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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

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FRANCE AND THE COMMUNITY CRISIS I

General de Gaulle's latest press conference has not yet led to any change in the crisis in the Common Market, which began with the break-down of talks on June 30 and France's withdrawal from the Council of Ministers' meetings. Insofar as his statement repeated what he said before, the position was merely confirmed. At the same time, the uncertainty into which the Community had been plunged has not in any way been diminished, and given the additional factor of the German elections, the Community crisis may, for the time being at any rate, be taking a turn for the worse. What the General seems to want is for the Commission to disappear into the background for a time, while the governments revive the Community and, between themselves, establish the bases of renewed discussion. But he did not indicate how or when this could be done.

The General talked a good deal of the past before going on to discuss the future. What he said about the past is open to question, as indeed often happens when polemics take over from factual analysis. What matters and what it is useful to discuss are his views of the present situation, and what he suggested might be a way of getting out of the present deadlock. But, in order to do that, it is necessary to have a look at what he considers to be the origins of the crisis before going on to see just how the future might develop.

It is hard to agree, for instance, that the ECSC, Euratom and Common Market treaties were largely based on "what the others wanted". When the Monnet-Schuman Plan was launched in May, 1950, the International Ruhr Authority was on the point of collapse, the limitations that had been imposed on German industry after the war about to be suppressed, and the newly emerging federal Germany was about to recover "power over its coal and steel". However, the pooling of these industries carried out under the auspices of ECSC firmly attached the new Germany and its former arsenal to Western Europe. As for the French steel industry, which was at first rather cautious in its approach to ECSC, it has certainly not had to complain of the system since then, for it has expanded continually since 1952, just as the German industry has.

All those who followed the preparation of the Treaty of Rome can remember the tough terms which the French delegation presented and the stiff battle it fought to make sure that French interests would be properly taken into account. Ultimately the Treaty was a compromise between all the national interests involved, precisely in order that what had been national economic problems should become common problems and be resolved jointly. But in this compromise, France just because she has been the prime mover in the Treaty and the pivot of the agreement, obtained the biggest concessions to her interests for she managed to get the others to include safeguard clauses (especially for her agriculture), the Association of her overseas countries and territories which were then not yet independent (to be financed by the Six as a whole), and the basic essentials of a common economic policy including the harmonization of social welfare benefits. As for agriculture, far from having been "forgotten", it was covered at France's insistence by ten articles in the Treaty. Fundamental differences of tradition, production methods and structure, meant that the Treaty's aims for agriculture were not put into effect at the same time as those for industry; looking back, however, over these last years, it is hard to see how the Common Market could ever have got off the ground if the negotiators had insisted that both the industrial side and the agricultural side should be simultaneously brought into operation. In the long term, no European Community is conceivable without agriculture, and France has been right to fight - alongside the Common Market Commission - for this point through the years since the Community started. But ought progress on the industrial Common Market to have been sacrificed in order to wait for the agricultural one? The tremendous economic and social growth of the Community has already given the answer.

It is equally hard to agree that "In 1957 the Common Market still only existed on paper, because France's chronic balance of payments deficit "had forced the organization into being all talk and no action". The deadline had in fact been inscribed in the Treaty from the very start: the inauguration and establishment of the institutions was to take place on January 1, 1958, and the Common Market was go begin to come into effect on January 1, 1959. It is certainly true - and this is what the General was no doubt thinking of - that France was only able to face the second of these deadlines without asking for the application of any of the safeguard clauses as a result of her financial and monetary rehabilitation, which he undertook at the end of 1958. This was indeed the proof that the General, whatever his previous views, had accepted the Common Market, was going to honour France's commitment, and without any arrieres pensees, was going to play the game. And was it not on the basis of the Treaty itself that the General claimed in January 1963 that Britain was still not ready to enter the Community? As for the General's statements (now repeated on two occasions) that the European Parliament has no national mandate, it is only too easy for the "federalists" to answer "That is hardly the point."

An examination of the second part of the General's statement on Europe leads to the question of the Community's agriculture policy. The shouts of "Victory for the Community" were perhaps a little premature when in December, 1964, the first important agreement on the agriculture policy was made. Considering what has happened since, it is possible that the Commission and the Six (including France) were wrong to limit the agreement on fixing common prices to grain without also including beef, milk, fruit and vegetables. It might also have been wiser to establish the financial regulation of the agriculture policy immediately; without this the system of levies on imports of food has remained incomplete as there is no agreement as to how to make use of the revenue they produce. Instead, under the pressure of the deadline, everybody resigned themselves to accepting a bastard agreement, and that had not yet been completed. It now seems that the French have been the first to regret this. On the one hand, they feel that they were forced to press ahead with an inadequate agreement by the strong resistance they encountered from the Germans, who, as large importers of food, were in no hurry to pay the costs of the agriculture policy, and by the demands from the Italians, whose position (on imports of food) had changed since the original agreement of 1962. On the other hand, they fear that Community prices for grain will still be too high, and may lead to excessive surpluses in grain production in France, a country where grain surpluses are already considerable, but where there are still shortages of meat.

The second mistake was made by the Germans, Italians and Dutch, who were bound to establish the finance regulation for agriculture by June 30, 1965, but turned round and thought they could "stop the clocks", without realizing that the political climate in the Community had by then deteriorated considerably. This was the direct result of the Commission's proposals of March 31,linking the financing of the agriculture policy to a Community budget based on revenues from the levies and customs duties, to be put under the control of the European Parliament (see No.312, p.12). If the two problems had not been linked, and if the finance regulation had then been adopted while leaving for later consideration the "political" proposals of the Commission - as it finally suggested itself in its most recent memorandum of July 20 - the crisis would have been averted. The General, however, reproaches the Commission and those member countries which supported it, not only for having "suddenly dropped its political reserve" in making these proposals, but also that it submitted them to the European Parliament for its views without having consulted the Governments first. In fact, what the President wishes to do is to prevent the Commission from continuing with what he calls "its excessive encroachments" on the political side. Thus, what is really new in the situation created on June 30 is that the General - as he clearly showed in his press conference - wants to teach the Commission a lesson - or "punish" it in some way - rather than one of his partners in the Community. Indeed, it is this institutional aspect of the crisis which makes it so serious. Across the general statements of the press conference, one can discern that, as far as the French Government is concerned, certain points are indissolubly linked: the rapid achievement of the common agricultural policy, the Council of Ministers' voting procedure, and the definition of the role and powers of the Common Market Commission.

1. Common Market for Agriculture

Taking these three points one by one, the establishment of the agricultural Common Market remains a matter of the first importance for France, and this is quite understandable. Annoyed by the slowness of progress, the delay over certain deadlines, and the large gaps still to be filled, France's negotiators seem to have decided not to start talking again without an assurance that the finance regulation will be agreed at once, that prices for beef and milk will be fixed, and that these products will be organized on a Community basis. France's partners in the Community know that she needs the common market for agriculture, especially the outlets in Italy and Germany which it provides, to sell her surpluses. But they also know that the whole of the Kennedy Round of trade negotiations at Geneva will be held up so long as a satisfactory agreement on the problems of agriculture has not been reached.

Germany being in both cases the member country most involved, everything will depend on the position which the new Government that emerges from next Sunday's elections will take.

2. Majority Voting in the Council

The voting procedure of the Council of Ministers was mentioned for the first time by General de Gaulle in his press conference when he spoke of the move into the third stage of the transitional period of the Common Market on January 1, 1966, a date which is laid down in the Treaty, and is irrevocable. Only a proposal from the Commission, and accepted unanimously by the Council of Ministers - which would be extremely unlikely - can postpone this deadline. As a result, from January 1 onwards, a large number of the Council's decisions, until now taken unanimously, will be taken on the basis of a qualified majority. Germany, France and Italy, each have four votes, Belgium and the Netherlands each have two, and Luxembourg has one; out of a total of seventeen, twelve will be needed to make a majority (whatever their national origin) when deciding a proposal from the Commission (and twelve votes from at least four countries will be needed when the proposal has come from a member country). In his press conference, the General gave the impression that from January onwards all decisions will be taken on this qualified majority basis. The Treaty of Rome, however, lays down that for a certain number of important questions, unanimity will remain the rule during the third and last stage of the transition period. These points include the harmonization of taxation, the admission of a new European member, Association agreements with other countries, groups of countries or international organizations, air and sea transport policies, and the harmonization of laws and regulations in certain fields affecting the functioning of the Common Market. In addition, article 235 stipulates that where the Treaty has not provided the Community with the necessary powers of action to achieve one of its objectives, the Council shall adopt the appropriate provisions by a unanimous decision after consulting the European Parliament.

This wide range of exceptions to the majority voting rule ought to satisfy the partisans of the unanimity rule, and it is quite out of the question that the General does not know of them. No doubt he brought up this problem because he was thinking of the Commission's proposals of March 31, and because he fears new "excessive encroachments" by the Commission which might be approved by a qualified majority in the Council; and he was also, of course, thinking of the common agricultural policy. The Prime Minister, M. Georges Pompidou, and his foreign minister, M. Couve de Murville, had indeed preceded him with statements of a similar kind. Now the General himself said that qualified majority voting would have the effect of "allowing what had appeared to be achieved in the agricultural sector to be after all called into question in spite of France's interests". He then implicitly asks for at least one additional exception to the majority voting rule by suggesting that on the one hand important decisions on the common agricultural policy taken before January 1, 1966, should only be revised unanimously, and that all decisions not yet taken by that date should also only be made unanimously. In the first case, he bases his argument on a precedent: at the request of the Germans, a protocol was added to the agreement of December 15, 1964 by the Council stipulating that the prices agreed for grain could only be changed unanimously. In the second case, his argument is based on the hypothesis - which is becoming more and more likely - that the important decisions that remain to be taken for the common agricultural policy to be completed will not be taken before next January, and thus could be subject to the qualified majority rule. It appears that the General is also expecting the exceptions to be extended to other fields such as the common trade policy in which his differences with his partners on trade with the east bloc and long-term credit to Communist countries are well known. This emerges from his statement "France would be exposed to seeing her hand forced in any economic question, and as a result social question or often even political question."

General de Gaulle also stated, without drawing any conclusions from it, that from January 1 onwards, a unanimous decision of the Council would be needed to change any of the Commission's proposals - which is laid down in article 149 of the Treaty. This, of course, has nothing whatsoever to do with next January, or the third stage of the transition period, for it has always been the rule. What General de Gaulle meant was that from the French point of view, the move into the third stage and qualified majority voting makes this rule more important than it was before. Up to now, as unanimity was required for every decision, the Commission had often to modify its proposals itself, in order to take into account the changes proposed by the member states. From next January onwards, a proposal from the Commission which gets the approval of a qualified majority in the Council would have rather less chance of being changed (along the lines that the minority had proposed) if unanimity in the Council is needed to get the Commission to make the amendments. In other words, France would like to change the voting procedures in such a way that unanimity or qualified majority voting will be required for agreeing a proposal and for amending a proposal, depending on the subject involved; thus the same procedure would hold all through the discussions on any given subject. Paradoxically, it was a passage in a speech given last March in London to the British Institute of International and Comparative Law by President Hallstein of the Common Market Commission that alerted the French to this problem; in the speech President Hallstein pointed out that article 149, which at present has "no great practical significance", would become more important to the Commission in fields where "the Treaty allows majority decisions."

(The second part of this article will be appearing next week.)

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A Postscript to "Getting Dollars at Home & Abroad"

Last week's Comment outlined a method of creating liquidity for the two countries which issue reserve currencies, the United States and Britain, by suggesting that they should obtain the assistance of those of their large private companies which have access to credit facilities on the international capital market. This idea may seem Utopian, particularly as the sums raised in this way would have to be very large before they made an effective contribution - say \$5,000 million dollars for the USA and about £500 million for Britain.

Since last week, however, the remarkable news of ICI's new loan issue has come in: about £1,050 million has been subscribed, 21 times the £50 million issue. So last week's estimate of the resources which the large industrial companies could raise now looks too modest, always provided that the terms are attractive enough. They certainly were in the case of ICI; using hindsight they may be thought too attractive, for the interest rate was $7\frac{1}{4}\%$ and the issue price $98\frac{1}{2}$. The issuing house, J. Henry Schroder Wagg & Co. Ltd., does not know how the amounts subscribed were divided between home and abroad, but it is interesting that the issue was not advertized outside Britain. Whatever the proportions of British and foreign subscription, the conclusion which concerns us is clear: attractive terms will always bring in more than the estimated resources, in any market. And if an ICI loan for 20-25 years without security can attract applications [illegible] nearly \$3,000 million, several of the European transactions undertaken in the last two or three years by American companies of the standing of General Motors, IBM or Standard Oil of New Jersey could plainly have raised two or three times as much. Support of this kind would dispel any doubts about the level of the American reserves for a long time ahead. Some means should however be found of preventing a certain quota of such a loan being subscribed with the help of American capital, attracted by interest rates higher than those to be obtained in the United States.

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19	PHARMACEUTICALS	France: BRISTOL-MYERS, New York forms a Paris subsidiary.
20	PLASTICS	Belgium: FRITZ LEYSEN backs a new firm, DELTAPLAST.
20	PRINTING & PUBLISHING	Austria: MAENNER & VOOES LUXUSKARTENFABRIK, Hamburg forms a Vienna sales company. Belgium: DESCLEE FRERES, Tournai take shares in DESCLEE-DE BROUWER EDITEURS, Brussels; an Italian forms S.E.F.I., Brussels.
20 - 21	TEXTILES	Africa: M.J. WILLOT and the Central African government form L'INDUSTRIE COTONNIERE CENTRAFRICAINE 60-40 at Bangui. France: ETS SCHAEFFER acquires 71.1% in ST AMARIN, Paris; EMSDETTER BAUMWOLL-INDUSTRIE RUD. SCHMITZ forms GARDISETTE at Chatillon-sur-Bagneux. Netherlands: ETS TEXTILES FERNAND HANUS and ALG. VERKOOP UNIE join to form HANAL at Amsterdam.
22	TOURISM	France: TRIGANO-VACANCES, Paris forms MONTROUGE-VACANCES. W.Germany: Capital of HANNOVER INTERCONTINENTAL HOTELS raised from DM 2 to DM 5.9 million, I.H.C. of New York retaining control; DIVCO-WAYNE of U.S.A. takes over a caravan firm.
22 - 23	TRADE	Belgium: ELEM INTERNATIONAL, Paris takes over ETS. GILENBELETAL, Molenbeek-St Jean. France: SCHICKEDANZ INTERNATIONAL, Nuremberg appoints M. Hilaire president of QUELLE, Paris. W.Germany: The Osaka group, C.ITOH turns its Düsseldorf agency into a branch.
23 - 24	TRANSPORT	Netherlands: FIRMA H.W. VAN GORP & ZONEN merges with PIETERSEN & CO'S AUTOMOBIELBEDRIJF. Belgium: American interests from TRANSUNION, Brussels. France: LINEA C. GIACOMO COSTA FU ANDREA, Genoa and TRANSATOUR, Paris form COSTA FRANCE-STE DE PASSAGES PAR PAQUEBOTS, Paris 50-50; American interests form VANTAC CARRIERS (FRANCE) in Paris.
24	VARIOUS	Austria: VER. BAUBESCHLAGFABRIKEN GRETSCH of Germany (ironwork) forms a Salzburg subsidiary. France: Swiss interests form SAMEL-FRANCE-STE AFRICAINE DE MATERIEL D'ENTRE-

PRISE & DE LOCATION in Paris (civil engineering equipment); KEDI-VONIC formed at Levallois-Perret to take over the businesses of KEDI, Paris and LABORATOIRE INDUSTRIEL VONIC, Courbevoie. W. Germany: Management consultants MCKINSEY, New York open a Düsseldorf branch; MEKANPRODUKTER, Stockholm (filters etc) forms MECMAN at Hamburg.

ADVERTISING

319/13 OSBORNE, ALEXANDRE & GABLER Sarl (capital Sf 30,000) has opened a Munich branch which will be run by Herr Karl Niederauer. This company was set up in May 1964 at Geneva to coordinate the advertising, sales-promotion and public-relations programmes of the agencies OSBORNE PEACOCK LTD, London, CARL GABLER WERKE GmbH, Munich, and AGENCE YVES ALEXANDRE PUBLICITE SA, Paris. Last December (see No. 283) it formed an Austrian subsidiary at Vienna called OSBORNE, ALEXANDRE & GABLER GmbH (capital Sch 10,000).

AIRCRAFT & SPACE

319/13 The American aircraft group BEECH AIRCRAFT CORP, Wichita, Kansas (see No. 310) has set up a new sales company at Munich called TRAVELAIR SUD GmbH (capital Dm 100,000; headed by Herr Günter Schmidt).

The American group, which has had a Swiss subsidiary, BEECHCRAFT AG, Kloten (capital Sf 430,000) since February 1963 (see No. 189), has divided Europe into three main zones for maintenance and sales: 1. West Germany, Benelux and Scandinavia, which are dependent on TRAVELAIR GmbH, Bremen, in conjunction with INTAIR NV, Antwerp, TRAVELAIR OUEST SA, Brussels, and TRAVELAIR SCANDINAVIA A/B, Norköpping.

2. France, Switzerland and Italy, which are covered by TRANSAIR SA, Colombier, Neuchatel (controlled by the French group FRAISSINET), with its French subsidiary TRANSAIRCO-FRANCE Sarl, Paris (formerly SUPERCRAFT Sarl, Puteaux, Seine - see No. 211) and TRANSAIR SpA, Milan, headed by Sig. Pietro Casana of that city.

3. Britain, which is covered by SHORT BROTHERS & HARLAND LTD, Belfast.

AUTOMOBILES

319/13 As a result of negotiations which have been going on for some months between BMC - BRITISH MOTOR CORP LTD, together with its financial advisers, TOZER, KEMSLEY & MILBOURN (HOLDINGS) LTD, London, and a Belgian group including ETS BEHERMANN - DEMOEN SA, Antwerp, its subsidiary BAT - BRUXELLOISE D'AUTO-TRANSPORT SA (see No. 310), and SBAA - STE BELGE D'ASSEMBLAGE AUTOMOBILE SA, the Belgian group has made over SBAA's factory at Seneffe to BMC. SBAA was controlled 50-50 by BAT and BAUME, MARPENT & THIRION REUNIS SA, Brussels (see No. 251).

BMC has set up a wholly-owned subsidiary to run the factory, BMC (BELGIUM) SA, capital Bf 9.8 million, which will be managed at first by Mr. Peter Green; the board will include Sir George W. Harriman, Mr. Henry J.L. Suffield and Mr. Ronald J. Lucas. The new firm will assemble a whole range of vehicles for the Belgian market (the Seneffe factory turns out 10,000 vehicles a year and its capacity can be raised) which will be distributed by BAT, SOGIDA - STE GENERALE D'IMPORTATION & DE DISTRIBUTION AUTOMOBILE SA, Ixelles, Brussels, subsidiary of the group R.S. STOCKVIS & ZONEN NV, Rotterdam (see No. 264) and ETS P. DECROSE SA, Etterbeek-Brussels (see No. 298).

This agreement has been paralleled by a financial one by which SBAA's capital (which was first reduced to Bf 40 million and then raised to Bf 90 million) will be held 16.6% by British interests, while SNI - STE NATIONALE D'INVESTISSEMENT SA, Brussels, will hold 8.5%, and the shareholdings of the Beherman-Doemen group (through BAT) and of Baume, Marpent & Thirion will be considerably reduced (see No. 308).

BUILDING & CIVIL ENGINEERING

319/14 The cement firm SABLA - SA DE BEON-LUYRIEU (AIN), Lyons (capital Ff 4.518 million) has subscribed all the Ff 48,000 additional capital of WESER FRANCE Sarl, Auteuil, Oise. This company was formed in January 1964 by a German firm which makes door-frames, WESER BAUELEMENTE WERK GmbH, Rinteln. After the capital increase it has become SABLA-WESER SA and its head office has been moved to Saint-Mars-la-Pile, Indre & Loire, near one of SABLA's factories.

SABLA belongs to the Lyons group ETS SCHWICH & BLAIZEAU SA (which was the largest French business in Tunisia) through SOLEP - STE LYONNAISE D'ENTREPRISES & DE PARTICIPATIONS SA, Lyons. It holds licences from the Belgian group TRIEF, St Josse-ten-Noode (corrugated tiles and safety shoots). In France it has factories at Culoz and St. Maurice-de-Gourdaus, Ain; Lamanon, Bouches du Rhone; St. Jean-de-Losne, Cote d'Or; Pitres, Eure; Villenave d'Ornon, Gironde; St. Thibery, Herault; Portbail, Manche; Lamotte-Brevil, Oise; Givors, Rhone; Albertville, Savoie; Malause, Tarn & Garonne; Limoges, Haute Vienne, etc.

319/14 M. Michel Junot, Paris, is president of CIE GENERALE POUR L'EQUIPEMENT DES AUTOROUTES SA, Neuilly, Seine, which has been formed with a capital of Ff 100,000. It's main shareholders are CREDIT LYONNAIS SA (see No. 305 - 9%), STE DE BANQUE & DE PARTICIPATIONS SA (see No. 291 - 10%), SETIMEG - STE D'ETUDES & DE TRAVAUX IMMOBILIERS & DE GESTION SA, Neuilly (which is linked with STE GENERALE FRANCAISE DE TRANSPORTS & D'ENTREPRISES SA, Paris (see No. 307), holding 10%, the insurance companies L'UNION-VIE and L'UNION I.A.R.D. (9% each), URBANIS- STE POUR L'EQUIPEMENT & L'AMENAGEMENT URBAINS SA, Paris (1%), M. German Laurent Vidal (20%), and M. Michel Junot, M. Rene Plas and M. Aristide Blank (10% each).

319/14 LUCIA - L'UNION COMMERCIALE INDOCHINOISE & AFRICAINE SA, Paris (capital Ff 1.54 million) has taken 30% in MARMI-CERAMICA SA, Paris, 29.5% direct and 0.5% through the buying organization CENTRALIS SA, Paris (capital Ff 200,000). The new company will import into France and make use of building materials supplied by the Italian firm SALVATORE MARINO, Lucca, with branches at Rome and Lausanne. Its capital is Ff 200,000, and its shareholders include Sig. Salvatore Marino (28%), Sig. Sergio Baldini, Rome (12%), Sig. Halo Drago, Rome (10%), M. Marcel Verdier (12%), and Herr Melle Karin Sohnlein (8%).

The Lucia group was originally an import-export firm, trading with Indo-China and Morocco, but later it was turned into a holding company, mainly in property and finance. It holds shares in UNION COMMERCIALE & INDUSTRIELLE D'AFRIQUE, UNION COMMERCIALE & INDUSTRIELLE D'ASIE - UNICOMER SA (finance house), DIFEC - DIFFUSIONS & CREDIT SA (consumer credit) and its subsidiary DIFEC-IMMOBILIER SA, SOTRASOL SA (whose principal shareholder is UNION DES MINES-LA HENIN), and the chain store LES COMPTOIRS MODERNES SA, Le Mans, Sarthe, etc.

CHEMICALS

319/15 VICKERS LTD, Millbank, London (see No 295) has bought from the heirs of Herr Hans J. Zimmer (who died in September 1963) their 32% shareholding in the chemical engineering firm HANS J. ZIMMER AG PLANUNG & BAU VON INDUSTRIEANLAGEN, Frankfurt (see No 297). A few years ago the British group acquired 50% from the business and they raised this to 68% when the capital was increased to Dm 11 million in 1963; it is now 100% controlled.

Dr Klaus Dohrn remains president of the Frankfurt company, which will now be directed by Mr J. H. Robbie. Its capital will be raised to Dm 26 million, all of which will be subscribed by VICKERS. The London firm is also taking over the German group's 50% shareholding in their joint subsidiary HIGH POLYMER & PETRO-CHEMICAL ENGINEERING LTD, London (see No 80). The capital increase will enable the Frankfurt company to buy the assets of two associated companies; HANS J. ZIMMER VERFAHRENSTECHNIK, Frankfurt (chemical synthesis and control) and SYNTEX CHEMIE GmbH, Offenbach (catalysts and other chemical preparations used in textile manufacture).

The Frankfurt group also includes several other West German subsidiaries: ZIMMER APPARATEBAUER GmbH, ELOMATIC ELEKTROINDUSTRIE GmbH, ZIMMER PLASTIC GmbH, P. P. M. -GES FUER GAS, WASSER- & W. P. T. REINIGNUNG mbH, PANCONTROL, GES. FUER REGELTECHNIK & AUTOMATION mbH and PROCONSULTAORGANISATION FUER PROJEKT-STUDIEN & CONSULTING GmbH.

ELECTRONICS

319/15 ROHDE & SCHWARZ oHG, Munich (see No 300), one of the largest German firms for high frequency measuring and other scientific and electronic equipment, has formed a 51% Paris subsidiary ROHDE & SCHWARZ FRANCE Sarl. Its capital is Ff 200,000, of which 45% is held by M. D'Estriband de Gorre and 4% by M. Paul Ducasse.

319/15 An American initiative has led to the setting up in West Germany of an import and sales company for electronic and telemetric appliances, DEI ELEKTRONISCHE GERAETE GmbH, Rottach-Weissach (capital Dm 20,000). Its directors will be Mr Raymond S. Rosenberg, Mr Miller S. Redden and Mr Martin L. Blandler of Rockville, Maryland, and Mr Elton Shermann of Rottach-Weissach.

ENGINEERING & METALS

319/15 Before merging with the group DENAIN-NORD-EST, SA, Paris (see No 316), DENAIN ANZIN SA has contributed its iron ore mine at La Ferriere-aux- Etangs, Orne (output 485,000 metric tons in 1964) to STE DES MINES DE LA FERRIERE AUX ETANGS Sarl, which has been set up at Paris (starting capital Ff 100,000 - raised immediately to Ff 7 million) and is headed by M. Jean Laballery.

COVALOR-CONSTRUCTIONS METALLIQUES DE LA VALLEE DE L'ORNE SA (metal cutting-capital Ff 3.6 million) whose office is in Paris and factory at Maizieres-les-Metz, Moselle, is planning a merger with STE DES PONTS & TRAVAUX EN FER (ANC. ETS. H. JORET) SA, Paris (capital Ff 3.75 million). This company produces metal constructions (bridges, pylons, sluice-gates etc) at Montataire, Oise, employing about 500 people.

Covalor is a member of the CIE DE PONT-A-MOUSSON SA, at Nancy (see No 314) through SPAFI-STE LORRAINE DE PARTICIPATIONS FINANCIERES & INDUSTRIELLES SA, Paris.

319/16 HERR EQUIPMENT (NEDERLAND) NV (see No 303) was formed in Rotterdam recently by AEI-HERR LTD, Birmingham, joint subsidiary of the electrical engineering firm THE HERR EQUIPMENT CORP, Warren, Ohio and the metallurgical furnace firm AEI-BIRLEC LTD (ASSOCIATED ELECTRICAL INDUSTRIES LTD, London - see No 312). AEI-Birlec is now extending its interests in the Netherlands by forming BIRLEC-SMIT NV, Nijmegen (capital Fl 500,000) jointly with WILLEM SMIT & CO'S TRANSFORMATORENAFABRIEK NV, Nijmegen (see No 303). The new company will come under the Dutch partners' "Research and Furnace" department and will make metallurgical furnaces for heat welding and treatment.

319/16 BLANC & CO METALLWARENFABRIK, Oberdingen, Wuerttemberg, has set up a wholly-owned manufacturing and sales subsidiary in the Netherlands BLANCO NV, Sneek (capital Fl 1 million). The German firm, which belongs to its director, Herr Heinz Blanc, makes stainless steel articles such as kitchen sinks, equipment for abattoirs and dairies, and markets its products under the trade mark "Blanco". It employs 1,400 people in four factories at Oberdingen; Sulzfeld, Baden; Michelfeld, Baden; and Kronau, Baden.

319/16 The Dutch metallurgical firm INGENIEURS BUREAU LEMET CHROMIUM H. VAN DER HORST NV, Zwolle, has set up a management company in Switzerland called VAN DER HORST ENTREPRISES AG, Zug (capital Sf 60,000). It was already well represented in Europe, with offices at London: VAN DER HORST PORUS KROME LTD; Hamburg: VAN DER HORST GmbH, and at Antwerp, Rome, Athens, Copenhagen, Oslo and Helsinki.

319/16 THERMOSYSTEM SpA, Milan is coming into the Swiss market by setting up THERMOSYSTEM SA at Bellinzona (capital Sf 50,000) which, like its mother company will make, sell and install air-conditioning equipment. It will be managed by Sig Pierre F. Barchi of Bellinzona, and headed by Sig Segio Seraponi of Milan, and Herr Walter Ruprecht of Zurich.

The Italian firm has technical and trading links with the French firm ANDRE BOET & CIE Sarl, Ascq, Nord, through an agreement which led to the setting up of two common subsidiaries, THERMOSYSTEM FRANCE Sarl, Lille (see No 295) and STOPSON ITALIANA SpA, Milan (see No 305).

319/16 The Dutch ironmongery firm VAN ELDEREN'S METAALWARENFABRIEK BRABANTIA NV, Aalst, which employs about 750 people, has set up a second foreign subsidiary, BRABANTIA METALLWAREN GmbH, Frankfurt; it is a trading subsidiary (capital Dm 30,000), and will be managed by Mr Joannes-Martinus, Mr Cornelius-Antonius and Mr Christianus-Cornelius Van Elderen, who also manages the parent company. Last November the Dutch company formed a manufacturing subsidiary at Zug, BRABANTIA AG (see No 282).

319/17 SA POUR LA FABRICATION DE TUBES ROULEMENTS has been set up in Paris as a common subsidiary of TUBE INVESTMENTS LTD, Birmingham, and VALLOUREC SA, Paris (see No. 312); this is a result of the 40-60 partnership agreement made last spring (see No. 301) between the two firms to use the British group's "Assel" patent (special tubes to make bearings) in the French firm's factory at Montbard, Cote d'Or.

The new subsidiary, which was originally to have the trade name VALTI SA, will have a capital of Ff 10 million, of which the French group (affiliated to DENAIN-NORD-EST SA and to STE DES ACIERIES DE LONGWY SA - see No. 298) will hold 60%. The "Assel" steel rolling mill now being built by STE DE CONSTRUCTION DE MONTBART Sarl, Paris, and Montbart, Cote d'Or, a wholly-owned subsidiary of the French group, will have an initial capacity of 22,000 tons and will begin production early in 1967.

319/17 The American manufacturers of temperature and pressure regulators, MAXITROL CO INC, Southfield, Michigan, has established itself in West Germany by setting up MAXITROL CO GmbH, Senden, Westphalia, headed by Mr. Peter W. Tombers of Detroit, Michigan.

319/17 M. Olivier Giscard d'Estaing is the president of GIBBS & HILL FRANCE SA (see No. 310), consulting engineers, which has been formed in Paris with a capital of Ff 250,000 by GIBBS & HILL INC, New York. Taking into account the 1% personal shareholdings of Mr. Peter H. Smith and Mr. David B. Sloan, the New York firm owns 50% of the capital. The other founders are Mr. Boris Lochak, Madrid (36%) and Mr. Paul Lochak, Paris (10%). The new firm will advise on the building and running of electric, hydraulic and other power stations, transport and communications systems, industrial automation, etc.

319/17 STEEL CO OF CANADA LTD, Hamilton, Ontario, has chosen the Netherlands as the bridgehead for its sales expansion in the Common Market. It has formed a wholly-owned subsidiary, STELCO NEDERLAND NV (capital Fl 360,000, of which 55% has been placed in other hands). The board includes Mr. Robert B. Taylor (vice-president and treasurer of the parent company), Mr. Kenneth B. MacNaughton, Mr. J.J. Caron and Mr. H. van de Heuvel.

Steel Co of Canada is the largest integrated Canadian iron and steel group - it owns foundries, cokeries, chemical factories, rolling mills, forges and stamping works in Ontario and Quebec, and has large interests in iron and coal mines in Canada, Michigan, Minnesota and Pennsylvania. It has agreements with the German group LURGI GES. FUER CHEMIE HUETTENWESEN mbH (member of METTALGES. AG) under which it can use German patents for direct reduction of iron ore. In 1964 it produced 3.47 million tons of steel, invested nearly $109 million, and had a turnover of $477.8 million. It has long had a London office.

FINANCE

319/17 FINANCIERE EMPAIN SA, Brussels (formerly BANQUE INDUSTRIELLE BELGE) has taken the name FINANCIERE AUXILIAIRE DE LA FEDERATION D'ENTREPRISES INDUSTRIELLES (ANC. E.L.J. EMPAIN) SA. Since it sold its banking business to BANQUE LAMBERT Scs, Brussels, early in 1961 (see No. 94) it has been a financial and investment company. It is controlled by various members of the "EMPAIN" family and by AUXIBEL - STE AUXILIAIRE BELGE D'ENTREPRISES GENERALES, Brussels. It holds 10% in the former FINANCIERE EMPAIN (control of which is shared between Baron Guy de Mesmay and Mme. J. Grazia-Empain).

319/18 OTTOMAN BANK LTD - BANQUE OTTOMANE SA, Istanbul, with offices in London and Paris (see No 267) and ALGEMENE BANK NEDERLAND NV, Amsterdam (see No 307) are among the founders of TANZANIA BANK OF COMMERCE LTD (capital 10 million East African shillings) which has been formed at Dar-es-Salaam with branches at Kigoma and Meshi. The new bank is 60% controlled by the Tanzanian Government, and the other shareholders include STANDARD BANK LTD, London (see No 260 - in which CHASE MANHATTAN OVERSEAS BANKING CORP recently became a large shareholder), BARCLAY'S BANK D.C.O. (member of the London group BARCLAYS BANK LTD - see No 272) BANK OF INDIA LTD, BANK OF BARODA, COMMERCIAL BANK OF AFRICA LTD, NATIONAL & GRINDLAY'S BANK and NATIONAL BANK OF PAKISTAN, all of which have branches or agencies in Tanzania.

In return for its business in that country, Ottoman Bank Ltd has 15% in the new bank. In recent years it has undertaken several similar transactions, including one in 1963 when its Bagdad branch became ITIMAD-CREDIT BANK OF IRAK L.S.C. (capital £1 million, of which it holds 40%) and when its Casablanca branch was re-named BANQUE OTTOMANE MAROC SA.

319/18 Following the pattern of its moves in Italy (see No 318) the London group THE RANK ORGANISATION LTD is going to re-organize its French interests and is forming a Paris holding company ORGANISATION RANK SA whose initial capital will be Ff 40,000.

In France the British group's subsidiaries and associates include RANK DADA SYSTEM (FRANCE) SA, Montrouge, Seine (see No 279), RANK XEROX SA, Puteaux, Seine (see No 254) TOP RANK MOTORS HOLIDAY INNS SA, Montrouge, Seine (see No 261) and RANK FILM DISTRIBUTORS OF FRANCE SA, Paris. Its business is widely diversified and includes film production, theatre management, television, electronic instruments, optics, leisure goods, hotels etc.

In 1961 it formed RANK PRECISION INDUSTRIES SA (see No 120) in France, which was transferred two years later (see No 214) to the American group BELL & HOWELL CO, Chicago and renamed BELL & HOWELL FRANCE SA (see No 294).

FOOD & DRINK

319/18 The group RAFFINERIE TIRLEMONTOISE SA, Brussels (see No 293) has set up BEVERAGE DISTRIBUTION ASSOCIATION SA at Woluwe, St Pierre, Brussels. The group almost monopolizes the Belgian sugar industry: it does almost all the sugar-refining and produces about three-quarters of the finished products. The new firm is 70% controlled by a subsidiary of the group, STE SUCRIERE & DE CONSEILS SA, Tirlemont (formerly STE SUCRIERE D'ETUDES & DE CONSTRUCTION SA); it will carry out all trading operations connected with wines, spirits, alcohol, liqueurs and drinks of every sort, and will be headed by M. Pierre Beauduin of Ixelles. The following companies of the group hold 5% in the new firm: SA D'ENTREPOTS & MAGASINS, Tirlemont, RAFFINERIE BELGE SA, Antwerp, and SUCRES INTERVERTIS DE TIRELEMONT SA (all of which are minority shareholders in Ste Sucriere d'Etudes & de Conseils), SA ANCIENNE MAISON DE RUYTTER, St Gilles-Brussels, and lastly TRANSPORTS MAJESTIC SA, Tirlemont.

319/19 SA DES EAUX MINERALES D'EVIAN-LES-BAINS, Paris (see No. 303) has acquired a large holding in CHASSAING, LECOQ & CIE SA, Asnieres, Seine (capital Ff 6.24 million) which produces "Phosphatine Falieres" and "Repas-Falli".

The Paris company is controlled by VERRERIE SOUCHON-NEUVESEL SA, Lyons (see No. 272) and has just started production in its new bottling plant at Amphion, Haute Savoie, in which Ff 35 million was invested.

319/19 Mr. Nemura Kazno, a Japanese resident of Milan, is the sole manager of TOSHUKO-ITALIA Srl, which he has founded there. It will be concerned with the manufacture, financing and sale of fish products, especially of Japanese origin. Its capital is lire 500,000, which has been subscribed equally by Sig. Renato Franzi, Lurate, and Sig. Adele Silvestri, Milan.

OIL, GAS & PETROCHEMICALS

319/19 Changes have taken place in the Milan group, LIQUIGAS SpA (see No. 298): one of the group's distribution companies, ILGAS - IDROCARBURI LIQUIDI GASSOSI AFFINI SICILIA SpA, Palermo and Milan (bottling plants at Augusta; capital lire 100 million) has taken over four Milan sales companies, FALCO GAS Srl, UNION GAS Srl, BOLOGNA GAS Srl and UDIGAS - UNIONE DISTRIBUTORI GAS LIQUEFATTI & AFFINI SpA.

PAPER & PACKAGING

319/19 VERRERIE SOUCHON NEUVESEL SA, Lyons (see No. 292), leading manufacturer of glass containers for packaging, has made an agreement with STE BOURGUIGNONNE D'APPLICATIONS PLASTIQUES Sarl, a French subsidiary of the Belgian group SOLVAY & CIE, and with SALADOR SA, Saint-Ouen, Seine (formerly at Marseilles, - see above "Food and Drink"). Under the agreement the three companies will set up an equally-owned company, CORALI - STE POUR LE CONDITIONNEMENT RATIONEL DES LIQUIDES, to manufacture containers for liquids.

The French subsidiary of Solvay & Cie was set up at Chevigny St. Sauveurs in August 1963 (capital Ff 4 million).

PHARMACEUTICALS

319/19 The chemical and pharmaceutical group BRISTOL-MYERS & CO, New York (see No. 308) is forming BRISTOL-FRANCE SA (capital Ff 100,000) in Paris. It will be controlled by its subsidiary BRISTOL-MYERS DE FRANCE SA, Courbevoie, Seine, and will complete its already important French interests (see No. 293).

M. Marcel Dernis will be president of the new business, which will be managed by M. Robert J. Raffi. It will do research and produce or trade in products or substances with a chemical, toxicological, pharmaceutical or hygienic application.

About half the sales of the American group are made by the "Bristol-Myers Products" division, whose main products are analgesics, laxatives, toothpastes, deodorants and hair preparations. Its four main divisions are: BRISTOL LABORATORIES and GROVE LABORATORIES for pharmaceutical goods, CLAIROL for dyes and LUZIER INC for cosmetics. It also controls CLAIROL PARIS SA, UNION TECHNIQUE INDUSTRIELLE SA and LABORATOIRES BRISTOL SA in Paris.

PLASTICS

319/20 The Belgian firm NV FRITZ LEYSEN & CO, Pulle, has backed the formation of a new Belgian plastic processing firm NV DELTAPLAST, Pulle (capital Bf 5 million); it has a direct interest of 30% in the new firm, in partnership with the 7.5% French interests represented by M. Jean Bernard Deutsch of Vincennes. In 1964 Fritz Leysen put up 50% of the capital for NOWOTEX NEDERLAND NV, Warmond, Holland, and NV CONTINENTAL PLASTICS, Viersel, Belgium (see No. 282).

PRINTING & PUBLISHING

319/20 MAENNER & VOOES GmbH LUXUSKARTENFABRIK, Reinbeck-bei-Hamburg (greeting cards, picture postcards, advertising packets, etc.) has formed a Vienna sales company MAENNER & VOOES GmbH (capital Sch 100,000). It will be managed by its owner Herr Herbert Vooes. Since last December the founding company has also had a sales subsidiary in Switzerland - MAENNER & VOOES GmbH, Aarau, Aargau (capital Sf 20,000 - see No. 292).

319/20 M. Marc Desclee de Maredsous, Denee, Courtrai, and M. Geoffrey de Halleux, Bruges, are forming DESCLEE-DE BROUWER EDITEURS SA (capital Bf 1 million), a Brussels publishing company, and hold 20% each in it. They are acting on behalf of the Belgian group DESCLEE FRERES & CIE SA, Tournai (see No. 282), in which they are shareholders.

The new company's other shareholders include LES PRESSES SAINT AUGUSTIN SA, Bruges (10%) and four of the group's foreign subsidiaries: DESCLEE-DE BROUWER SA, Paris, and DESCLEE-DE BROUWER NV, Utrecht (15% each); DESCLEE-DE BROUWER SA, Bilbao, and DDB PUBLISHERS INC, New York (10% each).

319/20 Sig. Angelo de Palma, an Italian industrialist who lives in Brussels, has formed SEFI Sprl, Brussels, and is its principal shareholder. Its capital is Bf 200,000, and it will print, publish and sell books, newspapers, magazines, etc. It will also undertake advertising in various media both in Belgium and abroad.

TEXTILES

319/20 ETS TEXTILES FERNAND HANUS 1957 SA, Ghent, Belgium (see No. 212) is going to expand its Dutch business by forming HANAL NV, Amsterdam (capital Fl 25,000) jointly with the trading group ALG. VERKOOP UNIE NV, Amsterdam. The new company's object will be to make and sell textile goods. ("Lola" brand).

THE WEEK IN THE COMMUNITY
August 16 - 22, 1965

British Attitudes to the Community Crisis II

The most striking thing about British right wing positions on Europe is the way they have left behind the trade aspects of the question of British entry and now treat it as a fundamentally political issue. It is of course less surprising that this attitude is shared by the Liberals who have always been the strongest champions of entry into Europe. In this respect it is possible indeed that the Liberal party has had a considerable influence as a sort of pressure group influencing Conservative opinion, in spite of the fact that there are not many of them in Parliament.

The pamphlet, "Engagement to Europe" by Mr Hugh O'Shaughnessy of the Liberal "New Orbits Group" suggests that as the Community grows more and more closely knit it will push isolationist Britain towards two equally impossible alternative solutions: the Commonwealth, and a "special relationship" with the United States. The Commonwealth, the pamphlet points out, cannot give Britain political power or authority. In fact, if the Commonwealth survives while drawing together such politically different countries as Australia and Ghana, Tanzania and Canada, it is precisely because none of its members is obliged to follow a given political line or to acknowledge the political leadership of Great Britain. Furthermore, Mr O'Shaughnessy believes, like President Hallstein of the Common Market Commission, that the problem of the Commonwealth is a false one and that Labour and Conservative politicians only raised it because it suited their books. He also points to the fact that the Commonwealth, in its present form, rests on a bed-rock of personal relations which is far too solid to disintegrate simply because Britain joins the Common Market. Just the opposite is true: these relationships might be improved by encouraging Commonwealth members to come closer to each other, and furthermore the Common Market's world-wide importance means that its bonds with the Commonwealth could be strengthened with little difficulty. Some members of the Commonwealth, of course, such as Nigeria and East Africa, have already begun to make individual arrangements with the Common Market. According to Mr O'Shaughnessy, if England clings to outdated notions and futile fears, she may be risking the paradoxical situation of seeing half the Commonwealth make agreements with the Six before she does herself.

On the subject of a "special relationship" with the United States, the pamphlet is even more severe. In 1965, this can be nothing more than a euphemism for Britain's status as a client of Washington; in fact it is all "largely a farce". He then tries to demonstrate how far Anglo-American interdependence, which was forged on the battlefields of the second world war, has become less and less real with the passage of time. One of his arguments is certainly difficult to refute: this is that, at least since President Kennedy's "Grand Design", the United States has thought of Britain not as an independent partner, but as one linked to its European neighbours in a Community which, with Britain in it, would really be capable of measuring up to America. So here, as with the Commonwealth, the best way of continuing and fostering traditional relationships is to create new ones with the Continent. And the Liberal pamphleteer naturally believes that EFTA, which has no political aspirations at all, can in no way be a substitute for joining the Common Market.

Political Union and The Common Defence Policy

But how far would Britain go in joining the Common Market? Mr O'Shaughnessy recalls that the Liberal party itself is already committed, since last April, to help set up an autonomous European political and defence community, which, within the Atlantic alliance and furnished with adequate democratic controls, would make Western Europe and perhaps eventually part of Eastern Europe a valuable partner for the United States. O'Shaughnessy's view is that this policy should now be taken to its logical conclusion, so that joining the Common Market would mean: (1) Re-thinking British defence and nuclear arms policy to put it into an Anglo-European rather than Anglo-American context, and (2) Making an effort to work out an Anglo-European foreign policy rather than one which normally attempts to keep adjusted to the views of the State Department. Of course there would be no question of opening hostilities against the United States on the pattern of General de Gaulle, and the Liberal party is also of course opposed to de Gaulle's idea of a European confederation, and more particularly to the system proposed in the Fouchet plan. (see last week's Comment, No 317 p. 3)

These are the view of a really "European" Liberal, but he is not so much in advance of the main body of them. Closer to political reality, the attitudes of the two main parties are of course more important.

The most "European" of the Conservatives - the members of the "One Nation" group - do not go so far as to call themselves federalists, but they do think that an agreement with the Common Market is inconceivable without political union. They have avoided taking sides in the dispute which is splitting the Six into federalists and confederalists though they admit that, to begin with, some form of loose association would suit them best. The formula they find "most appealing" is a formula for an integrated political community - M. Spaak's idea of giving the Community a political institution on the lines of the Common Market Commission.

Like the other "Europeans" in Britain, the "One Nation" group think that treating national sovereignty as sacrosanct when it has already been severely modified by Britain's membership of various international organizations, can only lead to debilitating isolation. But joining a Community such as the Common Market may compensate for the waning of sovereignty by increasing Britain's authority and power to influence events.

But what of the Commonwealth? The manifesto "One Europe" scarcely refers to it, except to say that the problem of Britain's economic relations with its former colonies must not be exaggerated. However, in the Commons debate of June 4, a Conservative M. P. expressed the view that the members of the Commonwealth themselves were growing more and more conscious that Great Britain cannot give them what they need - a dependable currency, economic aid and technical assistance - "unless it is within the context of a wider trading area, a wider economic unit which the Common Market and the continent of Europe provide". This is not very far from the Liberals.

In other words, the pro-European section of the English Conservatives is aware of the problems, but more cautious than the Liberals about the solutions, especially federalist solutions. Observers in Brussels think that this is probably true of the majority of the right wing. They point out that the three candidates for the Conservative succession, Mr Heath, Mr Maudling and Mr Powell, are among the 23 members of the One Nation group (though they have not formally signed the "One Europe" manifesto), and that it is the most pro-European of the three who was elected. The appointment of Mr Christopher Soames to the Shadow Cabinet is also regarded as a favourable sign, since it was Mr Soames who attempted to bring the British farming system closer into line with that of the Common Market countries after the breakdown of the 1963 negotiations.

Meanwhile, it is felt in Brussels that the Conservatives are still not so convinced of the European cause that a little pressure from the Liberals will be enough to sway them all into total commitment to the Continent.

No Change in Labour's Line

What is the situation in the Labour Party? As long as Labour, even in opposition, remained utterly hostile to any kind of venture into Europe, the Conservative Government would probably have some difficulty in taking the plunge. Official Labour policy has not softened since 1963: there is no question of "ditching" the Commonwealth, British agriculture, the Foreign Office's freedom of action or Britain's partners in Efta. During the last Commons debate, Mr Walter Padley, Minister of State, at the Foreign Office, said that the conditions put by the Labour Party on joining the Common Market were not the "Ten Commandments", but this immediately produced much hostile criticism to which Mr Wilson had to reply personally: Mr Padley, it seems, only meant that some of these conditions, such as the problem of the neutral partners in Efta, were less urgent than in the past. Officially then, there has been no perceptible change in Labour policy, and this is confirmed by their determined opposition to the idea of a "European deterrent".

At the last conference between Britain and Germany at Königswinter, Mr Walter Padley did, however, show that some thinking about Europe has taken place: "Only if they are economically integrated", he said, "can the countries of Europe fully realize their capacity for economic growth. And only if they are at one politically, can the countries of Europe in an age of super-powers exert their maximum influence for good on world affairs ... Our ultimate aim must, therefore, be to build a wider European unity embracing all countries which wish to join." This declaration was welcomed in an editorial of the review "Europe Left", which is the voice of the most pro-European British Socialists. The commentary mentions "hopes of a revival of British interest in unification", and emphasizes that the Labour Party has proved that it is not dogmatically opposed to the idea of uniting Europe". So, even if it is more cautious than on the Right, the process of change in the Labour Party's attitude to European integration may have begun. (Another indication of this is the increasing number of M.P.'s who are, or have been, members of the Labour Committee for Europe.)

In conclusion, it seems that all sections of British opinion are at the moment in the process of re-thinking the problem of British relations with the Continent, and are acquiring a generally more favourable attitude to it. At the moment this process has not yet gone far enough, especially within the Government, to allow Britain to seize the opportunity of the Common Market crisis to take a constructive initiative. On the other hand, it has gone far enough to prevent British politicians from seeking to disrupt the Community in any way. Indeed, for the time being, the only foreseeable consequence of the crisis for the "Europeans" in Britain, is that their task of educating politicians, businessmen and civil servants in thinking in terms of the Community will become harder.

319/21 The French group M.J. WILLOT & CIE SA, Wasquehal, Nord, holds 60% in l'INDUSTRIE COTONNIERE CENTRAFRICAINE-ICCA, a new company which has been formed at Banqui. This is a mixed company; the Central African government holds 40% in it and provides the president, Mr Ayandho, its Minister of Economic Affairs.

M.Bernard Willot Lecat, president of the French group, is a director of ICCA, which is to be amalgamated with another local concern INDUSTRIE COTONNIERE DE L'OUBANGUI & DU TCHAD-ICOT, which produces 5.5 million metres of textiles annually. From the end of 1965 onwards, ICCA is expected to produce a number of textile products based on cotton.

The main suppliers are STE NATIONALE DE CONSTRUCTION SA, Paris, and STE ALSACIENNE DE CONSTRUCTION MECANIQUE SA, Mulhouse (machinery). 2,500 million Central African francs are expected to be invested in the new business, which is scheduled to produce 8 million metres of textiles in an integrated factory (spinning, dyeing, weaving, printing). Much of its production will be in hygienic goods, dressings, bandages, cotton wool etc.

The French group's capital is Ff 10 million, controlled by the family of the late M.Pierre Antoine Willot. It has factories at Wasquehal, Namur, Franges-sur-Vologne and Aumontzey, Vosges. In 1959 and 1962 it took over the subsidiaries DANSIN MOTTE FILS Sarl, Roubaix, SA DES FILATURES & TISSAGES CAMPART & DE GRAMONT-CAGRA, Rouen and D.WALTER SEITZ & CIE SA, St Die, Vosges

319/21 ETS SCHAEFFER & CIE SA, Pfastatt-le-Chateau, Haut-Rhin (see No 309), has acquired a 71.1% shareholding in SAINT AMARIN Sarl, Paris, (capital Ff 900,000 - mens' and womens' ready-made clothing) in payment for some property at Mulhouse, Haut-Rhin.

Schaeffer & Cie (capital Ff 10 million) is the second largest French textile group after TEXTIL SA, Paris (see No 300), which holds 4.77% in it. The two groups have been in 50-50 partnership since 1962 in "TIVAL"-TEINTURES, IMPRESSIONS, BLANCHIMENTS DES VOSGES & DE L'ALSACE SA, Mulhouse (capital Ff 38 million) which has eight factories in the Vosges and Alsace, employing about 7000 people; and also in SERITEX-STE DE SERVICES POUR L'INDUSTRIE TEXTILE Sarl, Paris (capital Ff 200,000), which itself is in 50-50 partnership with the DUBIN-HASKELL JACOBSON INC group, New York, in KORATRON TECHNIQUE EUROPE-K.T.E. Sarl, Paris (formerly TRICETRI Sarl, see No 309).

Schaeffer's other interests include: 7.7% in ETS WALLACH SA, Mulhouse, (which holds 22.3% in TEXUNION SA, Paris, set up by Textil SA with a capital of 100 million - see No 237); 26.4% in ETS CORDOUAL SA, Pfastatt-le-Chateau (capital Ff 3.9 million); 94.4% in TRAITEMENTS CHIMIQUES DES TEXTILES SA, Vieux-Thann, Haut-Rhin (capital Ff 2 million); 1.9% in TACO (FRANCE) SA, Mulhouse, (capital 0.5 million), which is controlled by TACO AG, Zurich (capital Sf 3 million) etc.

319/21 The German producer of "Tellux" carpets and furnishing materials EMSDETTER BAUMWOLL-INDUSTRIE RUD. SCHMITZ & CO KG, Emsdetten (see No 296) has completed its sales network in the Six by setting up a French subsidiary GARDISETTE Sarl, Chatillon-sur-Bagneux, Seine. The new firm's temporary manager M.J.Pasquiot has now been replaced by Herr Hans Rot. Its Ff 100,000 capital is almost wholly controlled by the group's Dutch subsidiary GARDISETTE (UTRECHT) NV, Utrecht, which was set up in 1962 (see No 176), and which has recently opened a branch at Brussels; the remainder of the capital was put up partly by the German firm's directors (Rudolf Schmitz, Wilhelm Lohans, H.G.Hapug etc) and partly by its Milan subsidiary, GARDISETTE, SpA.

TOURISM

319/22 HANNOVER INTERCONTINENTAL HOTELS GmbH, Hanover, whose three hundred room hotel is to go into service at the end of the year, has had its capital raised from Dm 2 to Dm 5.9 million. I.H.C.-INTERCONTINENTAL HOTELS CORP, New York (see No. 100), a wholly-owned subsidiary of PAN AMERICAN WORLD AIRWAYS INC, New York, has retained its majority shareholding. Its main partners are the insurance company LANDSCHAFTLICHE BRANDKASSE HANNOVER (see No. 197); the Hanover bankers BANKHAUS NICOLAI & CO (see No. 248); the mining firm SALZDETFURTH AG, Hanover; the engineering firm ANKERWERKE AG, Bielefeld (see No. 246); the trading company MACHWITZ KAFFEE WALTER KOCH KG, Hanover, and several individuals including Herr Heinz Ulrich Heine and Herr H. Treuzinger.

The American company has already put up seven hotels in Europe: one at Frankfurt (504 rooms), which will be run by FRANKFURT INTERCONTINENTAL HOTELS GmbH (capital Dm 5 million, divided between I.H.C. -28%-, FRANKFURTER BANK, Frankfurt, Prince Sadruddin Aga Khan, Baron Edmond de Rothschild, Countess Mona Bismarck, Herr Hans Deutsch and INTERCONTINENTAL HOTELS BETRIEBSGES. mbH, Frankfurt); one at Geneva (400 rooms), where I.H.C. has a branch which was set up in 1963, and a subsidiary HOTEL INTERCONTINENTAL SA (capital Sf 8 million); one at Vienna, (INTERCONTINENTAL HOTEL BETRIEBSGES. mbH); one at Zagreb, Yugoslavia; others at Dublin, Cork and Limerick (run by IRISH & INTERCONTINENTAL HOTELS LTD). In the rest of the world, the American company has 23 other hotels, mainly in South America, the Middle East and South-East Asia, and it is in the process of building seven more in Pakistan, India, Indonesia, Thailand and New Zealand.

319/22 TRIGANO-VACANCES SA, Paris (capital, Ff 10 million) is expanding in the Paris region and has set up MONTROUGE-VACANCES Sarl at Montrouge, Seine (capital, Ff 60,000; manager, M. Emile Trigano).

The parent company, which set up REPUBLIQUE VACANCES Sarl at Paris only a short time ago (see No. 302), is linked to the "E. DE ROTHSCHILD" group and to SELIGMAN & CIE SA, Paris.

Trigano-Vacances has also begun to set up a network to cover all the larger towns in the provinces and has formed BEZIERS-VACANCES Sarl at Paris (capital, Ff 20,000) whose field of operations will extend to Languedoc.

319/22 DIVCO-WAYNE CORP, Richmond, Indiana (see No. 273), which makes body work for special vehicles, is arranging to extend its European business by taking over a caravan concern in West Germany. A few months ago it bought the British caravan concern NENE VALLEY COACHWORKS LTD, Rushden for $1 million.

The American group (president Mr. Newton Glekel) last year made a general agreement with a French group (which still awaits consent from the financial authorities in Paris) with the objective of co-operating in building caravans.

TRADE

319/22 The French company ELEM INTERNATIONAL Sarl, Paris has taken over the Belgian sister company ETS GILEN-BELETAL Sprl, Molenbeek-St Jean, which was formed in 1962 with a capital of Ff 1.2 million. The French company imports and exports fancy goods and gifts. It has now taken the name of BELETAM ELEM INTERNATIONAL SpA, raised its capital to Ff 457,600 and moved its head office to St Omer, Pas de Calais. Its president, M. Roger Lenne, and Mr. M.J. Gilen, Brussels, both of whom are partners in the Belgian firm, are now the largest shareholders with 51.2% and 22.2% respectively.

319/23 ITOH & CO GmbH, Hamburg, (capital Dm 300,000) has turned its Düsseld orf agency into a branch. It is a subsidiary of the Osaka group, C. ITOH & CO LTD, which deals wholesale in a wide variety of goods - grain, fuel, textiles, metals, chemical products etc. The group's other European subsidiaries are C. ITOH & CO ITALIANA SpA, Milan (see No. 246), C. ITOH & CIE SA (see No. 149), Paris, and C. ITOH LTD, London.

319/23 M. Jean Hilaire, Sevres, Seine & Oise, has been appointed president of the mail order house QUELLE SA, Paris (see No. 308 - capital Ff 180,000) which has now been formed. It is 96.1% controlled by SCHICKEDANZ INTERNATIONAL HOLDING GmbH, Nuremberg (capital Dm 5 million) which takes care of the international interests of the group GROSSVERSANDHAUS QUELLE GUSTAV SCHICKEDANZ KG, Fürth (see No. 314).

TRANSPORT

319/23 The Dutch transport companies, FIRMA H.W. VAN GORP & ZONEN, Rotterdam and its subsidiary, PIETERSEN & CO'S AUTOMOBIELBEDRIJF NV (which belonged to EMS - EXPLOITATIEMIJ SCHEVENINGEN NV until the end of 1964) have decided to merge. The subsidiary will become a holding company called ROTTERDAM MOTORS NV and will take control of Firma H.W. Van Gorp & Zonen. Its own business will be taken over by a new company to be formed under its own old name, Pietersen & Co's Automobielbedrijf NV.

The new holding company will also be at the head of the Pietersen group's other interests. The group controls amongst others AUTOMOBIELBEDRIJF "AUTO CENTER" NV, Rotterdam, AUTOMOBIELMIJ "SPANSE POLDER" NV, Schiedam, HOLLANDSCHE AUTOMOBIELMIJ NV, Rotterdam and PIETERSEN & CO NV, Rotterdam.

319/23 Private American interests have set up a company called TRANSUNION Sprl (capital Bf 500,000) in Brussels to act as brokers for all kinds of transport by sea, air, land or inland waterway, to carry out all kinds of transport operations, shipping, freight and storage etc. and to act as customs agents. The main shareholder (33.4%), Mr. George Gouze (Summit, New Jersey) is manager of the company and the directors are Mr. A. Buis (Freight department) and Mr. M. Parmentier (Dispatch).

The same interests, acting on behalf of AMERICAN UNION TRANSPORT INC. of New York, set up a limited company of the same kind and with the same name at the end of 1964. This company was recently put into liquidation (see No. 314) as a result of its accumulated losses and has now been replaced by this new concern.

319/23 The sea transport company LINEA C. GIACOMO COSTA FU ANDREA C. Annunzio, Genoa, whose joint managers are Sig. Giacomo Andrea and Sig. Enrico Andrea, has made an agreement with STE COMMERCIALE DE TRANSPORTS TRANSATLANTIQUES VOYAGES TRANSATOUR-SCTV -TRANSATOUR SA, Paris (president M. Max S. Acquaviro) to represent it in France. A 50-50 subsidiary COSTA FRANCE-STE DE PASSAGES PAR PAQUEBOTS Sarl has been formed in Paris with a capital of Ff 50,000 to act as general agency for the Italian company.

319/24 American interests lie behind the formation of VANTAC CARRIERS (FRANCE) Sarl in Paris, an international transport firm which will also make and sell packaging material, cases and other supplies for freight and carriage. The new firm's capital is Ff 10,000, shared equally between Mr. William F. Bottoms and Mr. Ralf Johnson, owners of the American firm VANPAC CARRIERS INC, Richmond, California, which already has a Munich branch.

VARIOUS

319/24 SAMEL-FRANCE-STE AFRICAINE DE MATERIEL D'ENTREPRISE & DE LOCATION Sarl (capital Ff 50,000) has been formed in Paris to do import-export business and to lease civil engineering equipment. Its Ff 50,000 capital is held half each by M. Marcel, Paris and M. Henri Kuster, Geneva.

319/24 The management consultancy firm McKINSEY & CO INC, New York (directors, Mr. Marvin Bower, New York, Mr. John Macomber, Neuilly, Seine and Mr. John McDonald, Düsseldorf) is opening a Düsseldorf branch to add to its existing European offices in Paris, Amsterdam and Geneva.

319/24 VEREINIGTE BAUBESCHLAGFABRIKEN GRETSCH & CO GmbH, Leonberg, the German firm which makes iron work for building and ski-ing purposes, employing about 1,000 people, has formed a Salzburg subsidiary. Its name is GEZE-VEREINIGTE BAUBESCHLAGFABRIKEN GRETSCH & CO GmbH (capital Sch 100,000) and it will be managed by Herr Reinhold Vöster and Herr. Ludwig Sittman, who are respectively manager and director of the parent company, and by Herr Theodor Zafred, Salzburg.

319/24 KEDI-VONIC SA has been formed at Levallois-Perret, Seine (capital, Ff 2 million) to take over the business of two French companies, KEDI SA, Paris (factory at Gisors, Eure) and LABORATOIRE INDUSTRIEL VONIC SA, Courbevoie, Seine. Both these companies (capitals of Ff 10,000 and Ff 400,000 respectively) manufacture and sell articles for household use and hygiene.

319/24 The Stockholm manufacture of filters and hydraulic and pneumatic appliances MEKANPRODUKTER A/B - which also controls MECANS A/S, Oslo - has set up MECMAN GmbH (capital Dm 25,000) at Hamburg. Not long ago the Swedish company set up a sales subsidiary at London, MECMAN LTD (capital £100). Mr. Hans F. Holm, president of the Swedish firm, is chairman of the new Hamburg committee of inspection.