Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

April 4, 1968 — No. 455

COMMENT

A Letter from Paris

GILT-EDGED INSECURITY

It was virtually a certainty that, with France having failed to see eye to eye with her partners in the IMF for some years now, there would sooner or later come such a period of crisis as that which began at the week-end with her withdrawal from the SDR scheme. The failure of the talks in Stockholm was no surprise, then, but one was struck by the fact that Michel Debre came out of the meeting saying how "sad" he was that matters had taken such a turn. There is no question that the French finance minister is following the directives given him by his President, who has re-stated his position with even greater bluntness during the recent crisis in the gold market: this is nothing if not diametrically opposed to the monetary thinking of other Western countries.

France, however, played her full part in working out the SDR scheme, and M. Debre's personal support for this at the International Monetary Fund Assembly in Rio last September did much to raise him in the estimation of his colleagues. One should here in fairness recall that France did place a proviso on her support - that the plan should not be put into effect until the U.S. balance of payments deficit had been eliminated. Nevertheless, will all the business of implementing and ratifying the scheme scheme, the Special Drawing Rights could not possibly come into effect before 1969, and it was reasonable to expect, in the meantime, that Washington would succeed in ending the war in Vietnam, which, of course, would go a long way towards redressing her payments deficit. Whilst this French demand came to the fore once more in Stockholm, and whilst the other IMF members this time settled for a less stringent formula, demanding of the United States only that it should seek to establish "a better balance of payments", it was not this that lay at the root of the failure of the talks. What M. Debre was also calling for was a new and sweeping review of the whole monetary system of the West, whereas the other nine countries all took the view that the creation of SDRs, coupled with the recent shut-down of the London gold market should suffice for a number of years to come to give firm backing to the development of the monetary system of the free world. This was the real bone of contention. As far as the others could see, the French, in seeking a fresh study of the very bases of the present monetary system, could be after nothing less than re-appraising the gold exchange standard system itself (and with it the SDR scheme, since this was conceived as complementary to the system, and designed to reinforce it). With this there would come severe pressure, according to the philosophy of Jacques Rueff, and endorsed ever more firmly by General de Gaulle, for a return to the gold standard, allied with the doubling, or even trebling, of the price of gold, enabling the USA and Britain to meet their short-term commitments with the additional resourses so realised.

None of the nine were about to embark on such a course of action, so contradictory to anything they have ever planned. Several of those at the Stockholm meeting made no pretence about their irritation that France should be trying to sway them in such a direction, having for months past given the impression that her own line was not in fact so different to their own. What the delegates were overlooking, however, was that during the last three runs on the gold market those who follow Rueff's thinking have been using the confused situation as an argument with those at the top that the collapse of the present monetary system, foretold for years by Paris's eminent financial Cassandra, is now imminent, and that the time has come to use every means available to bring in the measures that this camp has been propounding for years: raising the price of gold and abolishing the gold exchange standard. As the latter has been described as the main instrument enabling American firms to become established all over Europe, it is hardly surprising that General de Gaulle should have lent such a keen ear to Rueff's theories.

In all this argumentation, however, one vital point was overlooked, and this was the real implication of the crises on the London gold market. These in fact were not the harbingers of the decline and fall of the gold exchange standard itself, as the "Rueffians" were proclaiming from the housetops, but simply a dramatic demonstration of the fact that the gold pool, as it had been managed by the Bank of England, was not an "intervention pool" in the traditional sense, but simply a reservoir pumping gold into the market at a pre-arranged price, patently an absurd mechanism (see Comment, No 453). It was this anomaly that the members of the pool (except France, which withdrew some months before) eliminated two weeks ago, when they brought in the two-tier gold price arrangement. Paris, however, interpreted this merely as a temporary patching-up operation, whereas the other IMF members looked upon it as a perfectly normal step towards the ultimate recovery of the system. M. Debre may well have been thinking, when he arrived in Stockholm, that he could convince his colleagues of the error of their ways, and thus he may have been truly disappointed when he realised that his word was falling on stony ground, so wide is the gap between his own and his IMF colleagues' view of the situation.

This gap is easily discernible in the transcripts of M. Debre's speeches in Stockholm, from which the passage below is quoted:

"A common value standard is needed for the various currencies. If this is not to be gold, it must be either a national currency or something abstract and thus unreal. If we are to back all forms of co-operation and credit and at the same time maintain political independence and economic expansion, we have no alternative but to use gold as our common standard of values". This is a basic, virtually inescapable truth (even though some experts, Pierre Mendes-France amongst them, maintain that raw materials could replace gold as a value standard - a vague and complex theory that no central banker in any major country has even endorsed). Moreover, the current concept of SDRs is such that these are in fact more strictly based on gold as a common value standard than all the dollars, pounds, and indeed all other currencies that are now included with gold in the official reserves of various countries. The agreements on SDRs, as made at the Rio Assembly, in fact clearly define the unit of value, expressing SDRs as the equivalent of 0.888671 grams of fine gold. At that time, however (i.e. September 1967), there was still some uncertainty in this matter, for it was to be decided subsequently whether the gold guarantee would be absolute, as with the General Agreements to Borrow, or whether it should carry an escape clause, as with credits granted under Article 4, section 8 of the IMF statutes (in the case of general devaluation by IMF members, i.e. revaluation of the price of gold, the gold guarantee would in some cases be in danger of ceasing to function). This point, however, was cleared up a little later in a perfectly satisfactory way, and the text submitted in Stockholm provided for an absolute guarantee.

It is almost sad to see that France, which on the one hand, and with some justification, is coming forward as champion of gold as a value standard (which does not in itself mean a return to the gold standard system as such), is at the same time opposing the introduction into the monetary system of new instruments of payment, when these very instruments are in fact linked in an absolute manner with gold, which the dollar and sterling are not. Moreover, if things go as planned, these gold-based SDRs, by virtue of Gresham's Law, will progressively edge dollars and sterling out of the official reserves. The situation is paradoxical, to say the least.

What next? The texts drawn up in Stockholm must now be submitted to the executive directors of the IMF, probably at the end of April. It is generally thought that about 4 to 6 weeks after this, the Board of Governors (on which all IMF member countries are represented) will state whether it has decided to adopt an amendment to the Statutes, approving the SDR system. The business of obtaining majority approval for this will be somewhat complicated, but a large majority is almost certain to vote the system in.

There remains the question of whether France will shift her position at all in the two or three months delay incurred by these formalities. Her Common Market partners will no doubt attempt to sway her in the name of Community solidarity. Whether France votes against the amendemnt or abstains, which is the more probable, she will certainly have no more say in the determination of SDR allocations - and the 85% majority sought and obtained by the Common Market countries for this process of determination thus becomes rather meaningless. With France, in fact, the EEC countries command 16.5% of the IMF franchise - without her, their share drops to a mere 13%, thus losing them the right of veto for which, with France completely at their side, they strove so hard.

THE WEEK IN THE COMMUNITY

March 25 - March 31, 1968

COMMON MARKET - AGRICULTURE

Failure of the Beef and Butter Deadline

The agricultural common market - and possibly the industrial common market - suffered a set-back last week, when the ministers of the Six meeting in Brussels from March 25 to just after one o'clock in the morning on March 28, decided that they could not reach a compromise agreement over the regulations due to be introduced on April 1 to govern the common beef and dairy products markets. It was decided that an attempt should be made to prepare and agree to the regulations by June 1 - the ministers will meet again on April 8 and 9 - and in the meantime the existing national regulations should be extended. In the meantime, relations may have been worsened by the differences between France and her partners during the IMF meeting in Stockholm, and the likelihood of Paris refusing to consider the acceleration of Kennedy Round cuts, after the split over the SDRs between herself and the rest of the Five.

Although some consider that one of the reasons for the failure of last week's discussions was that the Commission had tried to hustle in structural reforms with its proposals for trying to limit milk and butter production, it was the Italian delegation, headed by their Minister of Agriculture, Signor Franco Restivo, which seemed most to block effective progress. However, this lack of enthusiasm should be placed in the context of the forthcoming general elections in Italy, to be held in the middle of May. When the meeting opened, Signor Restivo switched from concentrating solely on dairy matters to the general question of FEOGA expenditure, and he pointed out that this had risen from $600 million in 1966 to some $800 million. Since Italy did not make enough butter for her own needs, she was not responsible for the surpluses which pushed up the cost of FEOGA. Signor Restivo felt that this should be pegged at a certain level, and that national contributions should be made in the light of each country's responsibility for surpluses. The West Germans considered that FEOGA's responsibility should be limited by a national quota system similar to that used in the common sugar market. However, the other three main members of the Community, France, Belgium and the Netherlands, did not agree with their colleagues' proposals. For France, the acting president of the Council, M. Edgar Faure, said that the idea of limiting FEOGA's expenditure on a national basis or a quota system was out of the question, although he did believe that a tax on margarine might prove a way of paying the extra cost without placing too great a burden on the national exchequers of the Six. Both he and his Dutch colleague wanted the Six to agree to price levels and market organisation as quickly as possible, and then discuss the question of improving the structure of the EEC's dairy industry at a later date.

Tuesday was mainly devoted to discussing problems connected with the common beef market, which cannot be effectively introduced until the dairy question is also settled. The three main topics were the intervention system, protection at frontiers for fresh and frozen meat, and special protection for frozen beef. This time the Dutch, Italians and West Germans seemed to fall into line with the Commission and defend the interests of the consumer, whilst the French, Belgian and Luxembourg representatives were in favour of an approach which would protect the producer. By the evening, substantial progress had been made over an outline compromise agreement covering the common beef market, which should help to shape the temporary regulations in force until June 1.

On Wednesday the Commission also tabled a number of changes affecting the common beef market, but it was decided that for the next two months the common guidance price would come into effect on April 1.

In addition to the new proposals for beef, the Commission altered some of its original measures for dealing with the dairy problem, to try and break the deadlock. To deal with the criticism over the rising cost of FEOGA, they proposed that member states should be made to bear some of the cost - on a national basis - of absorbing the stock of 150,000 tons of butter on April 1. Since this had been built up during the transitional period, it was reasonable that each state should bear some of the cost, and it was estimated that this would save FEOGA some $125 million during the 1968 - 1969 season. The Commission also proposed to keep the tax on margarine, whilst for the organisation of the common dairy and beef markets, the Commission conceded that the price regulations should be introduced, although in themselves prices were unsuitable instruments for ensuring an effective income for farmers. They therefore suggested that proposals for structural and social changes should be discussed at a later date.

Price changes in the Commission's proposals were as follows. The indicator price for milk at the farm gate should be once again 39 pfennigs per kg., the figure decided on by the Council in 1966. However, the intervention price for butter should remain at the level put forward in its earlier proposals, at $170 per 100 kg., and since this meant that the effective indicator price for milk would be 38 pfennigs per kg., it was proposed that the definition of the indicator price in the milk regulations should be changed so that it was no longer "a price which as far as is possible should be paid to producers". Other price changes include an increase to $1.50 per 100 kg. in the subsidy for skim milk compared with its earlier proposals of $1.25, which in turn differed from the $1.375 fixed by the Agricultural Ministers during 1966. But the subsidy for powdered skim milk should be cut from the Commission's own proposals in early March of $13.60 per 100 kg. to $8.25 (the Council in 1966 had agreed to $15 per 100 kg.); such a move would save FEOGA a considerable sum of money in this sector, although intervention prices would be fixed for certain Italian cheeses: Parmesan, Reggiano and Grano Padano.

When the Ministers met on Wednesday morning, all the signs were that they would have difficulty in effectively introducing the regulations on April 1, if only because of the technical problems involved. Furthermore, the fact that none of the Six seemed willing or able to make effective and constructive proposals acceptable to its partners did not lighten the atmosphere of gloom. The Commission's suggestions, despite their logical attractiveness, are too revolutionary to be accepted by most member governments, whose farming vote is important, whilst the increasing evidence within the Community for each country to get something back equivalent to what it has put in hardly makes for a spirit of co-operation and trust. Little progress was made throughout Wednesday, despite the Commission's compromise proposals, and before their evening meeting, the Council decided that the date for the introduction of the dairy and beef market should be June 1. The tone of the discussions were set by endless wrangling from the Italians, who in the end were able to obtain an allocation of 15,000 tons of the 22,000 tons of frozen meat entering the Community with a 20% duty during the next two months.

The ministers will meet again on April 8 and 9, but one wonders how much effective progress they can make - essential if the single dairy and beef organisations and regulations are to be ready in time for their new date, which some observers believe will turn out to be July 1 rather than June 1. In the agricultural sphere the problem is what will be the future principles and guidelines of the Community's policies. The need for rapid structural reforms is evident, but can the farming community accept this, and will the governments be willing to try and speed such schemes? The financial cost of FEOGA is linked with this problem, for it will continue to arise unless some remedial action is taken soon, yet no one seems to have a real answer to the problem.

Furthermore, the agricultural question is itself the reflection of the renewed tensions within the Community. France threatens to block the industrial common market, due for July 1, if no progress is made in the agricultural sphere, whilst the Five take a different line to Paris over monetary reform and the SDRs in particular. The Germans and Dutch would like to see a speeding up of the Kennedy Round cuts, and again France seems to take a different approach. Euratom is hampered by conflicts between the Six over national and Community schemes, whilst the Dutch especially appear to be quite willing to block Community scientific and technological research unless Britain is linked with the Six. The Common Market is facing a whole series of major problems, and one must hope that they will be satisfactorily resolved. The meeting of the Foreign Ministers on Friday, April 5, when they are due to discuss ways of forging closer contacts with the candidate countries on the basis of a further report by the Commission, as well as the possible acceleration of tariff cuts under the Kennedy Round, may well give an indication as to the dynamism of the Six as a united organisation during the coming months - if not years.

* * *

E.E.C. ECONOMY

Community Medium-Term Economic Policy

The Commission has just passed on to the Council the draft of the second programme for medium-term economic policy. The programme is essentially a gloss on the first programme that the Six adopted in April 1967, and it deals in particular with the "qualitative" aspects which EEC policy should contain, whereas the first five-year programme dealt with the quantitative side.

The second programme, which was evolved by the senior civil servants of the national governments and then adopted by the Commission (the prime mover in all these decisions), stresses the need for structural, industrial and agricultural reforms necessary for the smooth running of the Community. In order to facilitate this, the Commission has put forward three key policies: a scientific and technical research policy, a savings and investment policy, and an incomes policy.

The experts on the medium-term economic policy committee have come to one concrete conclusion: the members' structural policies have an inbuilt tendency to self-perpetuation, and thus it is necessary to take certain steps to accelerate the adaptation processes and to stimulate the introduction of new techniques and new products.

Several steps - improvements in company law and taxation, and the introduction of modern management techniques - should help the countries concerned to put through the necessary structural reforms. Certain specific actions must, however, be carried out first.

1) Restructuring by Sectors: According to this plan, it is intended to encourage development in promising growth sectors; this sort of action would not be 'artificial', but only the encouragement of a natural tendency. These growth sectors would be ascertained by looking at technical development in the foreseeable future and by calculating future demand, both within the Community and in the world market. The 'sector policy' ought also to help the adaptation of those sectors where the possibilities of improvement are small, where progress in productivity and competitiveness must be encouraged.

The central question here is evidently the role to be played by state aid. The Community experts feel that this aid should be "complementary" and "exceptional". The aid should touch upon those sectors which promise appreciable growth in the future, sectors which for reasons usually of cost, particularly of research, cannot be expected to shoulder the burden of development alone. Then there are also those sectors which find themselves in particular difficulties at any given time, sectors which cannot be left to their own devices without the risk of serious economic and social difficulties. The Community authorities should only be allowed to intervene in the cases where the difficulties can be "objectively ascertained" and where the level of the public funds allows such intervention. The duration of the measures should be limited, and they should be degressive whenever possible.

2) Agricultural Policy: For the first time the common agricultural policy has been put in a more general context, that of the overall European economy. The programme makes the stipulation that the prices policy ought to provide for an adequate level of production as well as a sufficient return to the producers. Prices must be fixed at such a level as to provide the efficient producers with a satisfactory income, but at the same time it should avoid an increase in the cost of living and the creation of inbuilt surpluses which could only be sold off in the world market at increasing cost to the exchequer. Market and price policy should then by accompanied by an agricultural structure policy, whose aim is to improve the efficiency of those undertakings which might be expected to become efficient within a "reasonable period of time". This policy must, however, be selective, that is to say it should only encourage rational progress - and even then it should choose between one viable enterprise and another. With this in mind, the policy should be turned towards improving agricultural structure (improvement of soils, rationalisation schemes, etc.) and to the development of the necessary channels for the marketing of agricultural produce. The policy should also encourage the development of "quality lines" which promise to have a greater market than those commodities produced at the moment.

The programme also draws the conclusion that the farmers' lot can only be improved to a significant extent if there is some degree of redistribution of labour. In addition, those farmers who have to close down their uneconomic farms, and those who can no longer provide a reasonable level of income for older members of the agricultural labour force (who cannot be expected to start new careers at this time of their lives), must be redeployed in the most socially satisfactory way possible. This task must be carried out within the framework of regional policies.

3) Scientific and Technical Research Policy: The subject is well-known. For the last year, the Commission has been stressing the importance, even the necessity for the whole of Europe, and not merely the Six, to co-operate in an important and concerted effort in the fields of research and development. The role of the universities, the specialisation of the research centres, the competition and overlapping of national research programmes, the role of the state in placing orders, the development of the "privileged sectors" of co-operation - all these have been ideas that the Committee on Medium-Term economic policy has put forward for consideration.

4) Developing Savings and Investment Finance: The plan makes much of the fact that the structural adaptation of individual enterprises depends to a great extent on their financial structure and their ability to find the necessary financial backing for the investments which are mandatory for a rapid growth rate.

The policy of encouraging savings must be tackled in such a way as not to give unfair advantage to one type of investment rather than another, and not to discriminate between the degree of encouragement given solely on account of the duration of the investments - that is to say, to give greater encouragement to long term investments. It will have to be ensured that a sufficient proportion of household savings is put into the capital market. In this case the methods of saving must be made more attractive. The programme then underlines the importance of saving through the savings institutions (insurance companies, savings banks, investment companies), and pronounces itself in favour of making it easier for the insurance companies and the savings banks to buy shares. Also it would be a good thing to improve the working of the markets for fixed interest securities, by having greater regard for the needs of the public at the time of issue. This means that the duration of loans should be reduced, coupons of reasonably low value should be made available, accelerated redemptions should be done away with, etc.

The experts also made the point that it would no doubt be necessary in the years to come to keep the overall demand for capital on the markets within the bounds of the possibilities of supply. The narrow concept of the national markets, so they think, is one of the main reasons for the imbalance between supply and demand.

5) Incomes Policy: The position in one member country is very different from that of another. The aim first and foremost is to bring the individual goals of the member states into line, but not necessarily to render their methods identical.

The programme recommends in the first place the formulation of indicators which will reflect the desirable development of revenues. It is also in favour of enhanced co-operation between government administration and the employers and trade unions; the key indicators could then serve as an important basis for this co-operation. Finally the programme stresses the importance of the policy for investment stemming from the home, which could take one or more of several forms: the encouragement of household savings, a system of salary investment, or profit sharing by all the employees of a company.

* * *

E.C.S.C.

The Miners' Union and the Merger of the Treaties

Before Easter, the Commission is to submit an initial document to the Council of Ministers on the merger of the European Communities and Treaties, in which it will outline certain policy decisions that must be made on this merger, which is due to come into effect within three years of the merger of the Executive last June.

The ECSC Consultative Committee (which made an initial study of this matter two years ago) will hold an extraordinary meeting on the drafting of a report on the question in general. As a preliminary, members of the Committee have been invited to present in writing their own views or suggestions on the problems presented by the merger. M. Martin (French steel user) was chosen to be rapporteur, having edited a similar report on this subject, which was approved in the Spring of 1966.

It is not just the institutional organs of the Community that have an interest in the merger of the Communities, however, but a number of other circles, not least sectors covered by the ECSC who have learned to work with the legislation and directives of the Paris Treaty, and which are concerned at what might replace these clauses in the new single treaty.

Only recently the Christian miners' unions from the Six (the liberal unions have already approved similar declarations and resolutions) adopted a resolution in which they stress the vital necessity of safeguarding the following elements of the Treaty of Paris:

1) Those general objectives that are still needed for coal and steel as well as other sources of energy and which, according to the unions, should be further elaborated in close consultation with all interested parties.

2) The employment, readaptation and industrial reconversion policy inaugurated by the High Authority - in co-operation with national governments - especially through the medium of direct financial intervention.

3) Adequate financing of Community operations in all social spheres, from building workers' accommodation, attracting fresh blood to the industry, matters of hygiene and safety, to technological research, dissemination of information and efforts within the mixed Commissions to harmonise working conditions throughout the ECSC industries.

Finally, the unions hope to see the retention of some body like the present Consultative Committee, an institutionalised organ giving mine workers regular information on all economic and social questions affecting the industry, and offering them a direct channel of consultation on all measures affecting them adopted by the Commission.

*

Investment Credits for Three Power Stations

Under Article 54, paragraph 2 of the Paris Treaty, the ECSC Council of Ministers has given unanimous approval to the granting of investment credits, sought by the Commission, for the implementation of three projects for coal-burning power stations. Two of the proposed schemes are in Germany, one in the Ruhr and the other in the Saar, requiring credits of $ 13.5 and $ 7.5 million respectively from the ECSC; and the other is in the Bassin du Nord, Pas-de-Calais where the Horhaing generating station is due for extension, and for which the Commission decided to grant an investment credit of $ 13 million.

In granting these credits, the Commission is following a precedent set by the High Authority, to the end of ensuring some sort of market for Community coal in the only sector where consumption of coal as such is on the increase, i.e. at power stations. Indeed, the Commission has decided to concentrate the initial implementation of its common energy policy on electricity generating stations, as here, and on aid for coking coal for the steel industry (see No 454). This was specified at last week's meeting in Luxembourg of the Consultative Committee by Herr Haferkamp, who also reaffirmed that the Commission will submit its proposed scheme for an energy policy to the Council of Ministers and the European Parliament before the Summer recess.

Those who were representing the coal industries of member countries at the meeting did not, however, go all the way with the Commission - whilst it is true that between now and 1970 the two sectors of coking and power stations will consume two thirds of all coal produced in the Community, the domestic coal sector nevertheless will remain important for the mines. This is not just a question of tonnage, but also of prices and returns, and the generally narrowing margins that producers are having to cope with.

Be this as it may, action taken in the power station sector for boosting the Community's coal industries has proved especially effective. This was borne out by the case of West Germany, where two laws passed for encouraging the use of Community coal in generating stations have ensured a healthy market for coal.

*

Community Aid for 5,360 Redundant Miners and Steelworkers

It has just been agreed that the Community will go halves with the national governments concerned in financing the re-adaptation of coal, iron, ore and steel workers affected by the coal crisis and closures policy in the ECSC. Below is a table of the cases in question.

NETHERLANDS:	Phased closure of pits at Domäniale Mijn-Maatschappij	2,100	Fl 3 million
FRANCE:	Villerupt steelworks rationalisation	465	Ff 641,500
GERMANY:	Barbara Erzbergbau iron-mine rundown	36	Dm 25,000
BELGIUM:	Nord de Gilly and Montceau-Fontaine pit closures (Charleroi), and Hasad at Liege	1,767	Bf 26 million

* * *

TRADE

Lead & Zinc Quotas

The Commission has decided that new quotas with zero tariffs covering lead and zinc should be granted to Common Market industries using these materials so as to allow them to operate on a more competitive basis. The quotas will apply for 1968 and are due to be reviewed by the Commission later in the year. They are allocated as follows: Belgo-Luxembourg Economic Union: 160,000 tons of lead for use in the chemical industry; Belgium: 10,000 tons of unrefined lead; Netherlands: 40,000 tons of unrefined lead and 9,100 tons of unrefined zinc; West Germany: 60,000 tons of unrefined lead and 50,000 tons of unrefined zinc.

* * *

ENLARGEMENT

More from the Commission's Melting-Pot

Late on Monday April 1, the European Commission completed the report it was requested by the Council on March 9 to produce on relations between the Six and the four countries seeking EEC membership. Essentially, this document was to be the Commission's official reconciliation of the various plans - Benelux, Franco-German and Italian - that had been put forward by the Six with a view to forging closer links with the candidates, pending their full membership of the Community. This report will be discussed at the next foreign ministers' Council meeting in Luxembourg on Friday April 5.

As we have indicated, relations between the Six, and between France and the Five in particular, have reached something of a nadir in the last few days, with the deadlock at the IMF meeting in Stockholm and the failure of the April 1 deadline for beef and dairy products, and the climate for the Council meeting is hardly likely to be propitious. This is unfortunate, as the report appears to be a fair compromise between the various plans mooted, proposing basically a transitional phase for Britain - not defined as such, however - involving reciprocal tariff cuts, preferential arrangements for agricultural products and the alignment on the EEC's CET of external tariffs when tariff reductions under the scheme have reached 30%. The complete removal of barriers would be considered for items of technological importance, and an intensified level of "consultation and rapprochement" would be sought through such existing institutions as the WEU and the ECSC Association Council, institutional provisions being made for those candidates, other than Britain, who are not members of the above. Technological co-operation would be encouraged, and specific fields of action cited are company law and patents. The Commission states directly that these arrangements should be deemed a transitional stage, leading to full membership, but it is no more specific about this than to say this would be "as soon as possible". Legislatively, the report is recommending action in accordance with Article 237 of the Rome Treaty, on entry procedure.

Clearly, having to reconcile the various extremes of Dutch conern with technology, French reluctance to make any open commitment, GATT rulings against preferential arrangements other than those leading to free trade areas or customs unions, and so on, the Commission had perforce to remain vague in this document. One would expect it to state its proposals more precisely, if and when asked to do so after the Council has discussed the measures and the report as it stands on Friday. Nevertheless, a definite scheme for trade arrangements is put forward in the report, and this at least will be something for the Six to chew on. France is considered to the extent that no target date for the four's full entry is proposed, but at the same time may take exception to the deference given to GATT in that the arrangements would be considered as a transitional stage leading to membership. That agricultural goods are included is another point at which the French are likely to baulk, mainly because of the fact that the scheme overall hinges essentially on multilateral bargaining, which Paris has so far excluded from what she thinks could be allowed.

As far as Britain and her apparently still extant "all or nothing" task are concerned, the transitional period concept may prove satisfactory, allied with the fact that the Commission also proposes, should its schemes or something akin to it be approved by the Council, that it should produce a further progress report on the arrangement. Whilst it offers no limitation, it nevertheless suggests that this be set, and that the second report would come at the end of this period, if not before, and contain recommendations as to the candidates' readiness for full membership. What the report seems to miss, as far as Britain is concerned, is the matter of what say she would have in any Community decisions during this indefinite transition. Further consultation and "rapprochement" through the WEU and the Association Council might not in fact measure up to what London would consider to be a safe level of participation, having committed the country fully to a European course. At this stage, however, the Commission's task is to rally the Six, and such matters as this would again be too constraining a factor for the Six's foreign ministers, who undoubtedly will be strained to the limit to see eye to eye over the report in even its present vague form. Once again, the spirit of co-operation is the key to the problem, and the patent lack of this at the present time is what will characterise the meeting in Luxembourg. Even though the report dovetails the ideas put forward by the more extreme of the Six into the Franco-German scheme, drained, however, of its free-trade area concept, one fears that the basic dividing line - demonstrated by French resentment of Brandt's version of what presumably had been agreed in Paris in February (see No 451) - will not even begin to waver. Of April 5, perhaps the best we can hope for is an "agreement to disagree", and the shelving of yet another carefully pondered Commission opus.

* * *

EFTA

Eyes Still on Brussels

Although Britain is still officially in favour of "full membership or nothing" of the EEC, there are signs that a certain amount of fresh thought has been given to this question. In a communique issued after last week's sixteenth meeting of the EFTA consultative committee, it was stated that the countries forming the association were willing to consider "any serious proposals likely to promote European integration provided that such proposals are compatible with the rules of GATT and not likely to risk harming the working of EFTA." Mr.Crosland, the President of the Board of Trade, who was chairman of the Geneva meeting, declared on a personal basis that Britain should look closely at all measures aimed at reducing economic division of Western Europe, provided of course such measures held out a "real promise" of success. Mr. Crosland also made it clear that Britain did not believe in trying to isolate France from the rest of the Five, since this would make progress towards an eventual solution more difficult. It was up to the Six to agree amongst themselves first of all and the British government would watch with interest the forthcoming meeting of the Foreign Minister of the EEC on April 5.

It was again stated at the EFTA meeting that an acceleration in tariffs cuts under the Kennedy Round by the member countries was dependent on the Americans abolishing the "American Selling Price" system, and refraining from adopting new protectionist measures, as well as on the Common Market countries and Japan deciding to accelerate the tariff cuts.

*

Sweden

Another EFTA country whose attitude towards the question of EEC membership has been far from clear, Sweden, would seem to have changed her approach, to judge by recent remarks made by the Swedish Ambassadors in France and West Germany. Mr. Häglöff, the representative of the Stockholm government in Paris, stated that his country was "to-day sufficiently prepared in the economic, technological and agricultural spheres, to embark on membership of the Common Market". Both he and the Ambassador to Bonn, Mr. Nils Montan, have indicated that Sweden would like to become a full member of the Common Market, whilst at the same time maintaining her traditional foreign policy of independence and neutrality. Furthermore, if negotiations were started with the other candidate countries over transitional measures, Sweden would like to take part in such talks from the very start.

*

EFTA - EEC Trade Union Links

It has been announced that the EFTA trade unions are to install a permanent secretariat in Brussels, and this opens up the possibility of co-operation between unions in the two economic groupings of Western Europe, as the EEC unions have had a similar organisation in Brussels for several years. This is responsible for arranging contacts and joint approaches by the different Common Market trade unions.

BELGIUM	COLLET, DICKENSON, PEARCE & PARTNERS form subsidiary	B
	BALTIMORE AIRCOIL forms first EEC subsidiary in Brussels	I
	LEASCO DATA PROCESSING EQUIPMENT forms computer rental firm	N
	British C. A. NORGREN hydraulics forms company in Liege	R
BRITAIN	Italian IGNIS appliances forms sales promotion company	D
	STAR DIAMOND's Antwerp subsidiary forms company in London	Q
CANADA	BANKERS TRUST, London, cedes IIT portfolio to MONTREAL TRUST	J
FRANCE	RHONE-POULENC/LAUTIER FRERES pact: shares for know-how	C
	C.S.F./T-H H-B concentration: initial reorganisation begins	F
	BANK OF MONTREAL buys interest in BANQUE TRANSATLANTIQUE	K
	FIAT to back technical development of "Naviplane" hovercraft	K
	OTTO VERSAND mail-order invests F 499,000 in REGIE-VENTE	O
GERMANY	LOVELL'S SHIPPING & TRANSPORT forms container company	Q
	Yugoslav KREDITNA BANKA gets go-ahead for German branch office	R
NETHERLANDS	American CORDIS CORP (medical electronics) opens factory	F
	WM. H. MUELLER to take over THOMSEN'S VERENIGDE BEDRIJVEN	P
SOUTH AFRICA	PHILIPS and SIEMENS (linked in Deutschegrammophon) back TRUTONE	D
U.S.A.	DEUTSCHE, AMSTERDAM-ROTTERDAM and MIDLAND BANKS' venture	J
YUGOSLAVIA	ISKRA receives ROBERT BOSCH licence for motor electricals	D

CONTENTS

ADVERTISING

** The London agency COLLET, DICKENSON PEARCE & PARTNERS LTD (see No 436), which has had a Paris subsidiary, Collet, Dickenson Pearce SA (capital F 30,000) since July 1966, has now formed Collet, Dickenson Pearce SA in Brussels with Bf 500,000 capital, with Mr. J.W. Pearce as chairman and M. Robert Bodson as director.

The parent company recently wound up its Frankfurt subsidiary Collet, Dickenson Pearce & Partner GmbH, which was formed at the same time as the French firm.

** The Swiss advertising firm TRIPLEX-WERBEAGENTUR GERARD HALLAUER, Zollikon, Zurich, has formed a subsidiary in Stuttgart, TRIPLEX WERBEAGENTUR GmbH with a capital of Dm 100,000 and with Messrs. Gerard and Walter Hallauer, Hugo Abt of Switzerland, and Richard Schäfer of West Germany as directors.

AUTOMOBILES

** STE DES AUTOMOBILES SIMCA SA, Paris (see No 443), which is widening its European sales network, has formed a branch in Geneva to the Zurich subsidiary SIMCA (SUISSE) SA (capital Sf 5.5 m.), appointing MM. Francis Plantivreau, Bernard Dethurens and Laurent Szombathelyi as directors. Late in 1967, in a similar move, the German subsidiary Deutsche Simca Vertriebs GmbH, Neu Isenberg, opened a branch in Düsseldorf (see No 436).

** The Italian motor company ALFA ROMEO SpA, Milan (see No 446) has set up a sales subsidiary in Amsterdam, ALFA ROMEO NEDERLANDS N.V. in order to extend its sales network in the Netherlands and to co-ordinate the movements of its concessionaires. Control of the venture (capital Fl 50,000) is shared with its Brussels subsidiary, Alfa Romeo Benelux SA (see No 427).

Alfa Romeo SpA, which belongs 51% to the holding company, FINMECCANICA SpA (part of the state concern I.R.I.) now covers the whole of the Common Market with its subsidiaries in Frankfurt and Paris (SOFAR).

BUILDING & CIVIL ENGINEERING

** READYMIX DEUTSCHLAND AG FUER BETEILIGUNGEN, Dusseldorf (member of the London group READY MIXED CONCRETE UNITED KINGDOM LTD - see No 341), together with RAAB KARCHER GmbH, Karlsruhe (wholly-owned subsidiary of the group GELSENKIRCHENER BERGWERKS AG, Essen - see No 453), and KLOECKNER REEDEREI & KOHLENHANDEL GmbH, Duisburg (wholly-owned subsidiary of the Duisburg group KLOECKNER & CO KG - see No 452), is embarking upon a concrete transporting rationalisation and co-operation scheme, into which the three companies are contracted. Readymix will be the centre of the operation, raising its capital from Dm 8 to 13 million, and receiving assets from the other two firms that will make it the largest company of its kind in West Germany, with an annual turnover of around Dm 150 million.

** The Dutch concern, NV ALGEMEEN BUREAU VOOR DE BOUWNIJVERHEID A, B.B. of Sliedrecht, has set up an almost wholly-owned subsidiary in Belgium, ALGEMEEN BUREAU VOOR DE BOUWNIJVERHEID A B.B.-ANTWERPEN NV, Antwerp (capital Bf 2.5 m.). Formed to carry out construction work and public works as well as handling and dealing in property, the company has amongst its directors Messrs. Cornelis, Arie and Gerard Brandwijk.

CHEMICALS

** Headed by Herr Horst Simonis and Sig. Pasquale Franzesi, the Italian ceramic products firm ERNESTINE, Salerno, has formed a West German sales subsidiary called ERNESTINE KERAMIK GmbH (capital Dm 20,000) with Herr H. Simonis as manager.

** The vice-president and director of the Swiss company UNIVERSO-STE GENERALE DES FABRIQUES D'AIGUILLES SA, La Chaux-de-Fonds, Neuchatel, M. Jean-Pierre Beguin, has been appointed president of the newly formed French company STE D'APPLICATION DE PEINTURES LUMINESCENTES SA. With a capital of F 400,000 and M. Laurent Dietrich as director, this will supply luminous and reflecting paint for screens, sign-posts, etc.

** Under a new agreement between the two, the Paris chemicals and pharmaceuticals group RHONE-POULENC SA (see No 445) is to receive a minority interest in LAUTIER FILS SA, Grasse, Alpes-Maritimes (capital F 4.7 m.), in return for know-how on aromatics used in food and cosmetics production.

In Grasse, Lautier Fils has a factory producing essential oils and base aromatic products for perfumes, soaps, cosmetics, pharmaceuticals, confectionery and drinks. It has foreign subsidiaries, in London (Lautier Fils Ltd), New York, Beirut, Rio-de-Janeiro and Funabashi, Japan. Its main European agents are Oleosa Drebing-Schierhols, Hamburg; Radolphe Coles SA, Diegem, Belgium (see No 449) and A.E. Schaap & Cie, Amsterdam. Rhone-Poulenc's most recent moves abroad have been the acquisition of a majority stake in the Japanese Nichizui Rhodi Ltd, and the purchase of shares in the Spanish pharmaceuticals laboratory of L.I.F.S.A.

ELECTRICAL ENGINEERING

** The third ranking German electrical engineering firm BOVERI & CIE AG, Mannheim (a 56% subsidiary of the Swiss group Brown Boveri & Co AG, Baden, Aargan - see No 424) has increased from 30% to 80% its shareholding in METRAWATT AG FABRIK ELEKTRISCHER MESSGERÄTE, Nuremberg (see No 421).

With a capital of Dm 600,000, this employs some 900 people in the manufacture of control and measuring equipment. It has an interest in the French company Electronest Sarl, Forbach, Moselle; in the Swiss AG Für Messaparate, Berne (45%) and in the Austrian, Goerz Electro GmbH, Vienna (45%) already a majority interest of BBC.

** The Yugoslav engineering concern ISKRA, Ljubljana, has been granted a licence by the West German group ROBERT BOSCH GmbH, Stuttgart (see No 449) to manufacture electrical equipment for cars.

Since 1963 the Yugoslav firm has been linked through a distribution agreement with the Frankfurt group of Braun AG, and it also controls the Stuttgart sales company Iskra Elektronik Handels GmbH, which was formed in 1967 with a capital of Dm 60,000 (see No 413).

** The agreements recently signed between the West German ELEKTROTECHNISCHE FABRIK WOLFES & WEISSE GmbH, Wittlich, Mosel, and the Swedish company A/B IFÖVERKEN, Bromölla, (see No 326) dealing with the manufacture of fuses and circuit breakers, are to be implemented at the German company's factory.

The Swedish partner (a member of the Malmo group Skanska Cement A/B - see No 347) is mainly known for its "Siporex" light concrete building materials. These are made under licence by a number of companies of the same name including those in France, the Netherlands and Belgium

** The Swiss company COLORS CONTROL CO AG, Zollikofen, Berne, which was formed in 1967 with a capital of Sf 50,000 to manufacture and sell control equipment for the printing industry, has formed a Munich sales company called Colors Control Co GmbH (capital Dm 20,000). The managers of the new concern are Herr Bruno Hirschi, director of the founder, and Herr Leo Avrutschenko, Munich.

** The Italian domestic appliances group IGNIS SpA, Comerio, Varese (see No 399) has just formed a London company called IGNIS APPLIANCES LTD (capital £5,000) to act as its representative in Britain and Northern Ireland.

Headed by Sig. Giovanni Borghi, the group has four main manufacturing centres in Italy: Comerio, Cassinetta, Naples and Sienna, and there is also a plant manufacturing refrigerators in Barcelona (see No 350). The group has a sales agreement with Philips, Eindhoven, to which it supplies some 350,000 refrigerators. It also acts as a supplier for a number of other European groups (see No 314); these include an agreement signed in 1963 with G.E.C. - General Electric Co Ltd. of London.

** Through their 50-50 joint subsidiary NV PHILIPS PHONOGRAPHISCHE INDUSTRIE, Baarn, the Dutch and German groups NV PHILIPS GLOEILAMPEN-FABRIEKEN, Eindhoven (see No 454) and SIEMENS AG, Berlin and Munich (see No 446) have bought an interest in the gramophone records import and sales concern TRUTONE (PTY) LTD, subsidiary of the South African record producing company GALLO (PTY) LTD.

The main interest of the Dutch group in South Africa are Philips' Telecommunication (Pty) Ltd, South African Philips (Pty) Ltd, and Philips South Africa (Pty) Ltd, whilst Siemens has an electro-technical materials sales concern (also producing telecommunications equipment), called Siemens SA (Pty) Ltd, Johannesburg. The two groups are also linked in the same sector within the 50-50 joint venture, Deutsche Grammophon GmbH, Hamburg, which in The Hague controls Polydor Nederland NV.

** The Swiss electrical and mechanical engineering sales company RUBELI GUIGOZ & CO, Scs, Neuchatel, has opened a West German branch at Constance under Frau Iris Schulz.

ELECTRONICS

** The West German manufacturer of office equipment, especially for data processing, OLYMPIA WERKE AG, Wilmshaven (part of the AEG-TELEFUNKEN group) has strengthened its Swiss interests by opening a branch at Carouge, Geneva to its Zurich subsidiary Olympia Buromaschinen AG (capital Sf 1 m.). The new branch is headed by Herr Willy Lutz.

In 1967 Olympia's turnover amounted to Dm 336 million and it recently gained control (see No 453) of the West German data processing and precision engineering concern Standard Elektrik Lorenz Feinmechanik GmbH, Stuttgart-Zuffenhausen, following an agreement on this point between A.E.G. and the New York group I.T.T. -International Telephone & Telegraph Corp.

** The American electronics group, RAYTHEON CO. of Lexington, Massachusetts, (see No 375), has closed down its affiliate in France, SORENSEN-FRANCE Sarl (capital F 3 m.) which with some 90 workers specialised in the manufacture of small electronic apparatus. The company still runs its geophysical exploration company in France, CIE FRANCAISE DE PROSPECTION SISMIQUE SA, Paris (see No 407) which it acquired in December 1966 after taking control of Seismograph Service Corp, Tulsa, Oklahoma.

Raytheon covers the whole of Europe: in Italy it has had since 1960 a 45% holding in Industrie Electroniche Associate SpA, Rome and Naples, together with its subsidiary Viroselinia SpA, Rome - in which it is associated (45% and 10% respectively) with Finmeccanica SpA (a holding company of the state I.R.I. group) and Fiat SpA. The company also has two wholly-owned subsidiaries, Raytheon-Elsi SpA, Palermo (formerly Elettronica Sicula SpA) and Raytheon Europe International Co, Rome. In West Germany its main interest is Sorensen GmbH, Frankfurt, but the company also has several representatives such as Magnetic A.B. GmbH, Munich, Ing.-Büro Herbert M. Mueller (Wuppertal-Eberfeld) and ERA - Elekronische Rechenanlagen, Studienges. für Wissenschaftliche Datenwerarbeitung mbH, Aachen.. In Switzerland, its interests consist of Sorensen-Ard AG, Zurich, whose representative in Belgium is Gentronics SA, St-Gilles, Brussels - as well as Transistor AG of Zurich. Its two other subsidiaries, Raytheon-Elsi AG, Zurich and Raytheon AG, Zug, are in the process of being wound up. In Great Britain, the company has an affiliate, Machlett X-Ray Tubes (Great Britain) Ltd, through its subsidiary The Machlett Laboratories Inc. of Springdale, Connecticut, as well as two other subsidiaries, Seismograph Service Ltd. (which controls another subsidiary in the United Kingdom, two in the Bahamas and one in South Africa) and A.C. Cossor Ltd, of Harlow, Essex, whose interests consist of some dozen British companies.

** The American firm SULFRIAN CRYOGENICS INC, Rahway, New Jersey (vacuum measurement and low temperature work) has formed a subsidiary in Hanover called SULFRIAN GmbH (capital Dm 20,000) with Herr Gerard Suffrian as manager.

In France it is represented by Instrumentation Scientifique SA, Courbevoie, Hauts-de-Seine.

** The American firm CORDIS CORP. Miami, Florida, intends to set up a manufacturing subsidiary in the Netherlands at Roden, which will employ some 100 people. The founder has around 200 workers on its payroll, specialises in medical electronic equipment for use in hospitals, including cardiac stimulators, and has a turnover of some $1.6 million.

** SERVO-SOUND SA, Saint-Gilles, Brussels, (capital Bf 500,000) has just been formed to import, export, manufacture and carry out research into electronic, mechanical and electro-mechanical equipment. It is a 67.2% interest of the Swiss holding company ST. JAMES HOLDING AG, Basle, whilst three directors of the Swiss firm each hold just over 10%.

With a capital of Sf 750,000, the Basle concern was formed in October 1967 as a result of moves by Salik Bank in Basel AG (see No 291) which itself was formed in January 1965 by the American financier Mr. Charles Eliot Salik, of San Diego, California. The latter's board members also include Mr. Paul Erdmann, an American living in Basle, as well as Herr Rudolf Rieder.

C.S.F. - CIE GENERALE DE T.S.F. SA and C.F.T.H. - CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA are about to implement the agreement they made last autumn (see No 427) to concentrate their activities in the electronics sector. Integration at the industrial level, however, because of the scale of the project (40,000 workers out of a total of 62,000 overall for both companies, and a combined turnover of F 2,500 m.) and the geographical scatter of the two groups, will take a matter of years.

The partial merger of the two groups will be made in two phases: 1) T-H H-B will base nearly all its non-consumer electronics activities on a new subsidiary (turnover F 1,000 m.), excluding only its subsidiaries in data processing, such as SOGEV or SODETEG, which are largely concerned with electronics, and those members, such as SESCO, which are controlled jointly with foreign companies; 2) This subsidiary will then, together with a number of other T-H H-B concerns, be made over to C.S.F. (M. Paul Richard recently became president), in which T-H H-B will then hold a 46% interest, becoming in turn a 10% affiliate of BANQUE DE PARIS & DES PAYS-BAS.

** ANC. ETS. P.A. DEBRUYNE-BELGIQUE Sprl, Brussels, formed in May 1966 (capital Bf 200,000) to manufacture, lease and maintain office equipment and electronic calculators, is to be wound up, and this move will be carried out by M. Marcel Jovenneaux Roubaix.

The main backer of the Brussels company was Mme Millescamp-Castelein, La Madeleine, Nord, and the company itself was formerly based at Herinnes-lez-Pecq.

ENGINEERING AND METAL

** Continuing its internal restructuring, the PECHINEY SA group of Lyons and Paris (see No 444) is about to absorb CEGEDUR-CIE GENERALE DU DURALUMIN & DU CUIVRE SA, which in 1967 became a portfolio company (see Nos 402, 429) holding 29% and 45% respectively in TREFIMETAUX-G.P. and CEGEDUR -C.P. (in which Pechiney holds the balance).

The holding company, CEGEDUR has amongst its shareholders, C.G.E. - Cie Generale D'Electricite SA of Paris (see No 454) - through Cie Generale D'Electrometallurgie SA - Ugine Kuhlmann SA, Paris (see No 452) and Seichime-Ste d'Exploitations & d'Interets Chimiques & Metallurgiques SA, Lyons (part of the Pechiney group see No 451). The first of these two companies has already exchanged its holding for an interest in Cegedur-G.P. and the second is also going to take an interest in Cegedur- G.P., whilst Seichime is to proceed with an exchange of holdings with Pechiney.

** The Dutch metal holding company VERENIGDE BEDRIJVEN NEDERHORST NV, Gouda (see No 350) is carrying out a reorganisation of its internal structure and has formed a Delft company called PLETTERIJ -SPOORIJZER (P.S.D) NV to take over as from April 1, all the interests of the Delft companies PLETTERIJ v/h L.L. ENTHOVEN & CIE (see No 415) and SPOORIJZER NV (see No 297) which it acquired in June 1966 and August 1967. The former has over 350 people on its payroll and is involved in the manufacture and assembly of metal and steel constructions such as bridges, gasometers, tanks and pipelines. Abroad it has a wholly-owned subsidiary in Curacao, NV Curacaosche Staal Industrie, itself linked with the holding company Nederhorst in NV Combinatie Pletterij-Nederhorst, Curacao (which in turn has an interest of just under 50% in NV Curacaosche Dok Mij. Spoorijzer has some 500 people on its payroll engaged in making railway and mining equipment as well as storage tanks.

Nederhorst has numerous direct and indirect interests, both abroad and at home. Thus its subsidiary NV Tot Aanneming Van Werken v/h J. Nederhorst, Gouda (capital Fl 7.5 m.) is a shareholder in the West German company Vibropfahl Bau GmbH & Co KG, Bremen, whilst another subsidiary Overzeese Aannemingsmij. NV, Rotterdam controls in Africa A.C.C. (Liberia) Inc, Monrovia, A.C.C.(Nigeria) Inv, Lagos, and the Curacao concern Bermuda Investment Co. A subsidiary based in The Hague, Internationale Funderings Mij. NV also controls Fugro NV, The Hague; Foundation Patent Co Ltd, Curacao, and Dutch Hellenoi Foundation Co SA, Athens, as well as a 50% interest in Foundation Construction Ltd, Lagos, and a 50-25% interest in Vibro Piling & International Foundation Ltd, Hong-Kong. It also has complete control of the Mexican firm Cimentaciones & Edificaciones SA, directly and through Combinatie Pletterij-Nederhorst.

** The Brussels manufacturer of diamond-headed tools DIAMANT BOART SA, has strengthened its Common Market sales network with the formation of a Dutch subsidiary called DIAMANT BOART-NEDERLAND NV, Utrecht (authorised capital Fl 300,000 - 20% paid-up) under Mr. Robert W. Van den Boogaart. The founder recently formed a West German sales company Bohr-Diamant, Diamant-Bohr-Werkzeuge Handels GmbH, Wiesbaden (see No 443).

Boart is a member of the Ste Generale de Belgique group (see this issue) through Sibeka- Ste d'Entreprises & d'Investissements du Beceka SA and Interfor-Ste Internationale, Commerciale & Financiere de la Forminiere SA (both based in Brussels). The founder already has an interest in Diamant Boart France SA, Nanterre, Hauts-de-Seine, and Diamant Boart Italiana SpA, Cinisello-Balsamo.

** The agreement signed recently (see No 438) between the Italian spring manufacturer C.I.M.A. MOLLIFICIO DI F.LLI BELAZZI Sas, Roncello, Milan, and the American firm PRECISION SPRINGS CORP, Detroit, Michigan, covering the manufacture in Italy and distribution throughout Europe of high precision springs for car and aircraft engine valves, has resulted in the formation of a joint Milan subsidiary C.I.M.A. PRECISION SPRINGS EUROPA SPA.

With Sig. Emilio Belazzi as president, this has an authorised capital of Lire 200 million, and the issued amount of Lire 2 million has on the American side been supplied by the founder and its affiliate company Peterson Spring Corp, Detroit. Both are managed by Mr. Alfred H. Peterson, vice-president of the new company.

** The American company TOWNSEND ENGINEERING SALES INC, Des Moines, Iowa, has formed an Amsterdam sales subsidiary for its equipment used in the meat canning and animal food products industry. Called TOWNSEND ENGINEERING VERKOOP MIJ. N.V. this is headed by Mr. David L. McKinney who lives in The Hague.

** The West German civil engineering equipment import/export concern WILHELM UNGEHEUER & CO KG, Karlsruhe, has formed a French subsidiary called MACHINES UNGEHEUER SARL, Strasbourg (capital F 20,000) with Herr Dieter Christoph, Fribourg, as manager.

** The Luxembourg holding company SOLAR-DRAFTEX EUROPA SA-S.E.S.A., which was formed in 1967 with an authorised capital of F.Lux. 140 million by the British engineering and foundry group SOLAR INDUSTRIES LTD, of Glasgow (see No 444) has had its issued capital raised in two separate operations to F.Lux.63.8 million, as a result of assets made by the subsidiaries Draftex (Canada) Ltd, Renfrew, and Draftex GmbH, Viersen. At the same time Messrs. Charles Thomson and Robert K. Hill have been appointed directors in the place of M. J.G. Delauney.

** The West German manufacturer of gas and oil burners H. SAACKE KG, Bremen, has strengthened its foreign sales network with the formation in Switzerland of H. SAACKE AG, Altdorf, Uri (capital Sf 100,000).

The Bremen firm recently formed a French company H. Saacke Bruleurs a Mazout & Gaz Sarl, Pavillons-sous-Bois, Seine-St-Denis, and since 1967 has a Dutch subsidiary H. Saacke N.V, Amersfoort (see No 425).

** The American manufacturer of evaporation condensers, closed circuit cooling systems, air conditioning equipment, industrial refrigeration and cooling, BALTIMORE AIRCOIL CO INC. Baltimore, Maryland, has extended its interests to the Common Market with the formation of an almost wholly-owned manufacturing subsidiary in Brussels called BALTIMORE AIRCOIL INTERNATIONAL N.V. (capital Bf 100,000). Token shareholdings in the new company are held by the founders subsidiaries Baltimore Aircoil of California Inc, Madera, California, and Baltimore Aircoil of Canada Ltd, Georgetown, Ontario.

** HIGH VACUUM MANUFACTURING CORP, New York, has formed a wholly-owned Dutch subsidiary in Hoofendorp called CHROMEFLEX EUROPA NV (capital Fl 5 m.) for manufacture of metal products, especially special wires. The company will be directed by High Vacuum's own president, Mr. Walter G. Scharf.

** The German gear-cutting machinery concern W. FERD KLINGELNBERG SOEHNE oHG, Remscheid (also precision tools, conical bearings etc) has formed an investment company in Switzerland called KLIREM GmbH, Zurich (capital Sf 700,000), directly controlled by the local subsidiaries, Klingelnberg GmbH and Cerem GmbH.

The German company employs about 1,700 people and has another subsidiary in Milan, Klingelnberg Italiana Srl, and offices in Paris, Brussels, Rotterdam, Vienna, Barcelona, Tokyo, etc.

** The regrouping of three Dutch engineering concerns, MACHINEFABRIEK G.J. NIJHUIS NV, Winterswijk, (formerly Machinefabriek Ijzer- & Metaal Gieterij NV), NV MACHINEFABRIEK v/h PANNEVIS & ZN, Utrecht, and ROBOMA NV, Rotterdam, has been given the go-ahead by the joint export subsidiary, HOLLAND PUMPS NV, Rotterdam.

Specialising in the manufacture of pumps for ships, the chemical industry (for the manufacture of paper), the building trade and the dairy trade, the first-named of these companies is represented in Belgium by Marine Motors Agencies SA of Antwerp and in Sweden by De Laval Ljungström Pump A/B, Gothenburg, a subsidiary of the Swedish group, Zander & Ingeström A/B, Stockholm. The second of these companies manufactures, amongst other things, pumps for drainage and irrigation, cranes, etc: it has representatives in West Germany - Gottfried Hickmann, Bremen, in Italy - Servavi Uffico Tecnico Navale, Genoa, in Ireland - Anderson & Martin Ltd, Dublin, in Portugal - Empresa Nacional de Equipamentos Ltda, Lisbon etc. The third of the companies specialises in underwater drainage pumps and pumps for naval use; it has agents in a number of countries, as for example: Noggerath & Co. Hamburg, Sobatelec SA, Bois-Colombes, Hauts-de-Seine, Officine Angelo Panelli, Allesandria, Otto Anders KG, Vienna, Baumaschinen AG, Zurich, Wallwin Pumps Ltd, Warwick, Great Britain, etc.

FINANCE

** MONTREAL TRUST CO, Montreal, Canada, has taken over from the London branch of BANKERS TRUST CO, New York (see No 419), in holding its investment fund portfolio for INTERNATIONAL INVESTMENT TRUST - I.I.T., which is run from Luxembourg by I.I.T. - Ste de Gestion d'un Fonds d'Investissement SA (see No 407). The Bankers Trust branch itself only took over this function about a year ago, replacing Handel-Mij H. Albert de Baru & Co NV, Amsterdam (member of the Brussels group Ste Generale de Banque).

The Luxembourg concern is a subsidiary of the Panama and Geneva finance group I.O.S. - INVESTORS OVERSEAS SERVICES LTD (see No 450), through I.O.S. Overseas Funds Management Ltd, Bahamas. Mr.Bernard Cornfeld recently became its president, and he is also managing director and chief shareholder, with around 18%, while the general manager and director is Mr. C. Henry Buhl III. I.O.S. has a number of interests in Luxembourg: 1) Investors Overseas Services I.O.S. Luxembourg SA (controlled through I.O.S. Ltd, Bahamas; 2) International Life Insurance Co SA, which controls a number of insurance companies around the world; 3) Investors Bank Luxembourg SA, controlled through The IOS Bank Holding Co, Bahamas; and 4) Ste de Gestion du Fonds Commun de Placement Fonditalia SA, recently formed (see No 426) to run the Fonditalia investment trust. The group is at present issuing in West Germany certificates for its IF - Investors Fonds fund, which is administered by the subsidiary Investors Fonds Kapitalanlage GmbH (see No 447), recently formed for this purpose with Dm 1 million capital.

** The links uniting the DEUTSCHE BANK AG, Frankfurt, the AMSTERDAM-ROTTERDAM BANK NV, Amsterdam, the MIDLAND BANK LTD, London, and STE GENERALE DE BANQUE SA, Brussels - mainly through Banque Europeenne de Credit a Moyen Terme SA, Brussels (see No 441) - will be strengthened following the acquisitions of shareholdings by the first three mentioned banks in two New York banks, the BELGIAN-AMERICAN BANKING CORP and its affiliate the BELGIAN AMERICAN BANK & TRUST CO (see No 326), in which the Ste Generale de Banque holds direct interests of 53.6% and 46.7%.

The move will make available more funds to deal with ever-growing investment requirements on either side of the Atlantic, and the member banks will aim at boosting closer ties between correspondent banks throughout the world, and especially in Europe and the USA. The four banks will make available a total of some $38 million, so that the capital of the New York banks will now stand at $70 million (deposits worth $170 million). As from May these will become the EUROPEAN-AMERICAN BANKING CORP and the EUROPEAN-AMERICAN BANK TRUST CORP CO respectively, with Mr. J. Cattier (who joined the board a few months ago) as chairman and M. Paul Verhagen (who replaced M. Louis Van Damme in 1967) as president. They will be controlled by the Belgian, British and West German banks (28.57% each) and the Dutch bank (14.29%).

** The BANK OF MONTREAL LTD (see No 441) has strengthened its Common Market interests with the acquisition of a minority shareholding in BANQUE TRANSATLANTIQUE SA, Paris, and will be represented on the latter's board by its managing director, Mr. R. D. Mulholland. The Canadian bank has had a Paris branch since 1956, and in 1962 it opened an agency in Düsseldorf. Recently it took a minority shareholding in the Hamburg merchant bank JOH. BERENBERG GOSSLER & CO.

The French bank had credit accounts worth some F 164.9 million at the end of 1967, and during the same year its capital was raised to F 10 million. It is controlled by C.I.C. - Credit Industriel & Commercial SA, Paris (62.7% - see No 390), whose subsidiaries and affiliates will now be able to offer a wider range of services to their clients as the result of a co-operation agreement simultaneously signed with the Canadian bank.

** CIE FINANCIERE DE PARIS - COFPA SA (see No 262), a 96.4% interest of FIAT-FRANCE SA - FFSA, Paris (see No 407), is to make over most of its assets to the BANQUE ROTHSCHILD SA group (see No 451) in exchange for FFSA taking a minority shareholding in the latter.

FFSA is a 75% interest of the Turin automobile group FIAT SpA (see this issue), which has a direct and indirect shareholding through its Swiss holding company Internazionale Holding Fiat SA, Lugano. Copfa's interests are mainly concentrated in Ste Financiere de Decentralisation "Promodec" SA, Paris, and Banque Hypothecaire Europeenne.

FOOD & DRINK

** The Dutch NV VERENIGDE TEXTIEL- & OLIEFABRIEKEN, Krommenie, has formed a subsidiary in Brussels to its Wormerveer division CROK & LAAN, called CROKLAAN (BELGIE) NV. This has Bf 250,000 authorised capital, and is to produce, import, export and trade in food stuffs. Its president will be M. W. K. Sijpesteijn J. C. Zn, director of the parent company.

Verenigde Textiel- & Oliefabrieken has two sectors of activities: 1) Its Crok & Laan division produces vegetable oils and foods (coconut and palm oil, cocoa butter) and animal foods; 2) its division TUFTON TAPIJFABRIEK - which has a sales subsidiary in West Germany called Tufton Teppich GmbH, Kleve - produces tufted carpets and rugs.

HOVERCRAFT

** French efforts to find foreign sales markets for their hovercraft, the "Naviplane" have just received a boost. As the result of an agreement between S.E.D.A.M.-STE D'ETUDES & DE DEVELOPEMENT DES AEROGLISSEURS MARIN - the hovercraft development company - and the FIAT SpA group of Turin, the Italian firm will help to develop the French hovercraft by making available its technical and engineering skills and in return may be granted a "Naviplane" licence, held by M. Jean Bertin of Bertin & Cie.

Sedam was established in July 1965 with F 100,000 capital, by Chantiers de l'Atlantique (Penhoet-Loire) SA (see No 451), Cie Generale Transatlantique SA (see No 447) and Bertin & Cie SA, Plaisir, Yvelines. Today Sedam has a capital of F 19.5 million, its shareholders include Nord Aviation SA, Kleber-Colombes SA, Rivaud & Cie ScS, C.F.P.-Cie Francaise des Petroles SA, Hispano-Alsacienne SA, Breguet-Aviation SA (part of the Dassault group), and Faugere & Jutheau. In 1967 it took part in the formation of Naviplanes-Cote d'Azur SA (capital F 1 million) to run a regular hovercraft service along the Cote d'Azur, which is due to start early this summer. Other backers of the venture are Cie Generale Transatlantique, C.F.P.-Cie Francaise des Petroles (through Total, Cie Francaise de Distribution SA) and Caisse Centrale de Credit Hotelier, Commercial & Industriel.

INSURANCE

** The Miami, Florida, holding company SEABORD CORP (headed by Mr. Irving Salomon), which in February of this year gained control (80%+) of the Miami concern SEABORD LIFE INSURANCE CO, has made an agreement with the Genoese firm ITALIA ASSICURAZIONI SpA (of the Milan group Montecatini-Edison SpA), with a view to introducing new forms of commercial insurance into Italy, and, when the requisite authorisation has been obtained, issuing certificates for investment trusts.

** SAVOIA-ASSICURAZIONE & RIASSICURAZIONI SpA, Milan (see No 300), has formed a 60% life insurance subsidiary called SAVOIA VITA SpA (capital Lire 500 m.). The president of the new company is Sig. Guido Sforni, director general of the founder, and a minority shareholder in the Swiss ASSEKURANZ SYNDICAT AG, Chur, formed early in 1966 with Sf 90,000 capital.

Savoia itself has Lire 750 million, and its president is Sig. G. Menotti de Francesco. Its chief director is Herr L. Th. von Rautenstrauch, president of the Cologne insurance group AGRIPPINA (see No 419).

** STE GENERALE DE BELGIQUE SA (see No 452) has wound up its Brussels subsidiary CIE D'ASSURANCES D'OUTREMER SA (see No 394), and in charge of the operation has placed MM. de Morchoven, Houtay, de Strycker and Herinck. The company in question was controlled both directly and through a number of affiliated companies, such as Cie Belge d'Assurances Generales sur la Vie & Contre les Accidents SA (see No 408), Royale Belge Vie Accidents SA (see No 414), Cie des Proprietaires Reunis SA, Union Miniere SA (formerly Union Miniere du Haut Katanga SA - see No 445), Sibeka-Ste d'Entreprises & d'Investissements du Beceka SA (see No 451), all in Brussels, and Cie Belge d'Assurances Maritimes-Belgamar SA, Antwerp, etc.

OIL, GAS & PETROCHEMICALS

** INDEPENDANT PETROLEUM EXPLOITATION ORGANISATION - I.P.E.O. Sprl, Liege, has linked 50-50 with PETROTANK Sprl, Flemalle-Grande, in forming on the premises of the latter a company called OIL KINGS PETROLEUM (O.K.) SA. This has Bf 1 million capital, and is directed by MM. Albert Dutz and Lambert Marque, executive directors of the parent companies. It is to plan, build and run service stations, import, export and distribute petroleum and chemical products, oil and lubricants, and will make and transport these items.

PHARMACEUTICALS

** The Turin group SCHIAPPARELLI SpA-STABILIMENTI CHIMICI RIUNITI SpA (capital Lire 450 m.) is about to absorb a subsidiary formed locally only a short time ago, ORLOV SpA. The latter distributes cosmetics sold by chemists, and in Italy acts as agent for Nexell Corp, Baltimore, Maryland, known for its "Noxzema" products.

** The American chemical and pharmaceutical group ROHM & HAAS CO, Philadelphia (see No 372), has extended its indirect Italian interests in sales of veterinary products by forming WHITMOYER TORINO SpA and WHITMOYER MILANO SpA in Milan with Lire 1 million capital in either case. These are directly controlled by FILITAL INDUSTRIE CHIMICHE SpA (see No 268), its manufacturing and sales agent for Italy.

Filital Industrie Chimiche produces chemicals for agriculture and industry in its factories at Treviglio and Mozzanico, Bergamo, and has sister companies in France and Britain. For veterinary products, the American group also runs Whitmoyer subsidiaries in Antwerp and Barking, Essex.

PLASTICS

** POLYURETHAN KUNSTSTOFFVERARBEITUNGS GmbH, Bruck, Leitha, the Austrian subsidiary of ELASROGRAM GmbH, Munich, has opened a branch in Salzburg.

The parent company (capital Dm 1 m. - plastics and rubber processing), is itself a wholly-owned subsidiary of the Swiss holding company ELASTOMER AG, Chur (capital Sf 6 m.). In Germany it has some ten subsidiaries in this sector, including Lemförder Kunststoff GmbH & Co KG, Lemförde (capital Dm 1 m.), and Kunststoffbüro Osnabruck Dr Reuter & Co KG, Lotte (Dm 2.5 m.).

** FONDERIES & POELERIES DE TAMINES SA, Tamines, Namur, in concentrating and rationalising production (see No 427), has made over certain of its buildings and land in Tamines to HUBIMONT FRERES SA, Vilvorde, in return for a stake in the latter of 17.6%. Hubimont Freres already occupies this territory.

Hubimont Freres, which makes polyurethene foam and rubberised horse-hair for the motor and furnishing industries, recently raised its capital to F 45 million to further expansion, and has a new shareholder (36.3%), EUROFOAM SA, Brussels (see No 451), a member of the Ste Generale de Belgique SA group through P.R.B. - Poudreries Reunies de Belgique SA (see No 448).

** Formed in West Germany in 1963 as a subsidiary of the Dutch plastic foam concern RECTICEL NV of Kesteren (see No 403), RECTICEL DEUTSCHLAND KUNSTSTOFFE GmbH, Kevelaer, how has a second interest in the country in the shape of a new branch office, opened recently in Gieranderhöhe called I-PUNKT.

The parent company, the biggest producer of polyurethane in the Netherlands, also has subsidiaries in France, Belgium and Switzerland.

** The French plastics processing concern GROSFILLEX FRERES-GROFILLEX, FANTASIA ARBAN Sarl, Arbent, Ain (see No 315), has formed a Wiesbaden subsidiary called GROSFILLEX GmbH (capital Dm 60,000), managed by Herr Helmut Selke, Brussels. The founder (capital F 2.64 m.) is well known for its "Grosfillex" household goods, "Fantasia" seats and tables and "Arban" partitions, blinds and shutters. Its production facilities are in Arbent (around 400 on payroll), and there are storage depots at Levallois-Perret, Hauts-de-Seine. Abroad it has similarly named companies in Turin - Grosfillex SpA - and in Forest-Brussels - Grosfillex SA. Both of these were formed in 1965.

** The Paris company STE PRECO SA (see No 427) has opened an Antwerp branch under M. Robert Weill, Paris. The parent concern was established in August 1967 (see No 421) to manufacture ceiling, floor and wall-coverings.

Preco (capital F 2 m.) was formed as the result of an agreement between Linoleum SpA, Milan (see No 431 - a joint subsidiary of the Pirelli and Montecatini-Edison groups), Montvilliers SA, Paris (a member of the Montecatini-Edison group), Pirelli France SA, Paris (wholly-owned subsidiary of Pirelli - see No 453), Sommer SA, Paris (see No 446), and Dreyfus & Cie Sarl, Paris.

SERVICES

** LEASCO DATA PROCESSING EQUIPMENT CORP, New York, is extending its sales network in Europe (see No 439) by setting up a subsidiary in Brussels, LEASCO BELGIUM SA. Under the direction of Messrs. Peter J. Stevens and Laurent L. Janssens, the new venture is to have a capital of Bf 5 million, controlled by a subsidiary of the American group Leasco Europa Ltd, New York. The president of the company is Mr. S. P. Steinberg. With a subsidiary in Paris directed by Mr. L. L. Janssens, the latter mainly uses Control Data computers, and it already has subsidiaries in West Germany (Frankfurt) and in the United Kingdom (London).

SHIPBUILDING

** The Italian regional development company SOC. FINANZIARIA REGIONALE DEL FRIULI-VENEZIA GIULIA SpA, Trieste, which is backed by State funds, has taken a 35% interest in the shipbuilding and repair concern NAVALGIULIANO SpA, whose capital has been raised to Lire 700 million. Run by M. Segarich, this has taken over the business of the former Trieste shipyard Felszegi, Muggia, which has been closed down. It is also an affiliate of I.M.I. - Istituto Mobiliare Italiano SpA.

TEXTILES

** One of the world's leading hemp firms LINIFICIO & CANAPIFICIO NAZIONALE SpA (see No 439) is to rationalise its interests by taking over two of its Milan subsidiaries. These are Industria Canapiere Italiana SpA (capital Lire 60 m.) with a factory at Cento, Tenara, and Canapificio Veneto Antonini & Ceresa SpA (capital Lire 300 m.) and production facilities at Crocetta del Montello, Treviso.

TOURISM

** The automobile club NEDERLANDSCHE VEREENIGING VAN ARTSEN-AUTOMOBILISTEN (V.V.A.A.) of Utrecht, the automobile club for the medical profession, has set up a holding company, NV HOUDSTERMIJ. VAN DE NEDERLANDSCHE VEREENIGING VAN ARTSEN-AUTOMOBILISTEN, Utrecht, with a capital of Fl 1.35 million; the club has contributed the absolute control of the following Utrecht companies to the new holding company: 1) Schadenverzekeringmij. van de Nederlandsche Vereeniging van Artzen-Automobilisten (S.V.A.A.) with a capital of Fl 1 million, accompanied by its recently-formed subsidiary NV Levensverzekeringmij. van de Nederlandsche Vereeniging van Artsen-Automobilisten (L.V.A.A.) with a capital of Fl 3 million; 2) NV Reis & Passagebureau van de Nederlandsche Vereeniging van Artsen-Automobilisten (R.V.A.A.) with a capital of Fl 100,000, a travel agency; and 3) NV Assurantie- & Financieringsdienst van de Nederlandsche Vereeniging van Artsen-Automobilisten (A.V.A.A.), with a capital of Fl 50,000, which carries out all kinds of financial, economic and legal work.

** CIA DI ASSICURAZIONE DE MILANO SpA (see No 431) has sold its 10% holding in the finance and portfolio company NAZIONALE SVILUPPO IMPRESE INDUSTRIALE, Milan (see No 376), on whose board it was represented by Sigs. A. Cesabianchi and F. Jacini, to a group of foreign shareholders, represented on the board by Messrs. Michele Sindona and Ernest Gutzwiller.

Nazionale Sviluppo has a 32.8% holding in the Venice hotel group C.I.G.A.-Cia Italiana Grandi Albergi SpA (see No 406), which has just played a part in the recent setting up of Aerhotel SpA (in association with two state-owned concerns - Alitalia SpA, a subsidiary of I.R.I., and S.M.E.-Sta Meridionale Finanziaria SpA of Naples - see No 452). The new firm is to construct and run first class hotels, both in Italy and abroad, especially hotels catering for tourists who fly in.

TRADE

** The second-ranking West German mail-order group OTTO VERSAND KGaA, Hamburg (see No 432), has backed all of the increase - from F 1,000 to F 500,000 - of the Paris company REGIE-VENTE SA. This was formed in 1960 by M. Maurice de Montagu, and since 1966 has controlled two foreign subsidiaries: Paris Club Versand GmbH, Frankfurt (capital Dm 20,000), and Paris Club SpA, Milan (Lire 2 m.).

The Hamburg group is controlled (50%) by Herr Werner Otto, and its 1967 turnover of Dm 665 million was double the figure for 1964. One of its most recent moves was the signing of an agreement covering air tours with the Hanover agency Hummel Reise GmbH & Co KG - whose business is now co-ordinated by the consortium of Touropa-Scharnow-Hummel-Tigges (see No 447). The firm has some 3,000 people on its payroll, and apart from its mail-order interests (its latest catalogue has over 10,000 articles), it runs a number of large stores in Hamburg.

Two other West German mail-order firms operate in France: Friedrich Schwab AG Uberlandversand, Hanau (controlled by the American group The Singer Co - see No 445), and Grossversandhaus Quelle Gustav Schickedanz AG, Furth (see No 423), through its subsidiary Quelle France SA, Paris and Saran, Loiret.

** BELUNION SA (see No 378), the Luxembourg investment company of the Dutch clothing and chain store group NV ALGEMENE CONFECTIEHANDEL VAN C. & A. BRENNINKMEIJER, Amsterdam (see No 445), has formed on its own premises a holding company called FONDOR SA (capital Lux F 500,000), whose board includes Messrs. Rudolf W. Brenninkmeijer, Henri J. H. Cloudt, Pointe Claire and Wilhem Geurtz, Düsseldorf.

Belunion (capital Lux F 83 million) is directly controlled by the Amsterdam holding company Surrey Beheermij NV, although seven of the group's subsidiaries also have token shareholdings. C. & A.'s Common Market interests include C. & A. Brenninkmeyer GmbH, Düsseldorf, C. & A. Belgie NV, Brussels, Ste C. & A. France SA, Paris, Mondial-France SA, Paris, Mondial Italiana SpA, Milan.

TRANSPORT

** INTERCONTAINER - STE INTERNATIONALE POUR LE TRANSPORT PAR TRANSCONTAINER Scs, which was formed in Brussels during December 1967 to co-ordinate and speed development of container transportation systems by European rail systems, has opened a Basle branch, where its head office will operate.

The firm's Bf 12 million capital is shared equally between INTERFRIGO-STE FERROVIAIRE INTERNATIONALE DE TRANSPORTS FRIGORIFIQUES Scs, Brussels (see No 373), and 11 national rail organisations: Belgium, Britain, Denmark, France, Hungary, Italy, the Netherlands, Spain, Sweden, Switzerland and West Germany.

** Following the concentration in the Netherlands between the transport and warehousing group BLAAUWHOED NV, Amsterdam, and PAIKHUISMEESTEREN NV (see No 426), two other transport undertakings, this time from Rotterdam, WM. H. MUELLER & CO NV (see No 450) and THOMSEN'S VERENIGDE BEDRIJVEN NV (see No 459), have decided to go through with a similar move; this has taken the form of a take-over of the second firm by the first.

Thomsens (capital Fl 24.9 m.), which employs somewhere in the region of 3,700 people, sold its interests in the Dutch NV Amsterdamsch Havenbedrijf, Amsterdam, and the German companies Internationale Stauerei- & Transport-Agentur GmbH, Hamburg, in order to regroup its main activities in Rotterdam and Antwerp.

In the Netherlands, the company recently took control of Wambersie & Zoon C.V.O. of Rotterdam; abroad, the company has holdings in half-a-dozen South African warehousing and wharfage concerns, as well as in a number of German transport concerns. Wm. H. Müller (capital Fl 60 m.), which is headed by the holding company National Bezit van Aadelen Wm. H. Müller & Co, carries out work in five principal sectors: 1) in the mineral trade through its subsidiaries in Düsseldorf, Genoa, London, New York, Rio-de-Janiero, as well as in West Germany (V.E.M. Erz & Stahl GmbH, Essen) and in New York (Iron Ore Corp of America and International Briquetting Corp); 2) in mining in Spain (Bilbao) and in Brazil (Belo Horizonte); 3) in river and sea shipping through its subsidiaries in London, Bremen, Hamburg, Düsseldorf, Paris, Bilbao, New York, etc.; 4) in travel agents; and 5) in warehousing and wharfage.

** The British shipping company LOVELL'S SHIPPING & TRANSPORT GROUP LTD, Bristol, has formed a warehousing and container transportation concern in Düsseldorf under the name of SEAWHEEL GmbH; with a capital of Dm 20,000, its director is Mr. John Lawrence.

The founder company, which in Bristol controls Seawheel Ltd, also has four subsidiaries at Antwerp; Imperial Stevedoring Co SA, Cie Belge Transmarine SA and Bristol Shipping Agency SA (formed respectively in 1929, 1938 and 1945) and Seawheel Pvba (formerly Anglo-European Transport Services Pvba).

VARIOUS

** UNITED INDUSTRIAL DIAMONDS NV, the Antwerp subsidiary of the London group STAR DIAMOND CO LTD (see No 358) through another Antwerp firm, STAR DIAMOND CO (BELGIUM) NV, has itself formed a London subsidiary, UNITED INDUSTRIAL DIAMONDS NV (U.K.) LTD (capital £1,000).

The British group is also linked in Antwerp with the American firm Antwerp Industrial Diamond Co, New York, within Antwerp Industrial Diamond Co NV. Its other Belgian interests compromise two other firms based in Antwerp; Glasol NV and Gemstar NV.

** Herr Hellmuth Lemm, head of the Trier firm INDUSTRIEWERKE LEMM & CO GmbH (see No 329), has gained a majority interest in the Augsburg shoe firm AUGUST WESSELS SCHUHFABRIK GmbH (see No 334), until now owned equally by Herr Walter Heuking and the Wessels family. With a capital of Dm 3 million, this has 1,500 people on its payroll, and its considerable Italian interests are run by Sta Finanziaria di Werner Schulz Sas, Milan, which also controls the manufacturing company Calzaturificio Wessel-Baldan & Co SpA (production facilities at Stra and Cervino).

In 1967, Industriewerke Lemm had a turnover of Dm 91 million from its "Romika" brand products. Its foreign interests include: in France, Capla SA, Barr, Bas-Rhin; in Luxembourg, Rocatex-Ste du Caoutchouc & des Textiles SA; and in Spain, Romika - Iberica SA, Reus, Tarragona.

** An agreement between eight Dutch furniture firms has resulted in the formation of VERENIGDE HOLLANDSE MEUBELEXPORT-VEHOMEX NV, responsible for their export sales. The founders are STOEL- & MEUBELFABRIEK H/A VAN BERKESTEIJN NV, Waddinxveen, HILVERSUMSCHE MEUBELFABRIEKEN NV, Tiel, MEUBELFABRIEK HUTTEN NV, Kaatshenval, MEUBELFABRIEK RAANHUIS & ZONEN NV, Oosterbeek, ZIJLSTRA'S MEUBELFABRIEK NV, Joure, ZWIJNENBURG'S MEUBELFABRIEK NV, Schoonhoven, MEEUWIS KARAKTERMEUBELEN NV, Oirschot, and MEUBELINDUSTRIE MADOCA NV, Oosterbeek.

** A 50-50 agreement between the British firm C. A. NORGREN LTD, Shipston-on-Stour, Warwickshire, and Belgian interests represented by M. Henri Bouhy, Beaupays, Liege, has resulted in the formation in Liege of TECHNOFLUID SA (capital Bf 3.5 m.). This will trade in and manufacture products used in work with compressed air, fluids, and lubricants. President of the new concern is the chairman of the British founder, Mr. Bertrand Bosley, whilst the managing director is M. Henri Bouhy.

LATE FLASH

FINANCE: The Yugoslav bank KREDITNA BANKA, Ljubljana, has received authorisation from Bonn to open a branch in West Germany. The new concern, the main object of which will be to handle banking operations for the 85,000 Yugoslav nationals living in West Germany, will be based in Munich with DEUTSCH- SLOVENJALES VERWALTUNGS- & HANDELS GmbH (capital Dm 20,000), formed in September 1966 with MM. Marjan Radic and Mirco Zornik as managers.

INDEX OF MAIN COMPANIES NAMED