which the general lines of work under the second five-year programme will be extended, while an attempt will be made to find the basis for more lasting co-operation. Sound sense though this may be, it will not, of itself, remove all objections, since some governments are by no means keen to prolong a programme whose principles and balance they already question. To settle the matter on these lines will require some hostages to fortune on the political future of Euratom.

Taking the Initiative: But the Commission is not confining its attention to those matters which demand a decision, such as Euratom and the common agricultural policy. It has also announced its intention of giving priority treatment, in the form of extraordinary meetings, to those subjects where the time factor is less compelling; policies for energy, for transport, for social affairs and for industry, the last-named, as we have shown in earlier issues, encompassing the whole activity of the community. The Commission is not going to sit and wait for the fruits of the free circulation of goods to drop into their laps - something which will not happen anyway; they are going actively to bring them to maturity, if necessary by shaking the Ministers out of their torpor.

Last July M. Rey insisted that the Commission was unanimous in its resolve to treat the problems of the internal development of the Community and its possible enlargement in parallel and the same drive which is to be applied to internal affairs must also, therefore, be employed in dealing with the membership applications of Britain and her fellow candidates.

A Wider Community: No effort will be spared to complete the report on the enlargement of the Community by September 30 at the latest. The impressive working party on this project, consisting as it does of MM. Hellwig, Sassen, Mansholt, Martino, Barre and Deniau, started looking at the preparatory work done by the Commission staff on September 7. The Commission itself will consider this work on September 13 and 19, when it will lay down the broad lines of the final report, to be formally approved in a session on September 27, which can, if necessary, be extended to September 29. The Six will thus have the necessary brief for a preliminary exchange of views at their meeting in Luxembourg on October 2 and 3.

The Commission's Report: Although this document continues to be top secret, it is not very difficult to form an idea of its two main themes and the outline which follows has been confirmed by a reliable source.

Firstly, the Commission will recommend the opening of negotiations, indispensable not only to test the intentions and attitudes of the candidates, but also to

re-examine the principles of the European treaties since the existing Communities are only a step to the unification of the whole of Western Europe .

Secondly, the Commission's proposals for the conditions to be imposed on the candidates will not be tinged with any "softness". The entrance fee will have to be paid in full. This proceeds logically from the Commission's intention to speed up internal development of the Community. This tough attitude, while it may not reflect the wishes of certain of the six or of "European" circles, seems assured of the support of economic circles in the Six as a whole, anxious to safeguard the trading advantages which the Community has brought to them .

Can the Six Agree? Is there, on this basis, any prospect of agreement between the Six on the opening of negotiations with London? This question is easier to answer if it is put in another way; what would be the result of prolonged disagreement in face of the Commission's positive recommendation? The consequences would probably deal the Community a severe blow, as well as provoking another political crisis, or at best paralyse any further movement forward. The argument already used by France to justify her disapproval of negotiations with London has given a new dimension to the problem. The question has now become less concerned with the admittance of Britain and more with the very nature of the Community itself. Paris maintains that any extension of membership would, ipso facto, produce serious distortions. There is no doubt that this is an internal matter, and that if it is not settled, it will provoke an internal political crisis .

The Way Ahead: Considerations of this kind may well lie behind the Dutch government's hesitation in calling another summit conference in The Hague, although it was agreed in Rome that this should take place before the end of the year . There are three possibilities:

- 1) that the French agree to negotiations with the British; in this case the Dutch will no longer be able to resist periodical summit meetings, in themselves the beginning of political consultations between the Six .
- 2) that France maintains her opposition to negotiations; in this case there are two possibilities open;
 - a) to avoid risking a summit meeting which could well turn out to be purely recriminatory and perpetuate the controversy on a lower and less compromising level - continuing to temporise due to the fear of a clash .
 - b) to cut the Gordian knot and refer the dispute to the decisions of the heads of state, leading either to a decisive compromise or to an open breach .

It is difficult to plump for any of these alternatives without more information, either on the contents of the Commission's report or on French reactions, and it is perfectly understandable that the Dutch government is biding its time . It is noteworthy, however, that the Dutch are not prepared to go it alone, and that they will consult with their Benelux partners before proceeding .

Benelux Co-operation: The three smallest countries of the Community are at present trying to improve their cohesion (see No 425). Contacts between Brussels, The Hague and Eastern Europe are being made in the name of Benelux; there is talk of a Benelux initiative in the Middle East crisis; and a Benelux summit, preceded by a meeting of foreign ministers next November, will be held at the beginning of 1968 to examine the prospects for closer co-operation between the three countries on a variety of subjects. Assumed that all this comes to pass, what effect it will have on the Community front remains to be seen, but it is reasonable to assume that it may nudge the Dutch a little nearer to the less intransigent positions of the Belgians and the Luxemburgers.

A Compromise Approach: For the time being we can only speculate about probabilities. It will be difficult for the Six to avoid taking some decision about negotiations with Britain beyond the end of October. France's unreserved agreement appears doubtful, but a curt refusal with its possibly dramatic consequences, even more so. This leads back to a middle course, entrusting the Commission with an exploratory mandate a solution all the more acceptable to France if, as we have indicated above, the Commission's first report takes a tough line. This concession by France would probably not be enough to induce The Hague to issue invitations to another summit. But the question of political unity might then, as was suggested in Rome, be broached at a lower level by putting the problem to the foreign ministers. However we may speculate, we can certainly agree with M. Spaak that we are in for an interesting autumn.

* * *

LEGAL MATTERS

Coping with Administrative Loopholes

One of the latest rulings by the EEC's Court of Justice illustrates how the interests of companies are protected against administrative errors or oversights under the Community system. The ruling in question applies generally to a number of cases that arose in 1963 when certain German importers of maize, millet and other seed-grains were refused levy-free import licences by the German Import & Storage Agency. The main aspects of the case are as follows:

The Commission's Liability: The German authorities refused the levy-free licences under Article 22 of the Agricultural Regulation 19 (which established the common grain market), which safeguards the market against the sort of disturbances (e.g. heavy imports) likely to militate against the aims of the Common Agricultural Policy expressed in Article 39 of the Rome Treaty. Under this same Regulation 19 (Article 22-2), the Germans would have notified their refusal of licences to the Commission, and thus both parties must be held responsible for losses suffered by the plaintiffs as a result. It should be stressed here that the Court found in July 1965 that the imports in question were not of a type to merit safeguard charges, and quashed the decision made in 1963 to levy these.

The Plaintiffs' Weapon: Protection for companies in this sort of affair is built into the Rome Treaty in Article 215, which was invoked when the Court quashed the levies in 1965: this states, amongst other things, that for non-contractual liability the Commission, like the national authorities, must make reparation for losses suffered by parties as the result of action taken by its employees in the performance of their duties .

Findings: The actual sum of costs and damages in these cases has yet to be assessed, but it is interesting, and of comfort probably to companies likely to be operating on EEC territory, that under the community system there are two "come-backs" for those suffering administrative errors of this kind. In the case in question, certain of the suits were dismissed by the Court, as no definite loss had been incurred. In a second category come those of the firms who terminated their supply contracts for the grain and had to fulfill penalty clauses: the nature of the transaction being speculative, the decision was that these should receive only 10% of the levy that would have been charged, had they continued with the arrangement. The third, and perhaps most important category, covers those of the companies who suffered a definite loss: here, the first claim will be on the German authorities who actually raised the levy, but should legislation fail to give full reparation, they may then be able to reclaim the rest of the sum from the Community as such .

* * *

EXTERNAL AFFAIRS

Progress on Links with Spain

Preliminary negotiations between Spain and the Common Market aimed at reaching a preferential trade agreement between both sides are expected to begin next week on September 21. It was during July that the Council of Ministers finally agreed terms for a first negotiating mandate to be given to the Commission. The terms contained in the mandate were not particularly favourable for Spain, and it is expected that during the two-day meeting, the Spanish ambassador to the EEC, Senor Alberto Ullastres Calvo, will make the first counter-proposals. The main object of this first meeting is to work out a time-table for further talks .

* * *

E .C .S .C .

Luxembourg: Urgent need for Coal Crisis Solution

The meetings of the Council of Ministers during the coming months will be particularly involved with the Community's coal problems. All those concerned, and this includes the member governments, are aware of the urgent need to a solution of the difficulties besetting domestic coal, the overall distortion between production and demand, as well as the growing structural weakness of the coal industry and the fall in demand .

The forecasts for the last quarter of the year indicate that the trend noticed in early 1967 and in previous years will change, with Community stocks falling by some 1.8 million tons of coal-equivalent (900,000 tons of coal and 700,000 tons of coke). But on a long-term basis it is not expected that much change will occur. However, the latter part of 1967 should see a slight improvement due to an increase in oil prices because of the Middle East crisis, renewed steel production and climatic conditions. Thus there has been no fundamental change in the outlook for the coal industry.

Despite the increasing number of men laid-off during the first seven months of 1967, which resulted in a loss of production of 5.6 million tons (4.2 million in the Ruhr, 639,000 in the Sarre, 509,000 in France, 258,000 in Belgium), the Community coal market was unable to absorb the quantity produced, since between July 1966 and 1967, pit-head stocks of coal rose by nearly 6 million tons, to stand at 35.776 million tons on July 31, 1967.

	West Germany	France	Italy	Netherlands	Belgium	Community
July 1966	16,021	9,431	25	1,334	3,014	29,825
June 1967	18,833	12,390	20	1,513	3,033	35,789
July 1967	19,030	12,373	20	1,433	2,920	35,776
Change July 1966/67	+3,009	+2,942	-5	+99	-94	+5,951

This upward trend in coal stocks slowed slightly during May and June, and is mainly a result of the differences between production and demand during the first four months of 1967. Any improvement in the situation is largely due - and will continue to be so in the near future - to pit closures and a fall in production capacity.

If pit-head stocks are added to delivered coke stocks (approximately 1.3 million tons), the overall stocks of solid fuel amounted to 42.6 million tons of coal equivalent on July 1, 1967. To this should also be added stocks of 5.6 million tons of exports. As the forecasts indicate that these stocks will fall by 1.8 million tons by the end of December, it is expected that the amount stockpiled at the end of the year will be around 49.161 million tons, between 46 and 73 days output according to the country in question. Nor do these figures include the 4 million tons in West Germany stockpiled near the main centres of consumption.

Despite the fall-off in internal demand, Community trade in coal is expected to show an increase over 1966, which itself was higher than in 1965. The principal factor is increasing German exports to Italy. However Community trade in over-coke continues to decline, with most exports going to the French and Luxembourg steel industries. The increase in intra-Community trade is the result of falling-off in imports from non-member countries, whose quarterly average in 1967 is expected to be 6.140 million tons compared with 6.491 million in 1966.

	1967-Forecasts	1966-Actual
West Germany	1,701	1,703
Belgium	462	526
France	1,280	1,142
Italy	2,243	2,495
Luxembourg	-	-
Netherlands	454	625
Community	6.140	6.491

The breakdown of countries exporting coal to the Community shows some changes when compared with 1966. US sales have declined slightly, although their quarterly figure of 4.212 million still leaves the United States as the Community's main supplier, and French imports from the US have increased, although Italy has switched to Community suppliers.

Britain's share of the market (1967 quarterly average: 339,000 tons) is noticeably down on 1966, whilst imports from Poland (1967 quarterly average: 570,000) and the Soviet Union (1967 quarterly average: 828,000) have gone up by around 10%. Community exports to non-member countries are equivalent to no more than 3% of its total needs.

Close Community and governmental co-operation needed for modernisation

The ever-worsening situation of the coal common market, with the continual rise in state aid and the increasing financial difficulties of coal-mines makes the need for a solution to the coal problem extremely urgent. If the break-up of the coal common market, and with it the Community's energy market is to be avoided, then a Community solution must be adopted. This was the line taken at the last meeting of the ECSC Council of Ministers by the West German Minister, who said in substance that the coal problem was a Community question which should be faced up to by all member states, and not just by coal-producing members. With the aim of stressing this approach, he asked the Council to apply Article 58 of the Paris Treaty, and authorise a declaration of "a state of manifest crises", which would give the executive wide supra-national powers, and especially the right to fix production quotas for coal mines. As a result of the German request on June 29, the Council of Ministers asked the executive to draw up and lay before it concrete solutions to the problem of reshaping the Community's coal industry.

The experts in Luxembourg have drawn up a number of proposals, but continue to maintain that it is not Article 58 which should be used, but Article 96, paragraph 1, which deals with "unforeseen circumstances". They believe that close co-operation between all interested parties will come about because of the different aspects of the question which involve the governments, Community institutions and coal-mines.

If the experts' suggestions are adopted by the Brussels Commission, the following proposals will be made to the Council of Ministers:

- 1) Production capacity be adjusted to demand in accordance with "quantitative objectives" to be drawn up and shared between the coal-producing areas and coal mines in the Community, on the basis of proposals made by the member states. These "quantitative objectives" will take into account the amount of assistance each government is willing to give, as well as the competitive position of each firm, and will be subject to an annual review. If these were carried out, there would be a gradual adaptation of production to demand, whilst at the same time closure of the least profitable mines in each area. This in turn would help to revitalise the Community's coal industry.
- 2) To adapt production to the market's short-term capacity.

With the aim of achieving the "quantitative objectives", the governments should undertake to aid only those firms willing to accept such aims, whilst the Commission would be given the right to fine those firms unwilling to take part.

These are the broad ideas behind the experts' proposals for short- and medium-term solutions to the coal problem, which, whilst taking into account national responsibilities, must be Community in nature if they are to be effective. The problem of domestic coal is to be dealt with by the next Council of Ministers' meeting, when it is expected that they will study short-term solutions. We will deal with this after September 15, when the ECSC problems working part (formerly the co-ordination committee) is due to meet.

* * *

EURATOM

For Peace Only

The Brussels Commission has just issued a denial dealing with an article published in the United States, which maintained that work now being carried out in conjunction with the Italian CNEN at Frascati on controlled thermonuclear research could have military aims.

The Commission states that all the work at Frascati is solely devoted to peaceful purposes, with details and results being freely available and open to scientific visitors of any nationality. Furthermore, the results of research work are published on a regular basis.

E.I.B.

Sicilian Motorway Loan

On September 7, the European Investment Bank signed a \$22 million (Lire 13,750 million) loan contract with the Consorzio per l'Autostrada Messina-Catania for a 20 year period at 7% interest. The loan will be used to help pay the cost, estimated at \$102.7 million (Lire 64,200 million) of building the 78km two double-track lanes motorway linking Messina and Catania. The project is expected to be completed by the end of 1970, and will enable traffic to average over 60 m.p.h.

It forms part of the overall plan aimed at giving Southern Italy a modern motorway system, and prolongs beyond the Straits of Messina the motorway under construction between Salerno and Reggio Calabria; it will also link up with the Palermo-Catania motorway, which is now being built. The island's infrastructure, and thus its economic development, will benefit through the construction of this new road link.

A New Bond Issue

The EIB has just signed a contract for a new \$25 million bond issue. Underwritten by a syndicate including Banca Commerciale Italiana, The First National Boston Corporation and the Banque Internationale a Luxembourg, the bonds are for 15 years, and carry 6.5% interest. They will be offered to the public at a rate of 98%.

* * *

E.F.T.A.

Finland would consider EEC Links

The Finnish head of state, Urho Kaleva Kekkonen, has indicated, very cautiously, that his country would be willing to collaborate more closely with the EEC. This came out at the end of an official visit by the Swedish prime minister, Herr Tage Erlander, to Finland, when Mr. Kekkonen stressed the hope that Swedish neutrality should not be impaired by a desire to join the Common Market, but also that, if the Common Market were to develop into the organised collaboration of politically neutral states, Finland's policy of neutrality would not prevent her from joining. Herr Erlander assured Mr. Kekkonen that Sweden would do nothing that might damage her own neutrality or Finland's. It was true that, at the instigation of his own government, all the Scandinavian prime ministers would be meeting to discuss their attitude to the EEC, but it was, in his opinion, unlikely that this would lead to any joint approach to the Community.

* * *

Eire and the EEC

The Prime Minister of the Irish Republic, Mr. Lynch, has accepted an invitation from the Danish Government to visit Copenhagen for four days starting on October 30. This immediately precedes Mr. Lynch's trip to Paris, when he is expected to meet General de Gaulle and members of the French Government.

Both Denmark and Ireland have made bids for EEC membership, but are also closely linked in their approach, since the most important export market for their agricultural industry is Britain. Members of the Danish Government taking part in the talks will include the Prime Minister, Mr. Otto Krag, the new Foreign Minister, Mr. Hans Tabor, who takes up his post on October 1, and the Minister for Trade and European Affairs, Mr. Tyge Dahlgard.

* * *

BRITAIN AND THE E.E.C.

Cautious support for Common Market Bid

Last week's meeting of the Trades Union Congress resulted in cautious support for the Labour Government's attempt to join the EEC. Two motions, one strongly in favour of entry and the other from the union headed by Mr. Frank Cousins, an opponent of entry unless "essential British interests are secured", were remitted for discussion by the TUC General Council.

Mr. George Woodcock, the TUC General Secretary, said that he found himself unable to get into a passion either for or against entry. He thought that the British Government's decision was the most important by any government in his lifetime, and that if the application was rejected it would probably not be the fault of the government, but of others within the EEC. Although the General Council had earlier approved the opening of negotiations, the fact that the government were doing so did not mean unqualified commitment. They were not bound to accept any terms.

He saw no suitable or viable alternative to membership, and if Britain was unable to join it might have a serious effect on her future development, although on a short-term basis it would be tough. A transitional period was also necessary, especially for agriculture. With regard to both regional and foreign policy, he did not think that Britain had anything to fear, whilst to understand the Community, it was essential to look not just at the text of the Rome Treaty, but at how matters were dealt with in practice.

Mr. Hayday of the National Union of General and Municipal Workers argued in favour of entry, and said that his union considered EEC membership in the best interests of Britain. The country was "in a pretty awful state", and questioned where it would be in 20 years if membership was not achieved. Within the Common Market, Britain would be able to contribute to world development, and helping the poor nations. Industry needed to get inside EEC tariff barriers to find expanding markets.

When Mr. Cousins began to speak, he said that he did not accept the inevitability of joining the EEC, since the conclusion of the Kennedy Round had made this much less essential. He had doubts about the political objectives involved, but was concerned less with political principles than with the "economics and the standards of living of the men and women we represent". An increase of three shillings in the pound in the cost of living could not be lightly dismissed, nor the likely increase on the balance of payments.

* * *

HEADLINES

Page

BRITAIN	FELDMUEHLE forms paper products sales subsidiary	J
FRANCE	RICHIER/SAVIEM link in civil engineering plant subsidiary	G
	WORMS & CIE admits HESSISCHE LANDESBANK as shareholder	H
	PONT-A-MOUSSON and LYONNAISE DES EAUX link in DEGREMONT	E
GERMANY	DEUTSCHE AIRBUS formed by five companies for Airbus work	B
	WESTINGHOUSE to push sales: subsidiary covers entire market	D
	VARIAN buys electronic instruments division from KRUPP	D
	STEADMAN, Toronto, and KLOECKNER to build containers jointly	E
	WOLF tools undergoes major reorganisation	F
	KLOECKNER takes over SCHUMACHER wiredrawing mills	F
	LURGI and MESSER-GRIESHEIM link to build gas liquefiers	F
	COATS, PATONS & BALDWIN's subsidiary has to close down	L
	A.K.U. to boost "Terlenka" sales through KAISER	L
MACINTOSH, London (raincoats) grants sales licence to HOEPKER	M	
INDIA	D.E.G., Cologne, backs two heavy engineering projects	E
ITALY	FIAT in home re-shuffle and Yugoslav technical agreement	B
	Further joint SNAM PROGETTI/STANDARD OIL moves	I
NETHERLANDS	BLAAUWHOED to merge with PAKHUISMEESTEREN	N
SPAIN	ZOUT-ORGANON (new combine) forms Madrid sales subsidiary	C
SWITZERLAND	GOETZ textiles carries out major reorganisation project	M
USA	PROCTER & GAMBLE forms international finance company	C

CONTENTS

Aerospace	B Paper & Packaging	J
Automobiles	B Pharmaceuticals	K
Building & Civil Engineering	C Printing & Publishing	K
Chemicals	C Rubber	L
Electrical Engineering	D Textiles	L
Engineering & Metal	D Tourism	N
Finance	G Trade	N
Food & Drink	H Transport	N
Insurance	I Various	O
Oil, Gas & Petrochemicals	I Index of main companies named	P

AEROSPACE

** Five German aircraft companies have linked to form DEUTSCHE AIRBUS GmbH in Munich (capital DM 5 million): with Herr Bernhard Weinhardt as chairman, this will take over from the "Airbus" working group currently operating. This move follows the decision at the end of July, taken by the French, German and British governments to go ahead with the European airbus project, for the development of a new large medium-range passenger aircraft. The five founders have equal 20% interests in the new concern, and are: MESSERSCHMITT AG, Augsburg (through its 100% subsidiary Flugzeug-Union Sud GmbH, Munich - see No 390); SIEBELWERKE ATG GmbH, Donauwörth (member of the Bölkow group, through Waggon- & Maschinenbau AG, Donauwörth - see No 370); VFW-VEREINGTE FLUGTECHNISCHE WERKE GmbH, Bremen (see No 415); HAMBURGER FLUGZEUGBAU GmbH, Hamburg (see No 415), and DORNIER WERKE GmbH, Friedrichshafen (see No 408).

AUTOMOBILES

** The FIAT group of Turin, which is carrying out a major re-shuffle (see No 417), is about to absorb two of its wholly-owned subsidiaries in Milan: AUTO BIANCHI SpA (see No 384), and OM SpA (see No 361).

The group recently gained outright control of Auto Bianchi (capital Lire 6,500 million) by buying up the 50% interest held by PIRELLI SpA, Milan (see No 424). This company is best known for its "Bianchina" and "Primula" models, 39,000 of which were made in 1966. OM, on the other hand, is mainly concerned with the manufacture and sale of cars, farm machinery and plant: it has Lire 20,000 million capital, and was already controlled by Fiat. It is linked by a sales and distribution agreement with the West German heavy engineering concern, Büssing Automobilwerke AG, Brunswick (lorries and buses), having formed with the latter a joint subsidiary called Büssing-OM-Vertriebs GmbH. It recently began work on building a fork-lift truck factory at Modugno, Bari.

Fiat's latest move outside Italy was to sign a technical co-operation agreement with the Yugoslav company TITOVIZAVODI LITOSTROL, Ljubljana, granting the latter licences to build Fiat 300 to 3,000 HP engines for ships and railways.

Fiat's other moves in Eastern Europe during past months include: 1) an agreement for 10,000 cars with Hungary; 2) an agreement with Poland giving F.S.O.-Fabryka Samochodow Osobowych (see No 364) the right to build cars under licence; 3) an agreement with the Soviet Union covering the construction of a plant to make 2,000 cars daily at a cost to Fiat of Lire 4,400 million; 4) an agreement with the Bulgarian State concern Balkantar, Sofia, involving the erection of a car assembly plant.

BUILDING & CIVIL ENGINEERING

** IMMOBILIEN-TREUHAND AG, Hamburg (capital DM 4 million), has just been formed to finance and build shopping centres. It is a joint subsidiary of the co-operative group EDEKAZENTRALE EINGETRAGENE GENOSSENSCHAFT mbH, Hamburg (see No 368), and the co-operative bank DEUTSCHE GENOSSENSCHAFTSKASSE, Frankfurt (see No 413). The members of the board include Herren Heinz Gerken and Anton Seidenspinner, who also head the Edekabank GmbH, Hamburg.

The Hamburg group already has a property subsidiary, Edeka Ausstattungs- & Baudienst GmbH, Berlin (with a Hamburg branch), the capital of which was recently increased to DM 500,000.

CHEMICALS

** THE PROCTER & GAMBLE CO, Cincinnati, Ohio (see No 398), the largest US producer of soaps, detergents, etc. (trademarks Tide, Dash, Camay, etc.), has formed a wholly owned subsidiary called Procter & Gamble International Co to handle its interests on the international capital market outside the United States. The new concern's first move will be to launch \$25,000 of stock on the European market, through an international consortium led by the Paris bank MORGAN & CIE SA.

** POZZI FERRANDINA STA PER L'INDUSTRIA CHIMICA SpA, which was formed recently as a wholly-owned subsidiary to the ceramics, refractories and plastics concern MANIFATTURA CERAMICA POZZI SpA, Milan (a member of the Montecatini-Edison group - see No 328), which made over to it its factory at Ferrandina, is to have its capital raised from Lire 1 to 11 million, to back the expansion of the Ferrandina works.

Pozzi (capital Lire 22,900 million), recently streamlined its organisation by absorbing S.E.L.F.A.-Sta Estrazione Lavorazione Feldspatie Affini SpA; S.O.R.I.-Sta Rappresentanze Italiana Srl; I.C.M.-Industrie Chimiche Meridionali SpA; Sta Immobiliare Clema SpA, and Race-Rappresentanze Cereamiche Srl.

** One of the first foreign moves of the Dutch holding company KON. ZOUT-ORGANON NV, Arnhem (see No 417) - established by the merger of the two chemical groups KON. ZWANENBERG-ORGANON NV and KON. ZOUT. KETJEN NV - has been the formation of DISTRIBUDORA DE PRODUCTOS QUIMICOS SA, Madrid (capital Pts 1.2 million). It holds a direct 25% interest, with a similar amount held by CHEFARO MIJ. HOLLAND NV, Rotterdam (a direct subsidiary with Fl 900,000 capital of Zout-Ketjen - see No 347), whilst 13% is held by Chefaro Iberia SA and Organon Espanola SA, Barcelona, a wholly-owned pharmaceuticals subsidiary of Zwanenberg-Organon (see No 344). The remaining 24% is held by the Spanish company Foret SA, Barcelona (see No 348).

ELECTRICAL ENGINEERING

** The WESTINGHOUSE ELECTRIC CORP, Pittsburgh, Pennsylvania, through its Geneva holding company Westinghouse International SA (directly controlled by Westinghouse Electric International Co, New York - see No 423), has strengthened its West German sales interests by forming Westinghouse Electric International GmbH in Frankfurt with DM 200,000 capital. The new firm is headed by Herr C. A. Geeners, and it will absorb Westinghouse Thermo King GmbH, Munich, which only covered part of the German market for Westinghouse sales. The group has no production units on German soil as yet.

Westinghouse's other Common Market subsidiaries are Westinghouse Electric International SpA, Milan; Westinghouse Electric Europe SA, Paris, and Westinghouse Electric Corp SA, Awans-les-Liege.

ELECTRONICS

** The Essen FRIED KRUPP group (see No 425) has sold its Bremen division, FRIED KRUPP MESS- & ANALYSENTECHNIK BREMEN (600 on payroll, annual turnover about DM 20 million) to the American electronics group VARIAN ASSOCIATES INC, Palo Alto, California (see No 365).

The Essen group acquired this division in 1965 when it took over Atlas Werke GmbH, Bremen (see No 342), which supervised most of the manufacturing interests of the group Hugo Stinnes Industrie & Handel GmbH, Mülheim, Ruhr, until it was dissolved in 1964, to be bought up by a banking consortium, headed by BfG-Bank für Gemeinwirtschaft AG, Frankfurt. Krupp then wound up Atlas's wholly-owned subsidiary Atlas Mess- & Analysentechnik GmbH, Bremen, and split its electronic measuring equipment interests between two new divisions, Fried Krupp Atlas Elektronik Bremen, and the above-mentioned Fried Krupp Mess- & Analysentechnik Bremen.

Varian Associates already has a wide network of sales subsidiaries in Europe, chief among which are: Varian SA, Paris; Varian SpA, Turin; Varian GmbH, Stuttgart; Varian A/B, Stockholm; Varian AG, Zug; and Varian Associates Ltd, London.

ENGINEERING & METAL

** The Amsterdam engineering and metal group MULDER-VOGEM NV (see No 411), has formed a 95% subsidiary in Milan to make and sell machine tools, chemical and petrochemical plant, laboratory and hospital equipment. This is called SpA MULDER VOGEM MEDITERRANEA, has Lire 10 million capital (5% held by Sig. Enrico Baylaender, Milan), and M. Willem Schajen, Heemstede, the Netherlands, as president.

The Milan group, which recently made the Paris branch of its holding company, Mulder-Vogem International NV, a full subsidiary (see No 388), has now made it a limited company under the name of Mulder-Vogem France SA (capital Ff 25,000), and it will have M. B. W. M. Mulder, Bloesendaal, as president.

** The Canadian STEADMAN INDUSTRIES LTD, Toronto, a container building concern already established in Europe with the investment company Steadman Nederland NV (formed in Amsterdam in 1966), has joined with the German mining and metal group KLOECKNER-WERKE AG, Duisburg (see this issue) in forming Klöckner-Steadman Container GmbH in Duisburg. This new company, with the technical assistance of the Toronto firm, is to make both containers and allied lifting equipment.

This represents a further phase in the diversification programme initiated by Klöckner in 1966, when it joined 50-50 with Glaswerk Wertheim, Geräte für Wissenschaft & Technik, Wertheim, Main (50% affiliate of Denaer Glaswerk Schott & Gen. Mainz) in forming the fibreglass concern, Glasindustrie Castrop-Rauxel GmbH, Castrop-Rauxel, the first all-German combine in this sector.

** CIE DE PONT-A-MOUSSON SA, Nancy (see No 422), and STE LYONNAISE DES EAUX & DE L'ECLAIRAGE SA, Paris (see No 417), are both to subscribe when the water-treatment concern, DEGREMONT SA, Rueil-Malmaison (see No 410) raises its capital from Ff 15,625,000 to Ff 20 million. The latter is controlled by the Ste Generale de Belgique SA, Brussels (mainly through the holding company Traction & Electricite SA, Brussels), and is widely represented abroad, with subsidiaries in Germany, Belgium, Italy, Switzerland, Spain, Morocco, USA, Canada, Brazil, Japan, etc.

Pont-a-Mousson is already linked with Lyonnaise des Eaux (and with Cie Financiere de Suez) in the air-conditioning concern Ameliorair SA, Paris (see No 335), and in the Paris investment company Ste de Placement, d'Etudes & de Gestion SA, which has a large stake in the engineering concern, Tunzini SA. Elsewhere, the Nancy group has long-standing interests in the water-treatment sector, through Eau & Assainissement - Socea SA (see No 402) and S.G.E.A.-Ste Generale d'Epurtion & d'Assainissement SA (see No 414), both of Paris.

** The West German state concern DEUTSCHE ENTWICKLUNGS-GESELLSCHAFT-D.E.G., Cologne (see No 389), has backed the investment projects in India of two heavy engineering firms, HEIN, LEHMANN & CO AG, Düsseldorf (see No 344), and GONTERMANN-PEIPERS GmbH, Siegen (see No 242). It has become a 23% shareholder in HEIN, LEHMANN (INDIA) LTD, Calcutta, in which the German founder retains a 26% interest, with the remainder held by local interests. It has also taken a 20% share in GONTERMANN PEIPERS (INDIA) LTD, in which the Siegen company keeps a 40% interest with the rest held by local interests.

More than 50% of Hein, Lehmann's capital is held by the Gebrüder Stumm GmbH group of Neunkirchen, Sarre (linked on a more than 25% basis with Kohlen-Saure Industrie AG, Düsseldorf): it makes electrical welding equipment, sieving plant, and materials-handling and lifting equipment. With nearly 2,000 people on its payroll, it has an annual turnover approaching DM 90 million. In France it has a 50% interest in Machines & Accessoires pour Criblage, Essorage Tamisage Preparation SA, Maubeuge, in South Africa in Herrmann Screens Manufacturing Co and Perforation & Conidure (Pty) Ltd, Johannesburg, and in Brazil in Vibrotex Telas Metalicas Ltda and Conidure Chapas Perfuradas Ltda, Sao Paulo.

Gontermann-Peipers is mainly known for its rolling-mills; it has around 900 people on its payroll with an annual turnover approaching DM 90 million, and also has a Swiss subsidiary, Gontermann-Peipers AG, Saint-Gall.

** Following the death of Herr Wolf sole owner of the West German manufacturer of agricultural and horticultural tools WOLF-GERAETE GmbH, Betzdorf, Siegen, his three sons have taken the business over and rationalised its interests. Herr Dieter Wolf becomes owner of the Betzdorf concern and its subsidiary at St. Wedel, Saar, whilst Herr Elmar Wolf takes over the French subsidiary OUTILS WOLF Sarl, Nissembourg, Bas-Rhin and Herr Roderich Wolf acquires the English subsidiary WOLF-TOOLS FOR FARM & GARDEN Co, Ross-on-Wye. The "Wolf" trade name remains the indivisible property of the three brothers.

A new company, WOLF VERTRIEBS KG will be in charge of marketing Wolf products in West Germany and the rest of the world with the exception of Britain and France, and WOLF-GARTEN CENTER GmbH, Betzdorf will be in charge of operations.

Wolf-Geräte employs some 650 persons and has an annual turnover of DM 40 million. It distributes in West Germany the lawn seed and chemical fertilizers made by the American company O. M. Scott and Sons, Co, Marynville, Ohio. Its foreign interests include branches in the Netherlands - Wolf Geräte GmbH Verkoopantor Nederland, Ede, in Belgium, Wolf Geräte GmbH- Depot Belge, Welkenrodt and a Swiss sales subsidiary Wolf GmbH, Zug, with a branch at Cham.

** The West German mining and engineering group KLOECKNER-WERKE AG, Duisburg (see No 404) has acquired complete control of the Ründeroth wire-drawing concern STAHLDRABHTWERK SIEGFRIED SCHUMACHER GmbH & Co KG (capital DM 3 million) with the aim of strengthening and enlarging the production of its own Düsseldorf wire-drawing subsidiary Klöckner-Werke AG Dusseldorfer Draht-Industrie. The Ründeroth concern employs some 210 persons and although it had a 1966 turnover of DM 17.5 million, it has ceased production during the last three months.

** Dutch and German investors, represented by Messrs Adrianus C. Hendriks, Valkenswaard, and Alfred Schröder, Berlin, respectively, have formed a metal treatment and trading concern at Valkenswaard in the Netherlands called METAAL-WERKEN VALKENSWAARD NV. The new firm has Fl 100,000 capital and Alfred Schröder holds a 70% interest.

** A technical co-operation agreement covering the construction of gas liquefying plants has been signed between two Frankfurt companies, LURGI GESELLSCHAFT FUER WAERME- & CHEMOTECHNIK mbH (see No 379) and MESSER GRIESHEIM GmbH (see No 409).

The former, which has seven sister companies in Frankfurt, is headed by the German-Swiss group METALLGESELLSCHAFT AG, Frankfurt (see No 422). It has a 30% interest in the Paris Lurgi Sarl, whose capital was raised during May 1967 from Ff 500,000 to 2 million. For its part, Messer Griesheim recently signed an agreement with the l'Air Liquide SA group, Paris involving the construction of oxidising plants in the Saar, Lorraine and Luxembourg. It is a 66.67% interest of the Farbwerke Hoechst AG group, Frankfurt (see No 425) with the remainder held by the Messer family.

** AMERICAN MONORAIL CO, Cleveland, Ohio (see No 391) a subsidiary of the FISCHER INDUSTRIES CO group, Cleveland has made MAY-FRAN GmbH, Essen the subsidiary of its own sister company MAY-FRAN MANUFACTURING CO INDUSTRIES, Cleveland as its West German sales representative for its cranes, heavy load carriers, textile and laundry equipment.

One of Fischer Industries' most recent European moves was the acquisition of an interest in the Dutch Maschinenfabrik Limburg NV, Schaesberg (through May-Fran GmbH, Essen) which was then changed into Maschinenfabriek - May-Fran-Limburg NV.

** The French RICHIER SA, Paris and SAVIEM-SA DES VEHICULES INDUSTRIELS & EQUIPEMENTS MECANIQUES, Suresnes, Hauts-de-Seine (a member of the group REGIE RENAULT SA, Boulogne-Billancourt) have widened the scope of their (formerly sales-only) co-operation agreement (see No 379), and have formed a 60/40 joint subsidiary in Paris called Auximat SA. This new company is to make and sell all forms of civil engineering equipment: its president is M. G. Deville-Chabrolle, and it has Ff 500,000 capital.

** Further to the reorganisation of its Dutch interests (see No 422) the AMERICAN BOSCH ARMA CORP, Garden City, New York (see No 404) has formed a company at The Hague, with Fl 50,000 capital, to make and sell machinery and instruments for the electronics, chemicals, oil, transport etc. industries. The new American Bosch Arma Nederland NV (general manager Mr. M. P. Bloemsma) is a sister company to Ambac NV, Breda, the former "Steelweld" department of Hispano-Suiza (Nederland) NV.

** As a result of the recent negotiations between I. T. T. -INTERNATIONAL TELEPHONE & TELEGRAPH CORP, New York, and the German auto-parts concern ALFRED TEVES GmbH, Frankfurt (see No 425), outright control of the latter has now been acquired by the New York holding company INTERNATIONAL STANDARD ELECTRIC CORP (see No 409). The new subsidiary will have a supervisory council, under the presidency of M. Hermann Abtmeyer, who chairs the Board of STANDARD ELEKTRIK LORENZ AG, Stuttgart; at the start, Alfred Teves' production programme will in no way be altered.

FINANCE

** L.M.S. INVESTMENT HOLDING Sarl, which was formed in Paris in 1963 with Ff 10,000 capital, as an almost wholly-owned subsidiary of the London finance company LONDON MERCHANT SECURITIES LTD (see No 300), has been wound up, and its director M. Patrick de Lesquen has been appointed liquidator.

** The Kingston, Jamaica finance company INTER-STATE INVESTMENTS LTD has formed an almost wholly-owned subsidiary in Amsterdam with M. W. H. Hanna, Nassau, Bahamas, taking a token shareholding. The new firm is called Inter-State Investments (Europe) NV, has Fl 100,000 capital, and is for investment and finance consultancy work.

** BANQUE WORMS & CIE SA, Paris (see No 421), which is gearing itself to the international market, is admitting the German banking house of HESSISCHE LANDESBANKGIROZENTRALE, Frankfurt, as a new 5% shareholder (representing an investment of Ff 10 million). H.L.G.'s president, Herr Conrad, will thus join the board of Worms. The Frankfurt concern has DM 100 million capital, and is controlled 50-50 by the Land of Hesse and the Hessischer Sparkassen- & Giroverband. It employs about 2,000 people, and has branches in Darmstadt, Kassel and Wiesbaden, while its chief investments are 25% in Deutsche Unionbank GmbH, Frankfurt (controlled by the Swedish match group Svenska Tändsticks A/B, Jönköping - see No 422); 18.7% in Frankfurter Bodenkreditbank AG, Frankfurt; 33% in Nassauisches Heim Siedlungsgesellschaft mbH, Frankfurt, and an interest in Finanzierungsgesellschaft für Landmaschinen AG - Figelag, Frankfurt.

The French bank, which is about to raise its capital from Ff 35 to Ff 140 million, has this year already admitted foreign shareholders: in April (see No 406), Bank of London & South America Ltd - BOLSA, London, and Bank of Scotland Ltd, Edinburgh, each took interests of 10%.

** BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION, San Francisco, California (see No 413) has opened a second French branch in Marseilles, under M. Andre Kahn. Its first branch was opened in Paris in 1955.

The American Bank has other Common Market branches in Antwerp, Brussels, Düsseldorf, Munich, Amsterdam and Rotterdam. Its Milan subsidiary Banca D'America & D'Itali SpA (see No 416) has 85 branches in Italy, and is linked with Banca Per Finanziamenti & Medio Termine (Interbanca) SpA, Milan.

** The Panama group I.O.S.-INVESTORS OVERSEAS SERVICES LTD (see No 418) which already controls INVESTORS BANK-LUXEMBOURG SA in Luxembourg (see No 301) has now formed another company in that country under the name of STE DE GESTION DU FONDS COMMUN DE PLACEMENT FONDITALIA SA, and it retains almost all the Lux F. 5 million capital. The new firm is run by I.O.S.'s own directors, Messrs Bernard Corrfeld, James Roosevelt, Edward J. Coughlin Jr., Ben J. Heirs, Edward M. Cowett, and C. Henry Bull III.

The Panama group has made several moves in Europe recently, in particular an offer to buy up the Geneva insurance concern Nouvelle Cie de Reassurances SA (capital Sf 14 million), which is a 23% affiliate of both Allgemeine Versicherungs-Gesellschaft Helvetia, St.-Gall, and Ste Mobiliere Suisse, Berne. It is preparing to extend its banking activities in Germany by the forthcoming formation in Munich of IOS Bank AG, (see No 418).

FOOD & DRINK

** The French STE FEYEL, Strasbourg ("Fritisch" pate de foie) has just signed a marketing agreement with the West German firm LACROIX, one of Europe's leading producers of exotic soups and ready-to-serve meals. The German company's products will be promoted throughout France by Feyel, which will be able to expand its existing markets in West Germany. In 1966, Feye opened a new pate de foie factory in Strasbourg, with annual capacity of over 8 million tins.

** The Dutch KON. ZOUT-ORGANON group (see this issue) has backed the formation of VERENIGDE SLACHTBEDRIJVEN SALLAND NV, Olst (capital Fl 5 million). The new venture will operate abattoirs and butchers' shops, as well as wholesaling meat and derived products. Its interests are represented by its indirect subsidiary (through Fijne Vleeswaren- & Conservenfabrieken Van Anton Hunink NV, Deventer (see No 303) - Verenigde Baconfabrieken "Salland" NV, Olst (see No 360), in which token shareholdings are held by Messrs. David and Sallo Zendijk, Deventer, directors of Zendijk's Vleeswaren- & Conservenfabrieken NV, Olst.

The latter is linked with the Zout-Organon group in its indirect subsidiary Ver. Baconfabrieken "Salland", which was formed by "Bakhuis" Vleeswaren- & Conservenfabrieken "Olba" NV, Olst, and later passed under the control of a UNILEVER subsidiary, Unox NV, Olst, which sold its interest. Vleeswarenfabriek J. Meester NV, Wijne, also took part in the formation of Baconfabrieken "Salland", and similarly sold its interest when it was acquired by the supermarket group Albert Heijn NV, Zaandam (see No 360).

INSURANCE

** HOGG ROBINSON & GARDNER MOUNTAIN LTD, London, a subsidiary of the British group STAPLEGREEN INSURANCE HOLDINGS LTD, has formed an insurance, re-insurance and property development concern in Milan called HOGG ROBINSON & GARDNER MOUNTAIN (ASSICURAZIONI) SpA. The new company (president Mr. P. F. Layton, London) has Lire 1 million capital shared between two Milanese, Sigs. I. Schinassi (95%) and B. Lazzari (5%). The Staplegreen group's existing continental interests are Ste Gallo-Britannique pour l'Assurance SA, Paris, which was formed by another of its subsidiaries, Hogg Robinson & Capel-Cure Ltd. The latter also formed Rennie Hogg Ltd in London recently, to handle the group's broking departments, and to administer Rennie Smith & Co Ltd, and Francis Boulton Roberts & Rennie Ltd.

OIL, GAS & PETROCHEMICALS

** As part of the arrangements linking the Italian state-owned oil group E.N.I. (through its subsidiary Snam Progetti, Milan - see No 422) to the American group STANDARD OIL CO OF NEW JERSEY (through its Rome and Genoa subsidiary Esso Standard Italiana SpA - see No 422), the Snam Progetti plant construction company is about to set up a branch at Marsa-el-Brega, Libya, which will be responsible for the construction of a gas liquifying plant with an annual capacity of 3,000 million m³. This will cost some Lire 200,000 million, which will be supplied by Standard Oil Co of New Jersey (see No 385).

Snam Progetti has a Paris subsidiary, Snam Progetti France Sarl (capital Ff 200,000), and a branch in Brussels. Both are involved in all types of plant construction and engineering work connected with the petroleum, petrochemical and chemical industries.

** The New York oil group **TEXACO INC**, continuing the reorganisation of its Benelux interests (see No 416), has closed the Brussels branch of its Delaware subsidiary **TEXACO PRODUCTION SERVICES LTD**. It is also preparing to increase the production from 100,000 to 250,000 barrels daily of the Dutch refinery at Pernis, run by **Caltex Petroleum Mij (Nederland) NV**, The Hague. Texaco's interest in the latter has recently been reduced from 50 to 31.6% and the remainder now belongs to **Standard Oil of California**, San Francisco.

** As the result of an agreement between two Milan civil engineering firms **TECHINT CIA TECNICA INTERNAZIONALE SpA** (see No 422) and **IMPRESA ING. LODIGLIANI SpA** (see No 354) a new company called **TECHINT LODIGLIANI PIPELINES SpA**, Milan, has been set up to build oil and gas pipelines in Europe, Africa, the Middle and Far East. **Impresa Ing. Lodigliani** has long been linked with the Paris company **Ste des Grands Travaux de Marseille SA** in a joint Milan subsidiary **Lodigliani-Grand Travaux de Marseille SpA**.

PAPER

** The Düsseldorf paper group **FELDMUEHLE AG** (see No 406) is continuing to expand its EFTA interests and has formed a London sales subsidiary covering paper, board, paper pulp, and cellulose. Called **FELDMUEHLE (UK) LTD**, London, the new firm has £1,000 capital. The German firm recently opened by a sales subsidiary in Vienna (see No 399).

Feldmühle is the wholly-owned subsidiary of the **Friedrich Flick KG** group, Düsseldorf (see No 423) - through **Verwaltungsges. Für Industrielle Unternehmungen Friedrich Flick GmbH**. It is the leading West German manufacturer of paper and board with 48% of national production of sanitary and medical paper, 18% of printing paper, 25% of wood-fibre based printed paper and 37% of impregnated paper. In association with **Papier Sundern GmbH, Ranbach** (see No 379) it recently formed **Boy-Vertriebs GmbH Für Hygienepapier-Erzeugnisse, Düsseldorf** (see No 405) to market toilet and crepe papers. It then took a controlling interest in the Munich printers and publishers **Obpacher AG Grossdruckerei Verpackungswerk Verlagsanstalt** (see No 401). It also has a 91% controlling interest in the explosives manufacturing group **Dynamit-Nobel AG, Troisdorf** (see No 390) whose capital was increased last month from DM 96 to DM 107.52 million. It is involved in the production of polyester fibres and PVC constituents in its factory at **Lülsdorf**, which was modernised late in 1966 at a cost of DM 53 million. The group can thus offer the textile industry a wide range of products, from synthetic fibres to paper fibres.

To head its numerous Canadian interests, the group formed a wholly-owned subsidiary during 1966 called **Nordecon Holdings Ltd, Winnipeg, Manitoba** (capital \$ Can 3.05 million). These interests are mainly in timber and paper, and through **Papyros Holding Corp. Ltd, Winnipeg** (see No 377), a joint subsidiary with its own wholly-owned subsidiary **Nord-Deutsche Papierwerke GmbH, Uetersen, Holstein** (see No 401) - include shareholdings in **Rothesay Paper Corp, St. John, New Brunswick (40%)** and **Intercontinental Pulp Co Ltd, Vancouver** (see No 330).

** NOUVELLES SAVONNERIES FRANCAISES & ETS FOURNIER FERRIER SA, Paris (a subsidiary of the Marseilles group UNIPOL-Union des Industries de Produits Oleagineux SA - see Nos 411 and 416) and CELLVABRUKEN A/B, Stockholm (wholly-owned subsidiary of Mo Och Domsjo A/B - paper - see No 396) have joined 49-51 in forming a disposable nappies company at Yainville, Seine-Maritime, called UNICEL SA (capital Ff 38,431,400). This company has no connection with the Swiss Unicel AG, Zurich (see No 343), which was an all-German venture.

The French founder is making this move as part of a diversification programme under which it has already joined with the Zurich subsidiary of the American canned meat concern, Swift & Co, Chicago and Louisville, Kentucky, in sales and manufacture of lubricants and sterilizers for hospitals. It has also made agreements with Savonnerie d'Alesia & Parfumerie Thorel Reunis SA, Pre-St-Gervais, Seine-St-Denis (capital Ff 300,000), and Parfumerie & Savonnerie Gilot SA, Charenton, Val-de-Marne (capital Ff 1.8 million), which will enable it to modernise its tablet soap factory at Joinville.

The Swedish group has been supplying the French market with cotton wool and chemicals since 1957 through its 99.7% subsidiary Modo Francaise SA, Paris (capital Ff 150,000).

PHARMACEUTICALS

** The recent decision (see No 414) of the Dutch pharmaceutical wholesalers KONINKLIJKE PHARMACEUTISCHE FABRIEKEN v/h BROCADES STEEHMAN & PHARMACIA NV, Meppel and Amsterdam (see No 422), to set up a French sales subsidiary for cyclospamol and disipal has now been given effect with the formation of a management company, BROCADES LABORATOIRES SA, St-Mande, Seine. All of the new company's capital of Ff 500,000 has been subscribed by Laboratoires Beytout SA, St-Mande (capital Ff 800,000), whose president is M. Pierre Beytout.

The Dutch group is now merging with Koninklijke Nederlandsche Gist & Spiritusfabriek NV, Delft, in a joint holding company to be called Gist-Brocades NV, The Hague, with a head office at Delft.

** The Frankfurt pharmaceuticals concern HORMOSAN G. SCHULTE & CO KG is about to be taken over by an Austrian company: a company is being formed in Frankfurt under the name of KWIZDA VERWALTUNGS GmbH (capital DM 20,000) to take over its management. This will be run by MM. Richard Keizda and Erich Fritsch, who head a similar company in Vienna called F. Joh. Kwizda oHG (branch at Korneuburg).

PRINTING & PUBLISHING

** The New York publishing group TIME INC (see No 380) has increased its interest in the European printing supplies industry by forming a branch in Munich, to its Haarlem subsidiary PRINTING DEVELOPMENTS INTERNATIONAL (NEDERLAND) NV. The new branch is to work under the name of Printing Developments International Studio München.

The Dutch company was formed in 1962 with F1 500,000 capital, and is directly administered by the American subsidiary, Printing Developments Inc; its chief sister companies are Printing Developments International Ltd, London (directed by Mr. John Lyons), and Printing Developments International (France) SA, (capital Ff 500,000).

RUBBER

** The American company ALLIANCE RUBBER CO, Alliance, Ohio, has formed a West German rubber industrial products sales company (mainly sealing joints). The new GUMMIRINGE, Walldorf, Hesse (capital DM 20,000), has Mr. William Spencer as manager.

TEXTILES

** The Hamburg manufacturer of combed wool, hand knitting and machine wools SCHWANENWOLLE TITTEL & KRUEGER AG (see No 258) has been forced to close down. With a capital of DM 5 million, this company (a more than 92% subsidiary of the British textile group J. & P. COATS, PATONS & BALDWIN LTD, Glasgow - see No 349) employed about 1,000 people, and had an annual turnover approaching DM 33 million. It also controlled a wholly-owned subsidiary, Sternwolle GmbH, Hamburg.

The British group, which has a payroll exceeding 55,000, still controls important manufacturing interests within the Common Market through its subsidiaries Mez AG, Fribourg, Brigau (where it controls more than 50% of the DM 24 million capital) and Cucirini Cantoni Coats SpA, Milan (a 66% interest).

** The Paris textile company STE NOUVELLE DU GROUPE AMEEDÉ DUC Sarl (capital Ff 2.75 million), has opened a Swiss branch at Vernier headed by M. Pierre Schielin.

The founder, whose managers are MM Rodolphe Ritter, Liechtenstein, and Felix Peltier, Monseen-Baroeul, Nord, was itself formed in July 1966 to market the products of the Groupe Amedee Duc SA, Paris, group (capital Ff 5.938 million). This specialises in nylon and cotton shirts, and has establishments in Annecy, Haute-Savoie, Amiens, Somme, Voiron, Tullins and Fures, Isere, Cannes, Alpes-Maritimes, Mulhouse, Haut-Rhin and Strasbourg, Bas-Rhin.

** With the aim of boosting West German sales of its "Terlenka" synthetic fibres, the Dutch A.K.U.-Algemene Kunstzijde Unie NV group, Arnhem (see No 421), has signed an agreement with the textile firm JOHANNES KAISER, Mülchengladbach, covering the production of mixed wool and Terlenka cloth. This will then be used by nine West German men's clothing firms: Kleiderfabrik Hoesch GmbH, Aachen, Bäumlér-Modestra, Mainz, F. Gramke & Co, Hamburg, Kleiderfabrik Leineweber GmbH, Herford, Bekleidungswerke Schildmann & Co, Bensheim, Standop Vordemfelde GmbH, Aschaffenburg, Westdeutsche Bekleidungs-Werkstätten GmbH, Herne, and Jacob Potting KG, Mülchengladbach.

** The London clothing manufacturer CHAS. MACINTOSH & CO LTD has signed a licensing agreement with one of the leading West German men's clothing firms, J. F. HOEPKER SOEHNE KG, Herford. This will allow the latter to make "Macintosh" raincoats under licence.

The German firm is owned by two families, represented by Herren Herbert Brinkmann and Rudolf Flesch, and employs some 300 people for an annual turnover of DM 15 million and a production of 100,000 coats.

The British firm, which is in no way connected with the Dutch Confectie Ateliers Chas. Macintosh NV, Stein, has 1,000 people on its payroll and controls a London subsidiary, Chas. Macintosh (Clothing & Weatherproofs) Ltd.

** The West German textile group GOETZ, Ravensburg (see No 423), has reorganised its upper echelons by forming a new Swiss holding company, GALLTEX AG, St. Gall (capital Sf 10 million), which is controlled equally by the four Götz brothers, Fiedel, Joseph, Karl and Wolfgang. The new concern will head the four holding companies which at present manage the group: 1) GOETZ AG, Ravensburg, which acquires and manages shareholdings; 2) INTERSTYLE AG, St. Gall, an international textile company; 3) QUALITY DRESS MARKETING GmbH, Ravensburg (formerly Götz International), responsible for the management of the group's interests in textiles, including links with non-affiliated concerns, licence control, sales promotion and advertising; 4) a purely financial holding company controlling the factoring concern, Finanz GmbH, and the investment concern Capitalia GmbH (formed in 1966 - capital DM 1 million), both based in Ravensburg.

The first-mentioned holding company controls: Margaretwerk Gregor Götz Trikotwarenfabrik, Margarethauseh, Württemberg ("Margaret" women's lingerie and sports clothes, as well as children's clothes); Götzburg KG, formed by the merger of Götzburg, Buchau, and Götz Strümpfe KG, Saulgau, Württemberg (socks, men's underclothes, beachwear and sportswear), and Südwestflug GmbH, Baden-Baden (a 55% interest). The second holding company heads Charmor AG, Weingarten ("Charmor" foundation garments and lingerie), Charmor GmbH Eterna Herrenwasche-fabrik AG, Dassau (men's underclothes and shirts), Mas Moser KG, Obernzelle, Donau (men's sportswear), Bohne Morgenröcke Martha Ubel KG, Berlin (dressing-gowns), Colofill GmbH & Co, Teetnaun, Württemberg, German Götz Trikotfabriken oHG, Lauringen, Württemberg, Oberschwäbische Textilwerk AG, Weingarten ("Charmor" lingerie, children's underclothes and dressing-gowns). Abroad it controls AMTA-Ateliers de Manteaux & Tailleurs pour Dames, Huttenheim, Bas-Rhin, Sodec SA, Monte Carlo ("Jessos" corsets and beachwear), Eterna Chemiserie SA, Tournai, Lastina SA, Brussels (a sales subsidiary), Perfect Form SpA, Tavernerio ("Perfect Form" and "Greenage" corsets and children's clothes), H. Eckmann Corsetfabriek NV, Alkmaar ("Peter Pan" and "Lastina" corsets and beachwear), Eterna Herrenwäsche-Fabrik GmbH, Linz, and Samithal AG, St. Gall (a sales company), and Texima-Texingo Sarl, Matosinhos ("Greenage" corsets, "Tom Jones" sports clothes for men).

The third holding company heads the "Greenager" association, which includes 11 firms, with four from the Götz group, and the "Modern 30" association, which has just been formed. Two manufacturing concerns form the basis of these link-ups: Bawatex Jersey GmbH, Ravensburg, and Bawatex GmbH, Bad Waldsee. The latter has only been operating since July.

TOURISM

** The German travel agency HAPAG-LLOYD REISEBUERO, Hamburg, the 50-50 joint subsidiary of HAMBURG AMERIKANISCHE PAKETFABRT AG-HAPAG, Hamburg, and NORDDEUTSCHER LLOYD, Bremer.(see No 422), has made a co-operation agreement with the Frankfurt shipping agency SEETOURE GmbH & CO KG, in which it has taken a large shareholding.

The Hamburg agency recently backed the formation of Airtours International (see No 422), in association with Deutsches Reisebüro GmbH, Frankfurt, Amtliches Bayerisches Reisebüro GmbH, Munich, and Airtour Flugreisen, Düsseldorf.

TRADE

** The Swiss company MEREX AG, Corseaux, Vaud (capital Sf 110,000), which specialises in import/export operations connected with manufactured goods, has made its West German branch (opened in 1964) into a subsidiary called DEUTSCHE MEREX GmbH, Bovel. This has DM 100,000 capital, with Herr Gunther Laurisch as manager.

TRANSPORT

** The Dutch transport and warehousing concern BLAAUWHOED NV, Amsterdam (see No 419), has decided to merge with the Rotterdam shipping group PAKHUISMEESTEREN NV (see No 424). To carry out this operation, a holding company, PAKHOEND NV, has been formed in The Hague, and this will head both concerns.

Blaauwhoed had negotiated during 1966 (but without any success), the acquisition of an interest in Thomsen's Verenigde Bedrijven NV, Rotterdam. It has some 2,000 people on its payroll, and had a 1966 turnover of Fl 58 million. With some 30 Dutch subsidiaries, it also has Common Market interests: in Belgium with H.A.T. Belgian Avia Transport (see No 419) and NV Belgisch Blaauwvriesveem, in West Germany with Deutsche Blaufries Veem Transport- & Lagerhaus AG, Blaufries AG, Damman & Lewens, Meider GmbH Schuitenvoederij & Expeditiekantoor v/h Jacob Erich Schwartz & Co, Dürgen Voss GmbH.

Pakhuismeesteren (1,500 on payroll - 1966 turnover of Fl 61 million) also has interests in other Common Market countries: Pakhuismeesteren Sarl, France, Pakhuismeesteren Antwerpen NV, Belgium, Pakhuismeesteren GmbH and Tanklageres. Bruno Hoyer Pakhuismeesteren mbH, West Germany. In the Netherlands it controls half a dozen subsidiaries.

** Norwegian investors have backed the formation in Rotterdam of a freighting, finance and import/export company for ship-building materials called KLEVENBERG TRADING CO NV (capital Fl 500,000). The firms concerned are WINGE & CO A/S, and NORSE PRODUCTS LTD A/S, both of Oslo, who are joined in the venture by Messrs. Jens F. Stormyhr, Oslo, Hans Bechmann, Tønsberg, and Oddmund R. Grundstad (a Norwegian living in Rotterdam).

September 17, 1967

O

** Three French shipping groups have formed a transport marshalling and despatch concern in Rotterdam called ALGEMENE CARGADOOR MIJ. NV (capital Fl 100,000). The new firm is based at the Dutch offices of S.C.A.C.-STE COMMERCIALE D'AFFRETEMENTS & DE COMBUSTIBLES SA, Puteaux, Hauts-de-Seine (see No 410) which has a 50% shareholding through Les Consignataires Reunis SA, Puteaux, itself directly controlled by Sanara-Cie Fluviale & Maritime de Transports SA (see No 389). The other shareholders, each with 25%, are C.G.T.-Cie Generale Transatlantique SA (see No 422) and Cie Des Messageries Maritimes SA (of the group Chargeurs Reunis SA).

** With the aim of reorganising their services, two Rotterdam river transport firms, NV HANDELS & TRANSPORTMIJ VULCAAN (a subsidiary of BANK VOOR HANDEL- & SCHEEPVAART NV, Rotterdam, part of the Swiss/Dutch group Thyssen-Bornemisza - see No 407) and NV NEDERLANDSCHE RIJNVAARTVEREENIGING (a subsidiary of Steenkohlen Handelsvereniging NV, Utrecht) have decided to merge. This will result in the formation of E.W.T.-EUROPESE WATERWEG TRANSPORTEN NV, due to start operations on October 1, 1967, and which will be headed by Messrs M. van den Bos (of RIJN-VAARTVEREENIGING) and W. F. A. de Beaufort (of VULCAAN).

Vulcaan has interests in Eurogas-Terminals NV, Rotterdam, along with two other groups, Pakhuismessteren NV and Phs. Van Ommeren NV, and it also has a joint subsidiary with the latter, Gas-Tankvaartmij. Chemgas NV. Its other interests include 1) association with Verenigde Kunstmestfabriek Mekogalbatros under Verenigde Kunstmest Handelsmij. Vulcaan NV; 2) total control of S. Joosten NV, Amsterdam.

VARIOUS

** The British SAMUELSON FILM SERVICE LTD, London has linked with the Nassau, Bahamas based holding company HILLINGDON INVESTMENTS LTD to form a film and television leasing and consultancy concern SAMUELSON INTERNATIONAL NV, Amsterdam (capital Fl 50,000).

** AUDIENCE STUDIES INC, New York (market research, especially cinema and T.V. audience surveys) has formed its first German subsidiary in Munich under the name of AUDIENCE STUDIES GmbH (capital DM 20,000 - manager Herr Gerhard Rothe, a Munich lawyer). The parent company is the wholly-owned subsidiary of SCREEN GEMS INC, the New York film producing and distribution concern (both cinema and television - see No 384). Screen Gems itself has a West German subsidiary, Screen Gems GmbH, which recently transferred its offices from Hamburg to Munich. It is an 88.5% affiliate of the New York group Columbia Pictures Corp in which Banque de Paris & Des Pays-Bas SA, Paris recently sold its 36% interest (see No 425).

September 14, 1967

P

INDEX OF MAIN COMPANIES NAMED

A.K.U.	L	I.O.S., Panama	H
Alliance Rubber	L	I.T.T.	G
American Bosch Arma	G		
American Monorail	G	Kaiser, Johannes	L
Audience Studies Inc	O	Klevenburg Trading	N
		Klöckner	E, F
Bank of American National Trust	H	Krupp	D
Bianchi	B	Kwizda	K
Blaauwhoed	N		
		L.M.S. Investment Holding	G
C.G.T.	O	Lacroix	H
Caltex	J	Lodigliani	J
Cellvabruken	K	London Merchant Securities	G
Chargeurs Reunis	O	Lurgi	F
Chefaro	C	Lyonnaise des Eaux	E
Coats, Patons & Baldwins	L		
Columbia Pictures	O	Macintosh, Charles	M
		May-Fran Manufacturing	G
D.E.G., Cologne	E	Merex	N
Degremont	E	Messageries Maritimes	O
Deutsche Airbus	B	Messer Griesheim	F
Deutsche Genossenschaftskasse	C	Messerschmitt	B
Dornier	B	Mo Och Domsjo	K
Duc, Amedee	L	Morgan & Cie	C
		Mulder-Vogem	D
E.N.I.	I		
Edekazentrale	C	Nederlandsche Rijvaartvereniging	O
		Norse Products, Oslo	N
Feldmühle	J		
Feyel	H	OM SpA	B
Fiat	B		
Fischer Industries	G	Pakhuismeesteren	N
Fournier Ferrier, Ets	K	Pont-a-Mousson	E
		Pozzi	C
Götz	M	Procter & Gamble	C
Gontermann-Peipers	E		
		Renault	G
Hamburger Flugzeugbau	B	Richier	G
Hapag-Lloyd	N		
Hein, Lehmann & Co	E	S.C.A.C.	O
Hessische Landesbank	H	Samuelson Film Service	O
Hillingdon Investments	O	Saviem	G
Hoepker, J. F.	M	Schumacher, Siegfried	F
Hogg Robinson & Gardner Mountain	I	Screen Gems	O
Hormosan G. Schulte & Co	K	Seetours	N

September 14, 1967

Q

Siebelwerke	B
Snam Progetti	I
Standard Oil, New Jersey	I
Staplegreen Insurance Holdings	I
Steadman Industries	E
Steehman & Farmaca	K
Swift & Co, Chicago	K
Techint	J
Teves, Alfred	G
Texaco	J
Thyssen-Bornemisza	O
Time Inc	K
Titovizavodi Litostrol	B
Tittel & Krulger	L
Unipol	K
V.F.W.	B
Valkenswaard, Metaalwerken	F
Varian Associates	D
Vulkaan, Handels & Transportmij	O
Westinghouse	D
Winge & Co A/S	N
Wolf Tools	F
Worms & Cie	H
Zout-Organon	C,I
Zwanenburg	C

