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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Bonn

The State of Franco-German Relations

Although General de Gaulle's recent visit to Bonn was officially chalked up as a fillip to Franco-German co-operation, one can nevertheless discern a sense of uneasiness amongst higher circles in the West German capital. These stem not least from the awareness that the visit did nothing to solve the basic problems of European politics today, and that it was precisely in closer links with France that such answers were sought.

The German Government does not stand alone in its readiness to support de Gaulle when he preaches a "European Europe" alone capable, according to him, of bringing some influence to bear on any bilateral political "cake-sharing" between Moscow and Washington. However, it is now more than ever convinced that this is just not feasible unless the Six achieve political union, to the extent of aligning defence policy. It is feared in Bonn that de Gaulle's policies and utterances of late are militating directly against such a scheme, and indeed he has himself asserted his opposition to it. The general opinion is that Paris seems to underestimate how strong a current of thought is running through not only Italy and the Benelux, but also West Germany itself - a current that no leader can ignore without clashing with both his political colleagues and the electorate. The main ideas in circulation are as follows: -

- 1) The EEC should open its doors to all European states, provided always that any new members undertake to accept the Treaties, with all their (sweeping) direct economic implications, and their indirect political ones as well, especially as regards foreign policy. It is on this latter point that Bonn and Paris (as de Gaulle's visits reaffirms) find themselves fundamentally at odds, as the latter is firmly convinced that the Community would change if more members were admitted. In Germany, it is rather felt that the EEC has become a pole of attraction by dint of having succeeded in establishing norms for economic and political co-operation, of the sort that must exist in a greater Europe, of which it is already the nucleus. In following this course, it has also captured the loyalty of those of its members who would not brook the idea of it withdrawing into itself and rejecting other European countries. This is a major consideration for German leaders, and they could not go back on such a standpoint without courting grave political difficulties on the home front.
- 2) Despite all the economic and monetary difficulties it is likely to involve, the admission of Britain to the EEC is in the wider interest of Europe: it is bound to improve her economic, and especially her technological position, and thus must also, in the long run, improve her defences. The German Government finds itself unable to make light of Britain's avowed intention to abide by the Treaties and legislation by the Community to date, unless very

grave and unimpeachable evidence to the contrary is set before it. At the same time, due credit is given to the French Government's misgivings about difficulties in the agricultural and monetary sectors. This is why both major German parties are all for a long transitional period, which is virtually tantamount to the formula already put forward of association coupled with a firm promise of ultimate membership for Britain.

What this means is that the Federal Government, and Chancellor Kiesinger in particular, are unwilling to place their relationship with France in the balance for the sake of Britain, but at the same time their own convictions and their concern for the other member states obviate any disposition on their part to accept a veto by the French.

Again, it is quite clear to Germans that the Community would be squandering its chances of overcoming future tension and difficulties in internal politics if it were deliberately to reject one of its main principles, expressed in Article 237 of the Rome Treaty, and deny other countries even the right of embarking upon negotiations for membership. Neither Chancellor Kiesinger nor Foreign Minister Willy Brandt had really expected de Gaulle at the Rome Summit (see No 412) to treat the problem of enlarging the Community as a matter of abstract theorising, and they were extremely disappointed by the failure to get down to brass tacks on this topic, although they did not deem this a French rejection of the idea. Paris's attitude since then, however, has forced them to think better of this charitable opinion, and despite their earlier wishes, they have been compelled to come out against France.

To place it in its true context, however, we must remember that this contention exists only in the realm of strictly European affairs, and that on other grounds - and it was on these that the recent Franco-German talks were focussed - a real spirit of co-operation was much in evidence. Few in Bonn would try to deny that France is the strongest supporter of West Germany's policy of improved relations with Eastern Europe, and from the outset, the grand coalition has shown its disposition to act in concert with France in this direction. The Chancellor has often repeated his intention to use the Franco-German Treaty of Friendship to evolve a common attitude to Eastern Europe by Paris and Bonn. If his first steps in this direction had failed the solidarity of the whole cabinet would have been seriously compromised.

The Bonn meeting showed that this has proved beneficial to both sides: thanks to West German support, France's policy of a detente with Eastern Europe has been easier to follow. In return, Bonn has been able to count on improved and more normal relations with Eastern Europe, through France's influence in those countries, an influence capable of correcting wrong interpretations of West German moves by the Socialist states. Linked with this approach is the suggestion for a conference on European security, which has always appeared useful to Bonn. This appears to have been discussed at some length during the visit of the French Prime Minister to Moscow.

On this question too, however, certain differences between the attitude of the West German and the French governments are starting to appear. For the present, Bonn would not be able to accept the idea of a conference, even in principle, unless the United States were included, especially since recent budget cuts in West Germany have resulted in smaller allocations for defence, which have not been well received in Washington. Furthermore, German opinion, once again fearful of the future, attaches more importance than ever to American nuclear protection. All of this means that Bonn is forced as far as possible to adopt policies, which, if they do not follow Chancellor Erhard's total support of Washington, do not give the Americans any cause for alarm.

This being the case, Bonn, along with France's other EEC partners, is forced to reject an anti-American policy, which would have serious repercussions in the realms of both defence and economics.

The French government's Middle East policy, whereby Israel was condemned for being the aggressor, and its repetition of the Soviet assertion that the Israel-Arab crisis and the war in Vietnam are linked, was not well-received in Bonn. In fact on several occasions Chancellor Kiesinger made clear his regret that the Community had been unable to adopt a common policy for the defense of the Common Market's Middle East interests. In Bonn, it is felt that General de Gaulle's approach, far from making a common attitude easier, has had the opposite effect. However, it is hoped that, if nothing more, the economic aid programme suggested by the Chancellor can be run on a common basis.

All these differences lead German observers to the conclusion that, relations with Eastern Europe and a few minor matters apart, the latest Franco-German meeting was in general inconclusive. But this does not mean that the West German government is content to leave things as they are. It still hopes that the barriers to European unification can be overcome through close and permanent co-operation with France. Bonn therefore continues to call for pragmatic consultations between member governments of the Six on foreign policy and defence, so that one of the chief aims of Chancellor Kiesinger's foreign policy, the political unification of Europe may be achieved.

THE WEEK IN THE COMMUNITY

July 17 - July 23, 1967

From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET:

Once again the talents of the EEC Commission's new president, M. Jean Rey, have come to the fore. After talks lasting until 3 a.m. on the morning of July 21, he managed to secure agreement on the posts the members of the new single Commission should hold. He was not only able to achieve this within the time allotted, but, according to those in the know, succeeded in delegating duties according to his own original plan. Despite this, the length of the talks reveal that it was no easy task to reconcile aspirations with practice - there were, for example, some half-dozen candidates for foreign affairs, but none for nuclear energy or transport.

Duties were delegated as follows: -

- 1) The president (Jean Rey) is responsible for the general co-ordination of the Commission's work, and for the secretariat and the legal service.
- 2) Signor Eduardo Martino is responsible for foreign affairs in general, with M. Jean-Francois Deniau (who headed the Commission's team during the previous negotiations with Britain) in charge of external trade matters. M. Henri Rochereau will continue in charge of relations with overseas associate states (under the new title of "aid to developing countries").
- 3) General economic matters are now the responsibility of M. Raymond Barre (financial and economic matters as well as the statistical service), Herr Fritz Hellwig (research, including nuclear research and general nuclear questions), Herr Hans von der Groeben (internal market, fiscal and regional policies), and M. Emmanuel Sassen (competition and anti-trust policy).
- 4) Specific economic problems will be dealt with by Dr. Sicco Mansholt (who will also be in charge of agriculture, a post which no one else made a bid for), while Herr William Haferkamp covers energy policy, Signor Guido Colonna industrial affairs and M. Victor Bodson of Luxembourg, transport questions.
- 5) Professor Lionello Levi Sandri remains in charge of social affairs, which now includes the important ECSC social sector, and also has charge of personnel.
- 6) M. Albert Coppe (former acting president of the ECSC High Authority) takes over the joint budget, levies, credit and investments, as well as the information service.

Seven working parties have been set up at the same time to co-ordinate the Commission's work with that of the directorates-general. There is one dealing with administrative problems headed by M. Jean Rey, Signor Levi Sandri and

M. Bodson, another for agriculture with , Dr. Mansholt and M. Deniau, and one for foreign affairs under Signor Martino and M. Rochereau. In addition, there are four new working parties, dealing with the areas of special interest to the Commission:

- 1) For internal matters, the general economic affairs group, under M. Barre and Herr Hellwig, and the industrial affairs working party under Herr von der Groeben and Signor Colonna might well be classified as the industrial development working party.
- 2) Social affairs will be run by the EEC's Commission specialist, Signor Levi Sandri, as well as by M. Coppe and Herr Haferkamp, both of whom are acquainted with the social responsibilities of the Communities.
- 3) An important working party has been created to study problems connected with widening the Community. This includes Herr Hellwig, M. Sassen, Signor Sandri, and MM. Rochereau and Deniau.

The way the posts have been allotted is also worthy of comment. Apart from certain specific matters (such as investments in the coal and steel sector), a real merger of powers has taken place. This is especially so in the case of energy, transport and competition, where all the responsibilities created by the three Treaties are now the charge of one man. When one considers the scope of the EEC Treaty, it is quite reasonable that the tendency should be to reconcile the others with its aims. The most striking example is that of Euratom, which has been "absorbed", and is now shared by the Commissioners for Research and Industrial Affairs. If one adds to this the stress laid on certain matters (such as industrial, regional and social policy), it is now true to say that the structure of the new Commission, at least at the top, already anticipates the merger of the three Communities. This must surely have some political significance, for it is well known that some governments were not over-enthusiastic about too real a merger. Even so, it is plain that common sense and the need for efficiency indicated some sort of rationalisation along the lines which have been chosen. It remains to be seen whether these ideas will continue to hold sway when it comes to reorganising the directorates-general, a matter on which M. Rey and his colleagues hope to make good progress on before the summer break. The problem is, of course, complicated by the fact that there are a considerable number of top executives, and it is impossible for the Commission to take the easy way out by apportioning tasks in such a manner that everyone would be satisfied. The Commission would like to be able to create the post of assistant directors-general. Personal problems will be to the fore in coming months, but it is hard to see how they can be avoided, unless, of course, the rationalisation of the administration of the executives sought by the merger is allowed to go by the board.

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The EEC Economy: Uncertain

The latest economic survey by the Commission shows that little change has taken place in the Community's situation during the past few months. Only in Italy, where demand is still vigorous in all sectors, and in West Germany, where

some industries are starting to show signs of a recovery, has the situation begun to look more hopeful. However, in Italy what might be a warning sign appears in the business survey, which for the first time in several months forecasts a drop in production.

Unemployment: This continues to rise gradually throughout the Community, although for reasons which may differ from country to country. It is thought that in some cases the seasonally adjusted figures may be concealing the true increase in numbers of those out of work. Italy is again an exception, and the difference between it and the others might well have been more marked, if it were not for Italian immigrant workers returning home to look for work.

Consumer Prices: These have continued to rise, though at a slower rate than before. With the exception of West Germany, prices were 2.4% to 3% higher during April-May than in the same period in 1966. All the signs are that this trend will not fade, but become entrenched under the influence of seasonal factors, as well as through higher costs, introduced or likely to be introduced in several of the member countries.

Housing: It seems as if the trend towards a decline in house construction may have been halted, although at the end of the first quarter it was 7% lower than for the same period in 1966. Financial factors are probably responsible for this situation, and incentive measures have been introduced in France.

Trade Balance

At the start of the second quarter, this was showing a significant surplus (nearly \$80 million) on trade with non-member countries. Although partly due to seasonal factors, the continued demand from EFTA countries, especially Britain, meant a considerable increase in the size of the visible trade balance with industrial countries. However, the deficit on trade with the USA grew because of lower imports from the Community. The debit balance on the trade account with developing countries continued to fall because of lower raw materials imports by the Common Market, and higher imports of manufactured goods by the developing states. Enlarged trade quotas with Eastern Europe have also helped to improve the Community's trade balance.

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AGRICULTURE

Political pressure for Higher Prices

The European Parliament met in Luxembourg on July 19 in an extraordinary session, during which it expressed its opinion on the common prices to be fixed for major agricultural products for the 1968-69 season. On this particular subject, the debate followed what might be described as the traditional approach, with the Christian Democrats defending agricultural incomes against a coalition of Socialists - more interested in the consumer - and the Commission, worried by the

economic and financial effects of too large an increase. In the end, the Liberals rallied (with varying degrees of conviction) to the support of the Christian Democrats, and the latter's case won the day. This meant approval for a motion requesting price increases considerably higher than those recommended by the Commission. However, the last word will lie with the Council of Ministers, and they will certainly ensure that a better balance is achieved between the need to raise agricultural wages and the economic effects of such a move.

For obvious reasons, the Commission's proposals were fairly restrained. It decided that soft wheat should remain fixed at its 1965 level because: 1) there is surplus production at present, and 2) the common prices are in themselves substantially higher than those previously in force in major producer countries, especially France. The Commission also refused to consider raising the price of pig-meat, since there is a threat of over-production in this sector, and price increases would maintain unprofitable producers in business. It did, however, consider that there was a case for increasing the price of feed grains, as there was a Community deficit in this sector, and the effect on processed products (eggs, poultry and pork) would be very slight. The Commission also suggested that beef prices should be raised in two stages; there was a need to stimulate beef production - now in deficit - but without hitting the consumer's pocket too suddenly, as he is already hard-pressed because of the economic situation. In short, the Commission was aiming at guiding agricultural production as far as possible in the present weak state of the Community's economy.

The Political Argument: But opposed to this economic approach, which is certainly justified from the long-term standpoint, was the political attitude adopted by the Christian Democrats and Liberals, with an eye to more immediate social problems. They pointed out that increased productivity by European farmers (relatively speaking greater than that of industry) had not resulted in a corresponding income increase, due to an even greater rise in wages and costs. This is not altogether true, if one takes the richest agricultural areas and the biggest farms, but is certainly so for the most backward areas (in West Germany, the Common Market soft wheat price is in fact lower than the previous national price) and for small farms - mainly family concerns - who still represent a considerable political force. The problem for the supporters of the farmers is to discover whether the Common Market will offer a fair deal to the farmer - as fair a deal as the ever-improving one offered to the industrial worker.

New Prices: It is hardly surprising that in the European Parliament the second argument should have won the day, as the whole body is influenced by political considerations, and the end result was a proposed rise of over 5% in the price of soft wheat. As this fixes the price of feed grains, which the Commission had already recommended should be increased, it means that the price of barley and rye would be increased from \$91.25 to \$100.8 per ton, and that of maize from \$90.63 to \$104.16 per ton. Rice would go from \$181.2 to \$195 per ton, and pork from \$73.5 to \$76.5 per 100 kg. These are considerable increases (over 15% for maize), and it is unlikely that either the Finance or Agricultural Ministers will approve such measures

the less so, since agricultural prices are one of the few remaining factors governing inflation that can be controlled.

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EXTERNAL AFFAIRS

Denmark Sets the Ball Rolling

Tyge Dahlgaard, the Danish foreign minister, had talks with Commission President Rey on July 18 about his country's request for EEC membership, and the two agreed to meet again, all things being equal, in the first fortnight of September. The Commission is due to submit its report on the enlargement of the Community to the Council at the end of that month. Mr. Dahlgaard also handed M. Rey a detailed memorandum on his government's position, and copies of this were forwarded to the president of the Council, and to all thirteen member states of the EEC and EFTA.

Britain's Position: One very important feature of this move is that it sets a precedent that it would be very difficult to deter Britain from exploiting, because in fact a country that is a candidate for membership has actually had its official representative hold an exchange of views with the President of the Commission. Moreover, the latter went so far as to take receipt of a document giving the candidate's point of view in great detail. This means that the whole issue about whether or not the Commission might consult with London before submitting its report on enlargement has come right to the fore once more.

No Strings: Even more important, however, is the fact that this move could indicate the possibility of Denmark being willing to "go it alone" in her bid - after all, as long ago as last September, the country was showing signs of impatience with "British inertia". Again, Denmark has made such a commitment to the European Idea that her motives can in no way be questioned, and this vow is repeated in the memorandum, where Denmark expresses her wish to help strengthen the Community, be it economically or politically. One has all the more reason to credit this sincerity when one remembers that the integration of the Danish economy with that of the EEC as a whole would raise very few problems. Thus the memorandum asks for only a brief transitional period for Danish industry, and even undertakes to adopt the Common Agricultural Policy before full membership comes about.

This memorandum does not make British membership of the Community a binding condition of Denmark's own entry, although it does stress the importance of her agricultural exports to the United Kingdom, and underlines Copenhagen's preference for tri-lateral talks leading up to entry at the same time as Britain.

Loyalties: The memorandum also expresses Denmark's intention not to sever links with her EFTA partners, especially the Scandinavian countries, who have, or will be making, their own bids for EEC membership, but there is no urgent desire here for simultaneous negotiations. All that Denmark seeks is for EFTA members to keep

their tariff and customs barriers down as long as may be necessary for those wanting to join the EEC. They are letting nobody down, and they are hoping that nobody will take umbrage at their move, all of which really adds up to a picture of perhaps the most European-minded of the non-EEC states.

* * *

Norway and Sweden

On Monday July 24th, Norway submitted a formal application for full membership of the Common Market in a letter to Herr Willy Brandt, the President of the Council of Ministers. It is also understood that Sweden will make a request for negotiations towards the end of this week, but it is not yet certain whether this will seek full membership - which most of Sweden's unions and industrialists would like to see - or whether it will be for a form of association. Any bid by Sweden is complicated by her traditional policy of neutrality, which some believe to be incompatible with full membership, whilst others believe that since the 1965 crisis in the Community between France and the Five, there can no longer be a threat to Sweden's neutrality.

* * *

Italian Support for Eire

Following his previous visits to The Hague and Bonn, the Irish Prime Minister, Mr. Lynch, visited Rome on Friday, July 21, for talks on Eire's bid to join the EEC. It was plain that Italian support for Eire is strong, and she believes that Eire should as far as possible join the Community at the same time as Britain. Mr. Lynch told the Rome Government that the question of neutrality, which raised difficulties for both Switzerland and Sweden, raised no difficulties for his government, and said that Eire accepted the political implications of the Rome Treaty.

The Irish Prime Minister will be visiting Brussels for talks with the Belgian Government and the EEC Commission on July 26. and 27, and then go on to Luxembourg on July 28. No date has yet been arranged for his visit to General de Gaulle in Paris.

* * *

Association Bid from the Caribbean

Reports from Caribbean members of the Commonwealth indicate that should Britain's bid to join the Common Market be successful, they will apply for membership as associate states. . . Although this is expected to take the form of a regional approach to the EEC, nothing has yet been agreed, and the leaders of the countries involved are still holding talks.

* * *

E.C.S.C.

September Solution for Domestic Coal

During its last meeting on June 29, the ECSC Council of Ministers had asked the High Authority to prepare a report on:

- 1) Proposals for the stabilisation of prices for domestic anthracite and fines .
- 2) Suggestions of ways in which production might be related to demand, through reduction of production capacity and its regulated rate of usage .

The report was completed in time for the meeting of the unified Council of Ministers on Monday and Tuesday, July 24 and 25 . The High Authority gave its proposals, but the complexity of the problems involved and the short time available make it unlikely that the question of domestic coal will be discussed in detail until the general debate in September on the coal crisis and the changes required .

Prices

The Brussels Commission believes that the need to stabilise prices is justified by the fact that in most cases the granting of lower barometer prices for producers or improved wholesale prices demands increased state support for coal firms .

Price cuts might be necessary, however, in cases where these would prevent the structural breakdown of demand, by at least stabilising domestic consumption, and thus creating a breathing-space for structural adaptation by coal firms .

The Commission's experts have carefully studied the possibilities of applying Article 61 of the Paris Treaty, which would allow a minimum price to be fixed, but they have come to the conclusion that the disadvantages of such a measure in a market as complicated as domestic coal might outweigh the advantages . The same experts also believe it is possible to stabilise the market through the use of more flexible procedures .

By its decision 19/67 dated June 21, 1967, the High Authority has already fixed a ten-day delay for the introduction of barometer prices for domestic coal . This period can be extended to 25 days by the Commission, when it involves firms who are receiving state aid under decision 3/65 . The experts believe that this is sufficient to prevent too frequent or too sudden changes, and it also gives the Commission time to examine the question of intervention under Article 6 of decision 3/65 . The aim of this is that price changes should not be balanced by increased financial support from member governments .

The Commission believes this procedure will enable harmful changes in selling conditions or prices to be avoided in the future .

The relating of supply to demand should involve steps to decrease production capacity (although this cannot be done overnight, because of its regional and social effects), and to regulate utilisation rates; this coupled with stock control.

Another aspect of the last point is the level of imports from non-member countries. According to the Commission, all the measures aimed at adapting supply to demand should periodically be reviewed by producing countries.

* * *

EURATOM

Britain to Bear Dragon Cost

The Minister of Technology has confirmed reports that Britain will bear most of the costs involved in operating the Dragon research reactor at Winfrith Heath during 1968. The reason for this is that Euratom, which shares most of the cost with Britain, is having difficulties over its own financing. However, it is hoped that Euratom will be able, by mid-1968, to make a decision to extend the project until the end of March 1970. If this is the case, Britain will be repaid, but otherwise the project may well continue as a purely British venture.

* * *

European Development Fund

A Water-Supply for Dakar

The EDF has given the go-ahead for the Community to finance part of the cost of building a new water-supply for the Senegalese capital of Dakar. This project, which has been under consideration for some years now, involves a water pipeline being built between Dakar and Lake Guiers, about 160 miles to the north-west, at a total cost of between \$25 and \$30 million. The Community's contribution of \$6.6 million will be used to build the first 35 miles.

The main contractor for the project is the West German firm of Mannesmann, and the scheme has been the centre of controversy, as the EDF in 1964 considered that it was too ambitious, and should be limited to drawing water from nearer the capital. However, as this became a conflict over who should decide what was best for the country, the Senegalese government or the EDF, the matter began to drag on. Dakar, however, enlisted the support of France for its project, and the EDF then decided it was better to give way, being faced with pressure from West Germany, France and Senegal.

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STUDIES & TRENDS

THE WOOL INDUSTRY IN THE COMMON MARKET AND IN BRITAIN

Part I

Production

Production trends for the wool industry differ by country and by sector (the main three being combed wool, yarn and fabrics). There has been a recession in the industry as a whole over the last few years, since for the period 1960-1965 there was a decline in West Germany, Italy and Britain, although the situation remained stable in France, and slight growth occurred in Belgium. In fact British production is now only 55% of the Common Market level compared with 75% in 1958. Nevertheless, European combed wool production still remains an important part of the textile industry. It is interesting to note that French production far exceeds that of West Germany - nearly double - and is 10% above the USA figure (see Table I).

Country	1960	1961	1962	1963	1964	1965
West Germany	38.244	35.785	36.347	41.417	40.400	35.540
BLEU	24.648	26.430	28.600	29.361	28.500	29.120
Netherlands	2.102	1.840	1.608	1.529	1.201	1.181
France	87.405	86.285	82.663	83.261	87.448	85.652
Italy	60.304	57.029	59.326	57.187	49.722	53.441
EEC	212.703	207.369	208.544	210.755	207.271	204.934
Britain	144.811	145.183	133.716	137.880	120.312	112.302
U.S.A.	56.930	63.715	73.272	69.023	66.815	79.229
Japan	111.585	128.006	118.460	123.424	124.288	124.472

In 1965, the situation became even blacker, with production falling considerably compared with 1964. There was a drop of 12% in West Germany, 8% in Italy and 7% in Britain.

However, woollen yarn production, which rose noticeably in the USA and Japan, also fell in the main countries of Europe, in particular the Netherlands and France (-12% and -25% compared with 1964). Britain's leading position in woollen yarn production remained unchanged, and in 1965 she accounted for the same proportion of European output as she did in 1960 (50%). Within the Common Market, the only increases were in Belgium and West Germany, although both Italy and the

BLEU have raised their output during the last ten years. The Dutch, who produce only small amounts of combed wool, have kept major yarn units operative (see Table II).

The figures shown in Table 2 give a breakdown of the role played by cotton yarn as well as artificial and synthetic yarn in the wool industry. Fabric production has not always followed the same trend as that for yarn. In Belgium, production of the latter rose, although fabrics dropped; whilst in France and Italy activity in the yarn sector fell noticeably (-19% and -14%) compared with the previous year. In Britain the position remained satisfactory, and since 1960 British fabric production has risen from 40% of the Common Market output to 45% in 1965. Even in the fabric sector, the wool industry makes increasing use of other fibres, mainly artificial and synthetic (see Table III).

Production Factors

a) Supplies of raw materials: In 1965-66 there was a slight drop of 2% in pure wool production compared with the previous year, which was itself 3% below the record level of 1963-64. However, consumption, which fell dramatically in 1964-65 by around 6%, resulting in pressure on prices and stockpiling, started to recover in late 1965 and early 1966. This trend led to an increase in prices, so much so that "64" quality wool rose from 88 pence/lb in 1965 to 106 pence/lb in 1966 on the London wool market (see Table IV).

During the last decade, the position of consuming countries has changed, with Japan now occupying the fourth place behind the EEC (the world's largest consumer), Britain and the United States.

The role played by chemical fibres in the wool industry continued to rise in 1965, although less so than in 1964, when the increase in the price of raw wool persuaded producers to turn to other types of fibres.

In 1965, chemical fibres accounted for 20% of wool production in Britain and West Germany, 36% in the Netherlands, 15% in Belgium, 19% in France, 12% in Italy and 28% in the United States.

b) Plant (see Table V): The number of machines used for fabric and yarn production continues to decline because of technological developments, and especially so in Europe, with changes in shift work. Nevertheless, despite these adjustments, it does seem that Europe has excess equipment capacity.

c) Labour-force (see Table VI): The number of people employed in the wool industry fell in 1965, thus continuing a trend which has become established over the last few years. This was particularly so in the EEC, where the labour-force fell by 7%, although most of this figure was accounted for by Italy where there was a drop of 10%.

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This trend is a sign of the move towards improved productivity in Britain as elsewhere . Furthermore, the high productivity of French firms compared with their Italian and West German counterparts should be noted, although it does seem that the latter, as in Britain, are starting to modernise their equipment, a move which they had postponed until now .

TO BE CONTINUED

TABLE II YARN PRODUCTION BY THE WOOL INDUSTRY

(1) Overall Total

(in tons)

Country	1960	1961	1962	1963	1964	1965
West Germany	118,083	113,838	114,185	118,604	119,951	123,764
BLEU	50,816	54,110	59,057	64,466	62,304	64,589
Netherlands	29,142	29,938	30,178	33,556	30,747	23,000
France	142,916	147,010	145,472	158,396	147,219	129,696
Italy	194,651	195,180	203,410	207,429	200,135	197,027
EEC	535,608	540,076	552,302	582,451	560,356	538,076
Britain	248,500	239,156	235,536	250,718	253,680	249,605
USA	316,100	316,672	350,005	379,635	380,260	412,000
Japan	134,833	141,181	141,734	147,790	148,358	155,000

(2) Breakdown by categories (1965)

(in tons)

Categories	West Germany	BLEU	Nether- lands	France	Italy	EEC	Britain
Woollen yarns + Cotton yarns	91,068	64,589	20,181	88,267	159,299	423,404	222,380
	-	-	-	8,013	na	8,013	-
Artificial + synthetic yarns	29,040	-	2,331	33,416	na	64,787	26,644
Others	3,656	-	690	-	37,728	42,074	181
Total	123,764	64,589	23,202	129,696	197,027	538,278	249,205

TABLE III FABRIC PRODUCTION IN THE WOOL INDUSTRY

(1) Overall Total

(in tons)

Country	1960	1961	1962	1963	1964	1965	
West Germany	63,382	64,708	61,540	56,859	57,079	61,499	
BLEU	14,877	16,958	17,215	19,056	18,850	17,335	
Netherlands	26,716	27,600	26,550	29,004	28,767	25,204	
France	67,798	69,151	69,782	77,172	75,588	61,061	
Italy	88,760	87,538	88,028	86,279	78,255	66,928	
EEC	261,533	265,955	263,115	268,310	258,539	232,027	
Britain	110,958	107,300	105,700	106,980	106,802	105,403	
USA	110,600	110,800	119,667	109,654	98,392	-	
Japan	135,294	135,721	129,576	138,099	128,006	120,272	
(2) Breakdown by categories (1965)							
	(in tons)						
Categories	West Germany	BLEU	Netherlands	France	Italy	EEC	Britain
Cotton fabric	431	-	na	6,921	na	7,352	-
Combed and carded wool fabric & carpet fabric	47,757	15,791	25,204	34,381	61,124	184,257	105,403
Artificial & synthetic fabrics comprising:	12,499	1,544	na	18,259	na	32,302	na
1) Cut yarn -	11,963	1,544	na	16,659	na	30,166	na
(synthetic)	7,292	-	na	7,553	na	14,845	na
(artificial)	4,671	1,544	na	9,106	na	15,321	na
2) Uncut yarn -	536	-	na	1,600	na	2,136	na
(synthetic)	502	-	na	-	na	502	na
(artificial)	34	-	na	1,600	na	1,634	na
Others	812	-	na	1,500	5,804	8,116	na
Total	61,499	17,335	25,204	61,061	66,928	232,027	105,403
(na= not available)							

TABLE IV RAW MATERIALS CONSUMPTION BY THE WOOL INDUSTRY

in 1963 (I), 1964 (II) and 1965 (III)

(in tons)

Country		Pure Wool	Other Sources				Overall Total
			Wool Waste	Chemical Fibres	Natural Fibres	Total	
West Germany	I	71,067	11,169	22,055	27,171	60,395	131,462
	II	61,577	11,145	25,889	28,739	65,773	127,350
	III	66,334	9,515	27,922	33,089	70,526	136,860
Belgium	I	43,971	6,068	7,602	2,174	15,844	58,815
	II	43,128	5,673	9,855	4,005	19,533	62,661
	III	44,403	4,145	8,753	5,030	17,928	62,331
Netherlands	I	10,313	3,805	8,686	11,626	14,117	24,430
	II	9,752	3,624	8,779	1,356	13,759	23,511
	III	9,722	3,265	7,736	1,140	12,141	21,863
France	I	126,291	23,102	40,098	35,500	101,700	227,991
	II	111,147	21,179	44,015	43,160	108,354	219,501
	III	107,333	16,600	39,224	41,246	97,070	204,403
Italy	I	86,558	90,376	17,990	30,949	139,315	225,873
	II	81,457	76,242	21,308	33,040	130,590	212,047
	III	83,417	64,382	25,460	32,297	122,139	205,556
Great Britain	I	207,690	46,197	48,821	14,624	109,642	317,332
	II	189,741	46,743	60,878	12,282	119,903	309,644
	III	182,624	44,032	60,654	12,115	116,802	299,426
USA	I	186,950	77,921	59,480	5,463	142,864	329,814
	II	161,784	72,344	85,818	5,259	163,421	325,205
	III	175,555	74,394	98,938	5,370	178,702	354,257
Japan	I	139,900	34,721	14,612	9,114	58,447	198,347
	II	140,777	33,918	18,129	10,542	62,589	203,366
	III	147,532	34,769	22,661	8,484	65,914	213,446

TABLE V Country	INSTALLED PLANT IN THE WOOL INDUSTRY									
	Spindles operative					Looms operative				
	Combing		Carding		Automatic		Non-automatic		Total	
	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965
West Germany	710	725	324	317	3,797	4,289	8,273	7,417	12,070	11,706
Belgium	355	370	115	115	900	1,100	3,400	2,400	4,300	3,500
Netherlands	78	70	121	91	597	750	3,764	3,000	5,721	4,955
France	818	818	382	373	5,527	5,400	8,142	7,700	13,669	13,100
Italy	831	830	885	870	2,279	2,400	20,445	20,000	22,724	22,400
Britain	2,303	2,177	1,570	1,520	11,670	11,317	26,245	24,813	37,915	36,130
USA	702	725	545	523	-	-	-	-	9,900	-
Japan	1,090	1,112	420	-	2,664	2,585	32,541	30,464	35,205	33,049

TABLE VI TRENDS IN THE LABOUR FORCE OF THE WOOL INDUSTRY

I = Workers

II = Technical & Administrative

III = Total (I + II)

(in 1,000's)

Country		1962	1963	1964	1965
West Germany	I	85.0	80.9	77.7	75.3
	II	11.7	11.4	11.4	11.3
	III	96.7	92.3	89.1	86.6
BLEU	I	17.2	17.5	17.3	16.9
	II	1.7	1.7	1.8	1.8
	III	18.9	19.2	19.1	18.7
Netherlands	I	16.1	15.9	14.5	12.8
	II	2.3	2.4	2.3	2.2
	III	18.4	18.3	16.8	15.0
France	I	72.6	74.1	66.9	63.6
	II	16.8	16.6	16.6	16.7
	III	89.4	90.7	83.5	80.3
Italy	I	112.7	111.2	105.6	93.7
	II	11.0	11.0	11.3	11.3
	III	123.7	122.2	116.9	105.0
EEC	I	303.6	299.6	282.0	262.3
	II	43.5	43.1	43.4	43.3
	III	347.1	342.7	325.4	305.6
Great Britain	I	169.3	179.0	166.1	156.9
	II	19.8	19.1	19.9	19.7
	III	188.6	198.1	186.0	176.6
USA	I	45.9	43.1	39.2	38.1
	II	5.9	5.8	5.6	5.4
	III	101.8	48.9	44.8	43.5
Japan	I	-	-	128.5	-
	II	-	-	-	-
	III	142.3	141.3	128.5	-

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HEADLINES

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	SIGNODE closure equipment takes over affiliate, LE LAMINAGE	G
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	RIC-WIL petrol storage forms first EEC subsidiaries	M
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BUILDING & CIVIL ENGINEERING

** The Italian building and civil engineering concern COSTRUZIONI GENERALI FARSURA-COGEFAR SpA, Milan (a member of the LA CENTRALE SpA group - see No 402), has extended its foreign representation by opening branches in Switzerland (at Zug) and Thailand (Bangkok).

** The French civil engineering and reinforced concrete firm ENTREPRISE CARONI SA, La Madeleine, Nord (capital Ff 10 million), has formed a Belgian subsidiary, STE BELGE DES ENTREPRISES CARONI-SO.BE.CA.SA, which will carry out similar work to its founder. M. Yves R. Caroni, the group's director, is president of the new concern, which has Bf 1 million capital. Control is shared with two affiliated companies: Ste Auxiliaire de Materiel Caroni Sarl, La Madeleine, and Entreprise Parisienne Caroni de Dragages de Travaux Publics Sarl, Nogent-sur-Marne.

CHEMICALS

** The British fertilizers group FISONS LTD, Felixstowe, Suffolk (see No 412), which has been setting up its own Common Market sales organisation (see Nos 388 and 396), has formed NV Fisons at St-Gilles, Brussels, with M. Hans Kahn as president and M. Gerard Kayser as manager. The new firm has Bf 50,000 capital, and is under the direct control of the group's Swiss subsidiary, Fisons Holdings AG, Zug.

Fisons, which produces a wide range of chemicals, pharmaceuticals, veterinary, agricultural and horticultural products, has in recent months set up sales promotion subsidiaries in Milan, Neuilly-sur-Seine and The Hague. It already has firm interests in Belgium, where it holds shares in Fisons- U.C.B. SA, Brussels, and Acides & Superphosphates Standaert SA, Ghent.

** The West German cleansing products firm COLLO RHEINCOLLODIUM KOLN GmbH, Hersel, Bonn (see No 308), is going to expand its foreign interests by forming two new sales companies. One will be in Spain, whilst the other will be established in Denmark to cover the Scandinavian and British markets.

With a capital of DM 750,000, the Hersel firm is a 60% interest of Herr Rolf Moroni (of the remaining 40%, half is held by Herr Friedrich Karl Rinck). It employs some 200 people, and had a 1966 turnover of around DM 20 million: in West Germany its main subsidiary is Collopor Schaumleischstoff GmbH, formed in June 1966 at Hersel (capital DM 20,000); in Austria, Collo-Chemie Austria GmbH, Salzburg, and in France NMC Vileda France SA, Fourmies, Nord. This was set up in 1962 under the name of Collo Chimie Franco-Belgo-Allemande SA in association with the Belgian company Noel Marquet & Cie SA, Eupen - itself a subsidiary of the German Werner & Mertz GmbH, Cologne.

** The Dutch co-operative AVEBE G.A., Veendam (see No 325), and the Belgian group GLUCOSERIES REUNIES SA, Alost (see No 390), have signed a co-operation agreement covering amylaceous products. The two concerns have been indirectly linked since the beginning of 1967 in a British company, Tunnel Avebe Starches Ltd, Greenwich (see No 386), which is responsible for the sale of starches to the textile and paper industries.

Under the new agreement, both partners will keep their own structure and legal identity, although all activities will be merged where possible. It will involve research, production and sales, and is aimed at strengthening the companies' share of the market. Present combined output of the products in question stands at 300,000 tons annually. A joint board will be set up and the income from the scheme will be shared.

Avebe G. A. heads 12 associate companies, and controls around 80% of the Dutch potato starch market, as well as being a leading chemical firm through its subsidiary Chemische Fabriek Avebe, Ter Apelkanaal and two other companies which it also controls, Duintjer Wilkens Meihuizen & Co NV and Van Linge's Dextrinefabrieken NV (both in Naarden). Its foreign sales are promoted by subsidiaries in Milan and Schepdaal, Belgium.

Glucoserie Reunies is the leading Belgian producer of corn starch, and also makes glucose derivatives, dextrose, oil-cake and cattle-foods (Unica, Germaline, Albumex and Schilfers). It is a 20% affiliate of the American group A. E. Staley Manufacturing Co, Decatur, Illinois (through its Swiss subsidiary Staley AG - see No 376). The Belgian firm's main interests are: 1) in Belgium, SA l'Eckelaers, St-Josseten-Noode, Sweetmix Sugars SA, Woluwe-St-Lambert (in association with Raffinerie Tirlemontoise SA - see No 379), SA Trois Moulins, Wijnegem, SA Belge Tilkens Mechelèn, (formerly Ets Henri Tilkens, directly controlled by the Luxembourg investment company Generale Europeenne de Raffinage SA Holding); 2) its foreign interests include close co-operation with Tunnel Glucose Raffineries Ltd, Greenwich (also an affiliate of A. E. Staley Manufacturing Co), Campo Ebro Industrial SA, Saragossa, CICAB-Cie Industrielle, Commerciale & Agricole de Bretagne SA, Paris, and Somadim SA, Casablanca.

** The Ludwigshafen group BASF-BADISCHE ANILIN & SODAFABRIK AG (see No 413) has doubled the capital of its Paris subsidiary, IMACO SA (see No 400), to Ff 10 million, to facilitate expansion. The latter was formed in 1952, has Dr Hans Freinsehner of Mannheim as president and Herr G. Borgolotz as director, and acts as general agent for France for all the group's chemical products. Control of it is shared between BASF Holding AG and Organchemie AG, both of Zurich, and Ste Financiere de Gerance & de Participations SA, Paris (formerly Slyp SA - see No 412), which belongs to the Rothschild Freres group of Paris.

** STE DUROFALT-FRANCE Sarl has now been officially established at Dunkirk, Nord (see No 405), with M. Albert Pavageau as manager, (capital: Ff 25,000) to handle French rights to the Dutch KEY & KRAMER NV's "Durofalt" processes for surfacing, sealing and insulating tars and asphalts. Another subsidiary is being formed in Bremen to distribute these materials in West Germany.

COSMETICS

** The American company, ROBERT SELIGMAN CORP, Dover, Delaware, has formed a subsidiary at St-Josse-ten-Noode, Brussels, called Robert Seligman Corp Belgium SA (capital Bf 200,000) to run hairdressing and beauty salons, and to import and sell cosmetics and hair-care products. The new firm is independent of Seligman & Latz Inc, of New York, London and Geneva (see No 278), and will be run by Messrs R. Seligman of Paris, A. Pregel of New York and E. Williams of Brighton.

ELECTRICAL ENGINEERING

** SIEMENS AG, Berlin (see No 415), which embarked on negotiations in 1966 (see No 384) with a view to retrieving a share of its considerable pre-war electrical installations business in Austria, has now concluded its first series of agreements in this sector. The group plans soon to establish a company called Siemens Oesterreich, and in the meantime has initiated a close co-operation programme with the public concern ELIN-UNION AG FUER ELEKTRISCHE INDUSTRIE, Vienna.

The Austrian concern, to which the State has undertaken to grant a long-term credit of Sch 400 million, will raise its capital from Sch 200 to 600 million by taking over and absorbing WIENER STARKSTROMWERKE GmbH, Vienna, a former subsidiary of the German group (known as Siemens Schickert GmbH, until the war broke out), which was nationalised after hostilities ceased. In the cable-making field, further to these agreements, Elin-Union will take a 25% shareholding in the German group's subsidiary in Vienna: Wiener Kable- & Metallwerke AG.

ELECTRONICS

** The Swiss investment company LINEAR HOLDING AG, Chiasso (formed in May 1967 - capital Sf 50,000), which is headed by M. G. Poma, has backed the formation of the Milan import-export firm AUDEL Sas (share capital of Lire 5 million). Run by Signor G. Bertazzoni (who also holds a 10% interest) it will specialise in electronic components and instruments for recording and reproduction.

** WESCO NV, Rotterdam (formerly Weseman & Co, a family concern headed by MM J. J. Derksen and C. Th. Weseman), has made a technical co-operation and sales agreement for electronic instruments with SIMMONDS PRECISION NV, Amsterdam, which is a member of the Tarrytown, New Jersey, group, Simmonds Precision Products Corp.

A few years ago, the latter gained control of the Dutch Audium NV, which made transformers for neon equipment, electronic controls and sound reproduction devices. This was renamed Simmonds Precision NV in 1965, and placed under the management of D. J. Wansink: recently, it gained control of a small, local concern making special transformers for lighting, called S. Biederman. The American group, which is controlled by its chairman M. G. R. Simmonds, also has a subsidiary in Zug, Switzerland, and another in London.

ENGINEERING & METAL

** The West German engineering concern KRAUSS-MAFFEI AG, Munich (see No 391), has formed a new sales subsidiary, KRAUSS-MAFFEI FAHR-ZEUG GmbH, Munich (capital DM 50,000), with Herren Friedrich Beyer and Hans Dietrich von Bernuth as managers. The company, which specialises in the production of diesel and electric locomotives, heavy engineering and the construction of plant for the chemical, plastics, paper and food industries (1966 turnover of DM 392 million) belongs to the Friedrich Flick KG group of Düsseldorf (see No 409) through Buderus' sche Eisenwerke, Wetzlar.

At the beginning of this month it was awarded a contract for 334 Leopard tanks by the Belgian government, in preference to the French AMX-30, which was considerably more expensive and did not fulfil the required NATO standards.

** The Swedish group ATLAS COPCO A/S, Stockholm (see No 417), has changed its Paris subsidiary DIABOR SA (capital Ff 500,000) into SA CRAELIUS DIABOR. The French company, which specialises in drilling tools, took over the factories of Craelius at Gentilly, Val-de-Marne (see No 347), which made diamond heads for bits. This was then changed into a marketing company before being taken over by another French subsidiary, Atlas Copco France SA, Franconville, Val d'Oise (capital Ff 7.6 million - see No 353).

A similar move took place last year in West Germany involving Craelius Diabor Ges. Für Bohrkronen mbH, Bülberich b. Düsseldorf.

** The West German manufacturer of machinery and machine tools for the engineering, wood-working and plastics industry LEDERMANN & CO KG, Horb, has backed the formation of an Austrian manufacturing and marketing company LEUCO-WERKZEUG- & MASCHINEN GmbH, Feldkirch (capital Sch 450,000) with Herren Josef Störner (managing partner of Ledermann) Dieter Wolfram and Roland Martin as managers.

The West German company has over 500 people on its payroll, and it controls Hawera-Hartmetall Werkzeugfabrik GmbH, Ravensburg, as well as a 90% interest in Strasbourg, Leuco-France Sarl (see No 317).

** The American manufacturer of hydraulic and pneumatic equipment, pumps and products for the refrigeration industry PARKER-HANNIFIN CORP, Cleveland (see No 369), has changed its French branch at Puteaux, Hauts-de-Seine, into a subsidiary called PARKER-HANNIFIN (FRANCE) SA, Paris. With one quarter of the authorised capital of Ff 100,000 issued, the new concern has M. Pierre Pselpidis - previously head of the branch - as president.

The Cleveland firm is already well-established in Europe with industrial and sales subsidiaries bearing its name in Schipol, Amsterdam, Cologne-Niehl, Trezzano Sul Navigo, Milan and Watford, Hertfordshire. In Norway it has a 50% shareholding in Kenmore A/S, Oslo (see No 269). The latter, which has a Milan subsidiary, closed its Cologne interest in 1966.

** V.N.F.-VEREINIGDE MACHINEFABRIEKEN NV (see No 413), the major Dutch metal group, is to take over NV MASCHINEFABRIEK & CONSTRUCTIE-WERKPLAATS HENSEN, Rotterdam, which will continue as a separate company under VMF's STORK-WERKSPOOR Division. Its activities will be extensively rationalised, however, in the cranes and conveyor belts sector, in order to eliminate repetition of the group's production of such items.

Hensen was established in 1875, has Fl 3 million capital, and employs over 600 people in the manufacture of dock cranes, wharf handling equipment, mineral unloaders, and a wide range of lifting gear produced under licence from and with the technical assistance of DRAVO CORP, Pittsburgh. It is also linked for metal installations with the German Maschinenfabrik S. Haushann oHG, Stuttgart-Feuerbach, and recently granted patents for its lifting gear to the Italian Novafias SpA, Frosinone, Rome.

** The German WAFIOS MASCHINEN WAGNER, FICKER & SCHMID, Reutlingen (see No 362), which makes machine tools and equipment for the steel and wire industries, has formed an engineering and sales company in Watford, Hertfordshire, called WAFIOS (G.B.) Ltd, with £6,000 capital. The new firm is to be run by two of the parent company's own heads, Herren G. Lange and W. Harter of Reutlingen, and Mr. P. A. Mead of Woodford Green, Essex.

The German group already has sales subsidiaries in Paris (Wafios France Sarl, since 1961), and Milan (Wafios Italiana Srl, since 1964 - see No 272).

** The American engineering group EATON, YALE & TOWNE INC, Cleveland, Ohio (see No 391), has formed a financial and sales promotion company at Zug in Switzerland under the name of Eaton, Yale & Towne Credit SA. The new company has Sf 500,000 capital, and Mr Herbert E. Rudy of Cleveland as president: it is based with the branch run by the group's Liberian subsidiary, Yale & Towne International Inc, Monrovia.

In Switzerland, the group, which makes auto parts, pumps, locks, civil engineering equipment, etc., has had a sales subsidiary since April 1964, Eaton Manufacturing SA, Corsier (capital Sf 50,000 - see No 254).

** The American heating and air-conditioning group MIDLAND HEATER CO, Columbus, Ohio (see No 354), has formed a sales and engineering subsidiary in Brussels under the name of Lennox Belgium SA (capital Bf 1 million).

The American group and its subsidiary Lennox Industries Inc, Marshalltown, Iowa, which are controlled by the Norris family and directed by Mr. E. W. Booth, are already widely represented in Europe: Lennox NV in Rotterdam (see No 307); Lennox GmbH in Frankfurt, and Lennox Heating Co Ltd, Croydon, Surrey, which is directed by Mr. R. B. Trezevant, and is under the direct control of Lennox Industries (president Mr. John W. Norris).

** The French avionics concern (especially tactical missile strike simulators), GIRAVIONS DORLAND Sarl, Suresnes, Hauts-de-Seine (directed by M. P. de Guillenschmidt), has made an agreement with the American L.T.V. AEROSPACE CORP, Dallas, Texas (a member of the Dallas group LING-TEMCO-VOUGHT INC - see No 369) to pool research work on future forms of vertical take-off devices, using the "jet flaps" principle.

** The German materials-handling equipment group JUNGHEINRICH is to form an administration company to supervise its business: this will be based in Hamburg, and will have the name of JUNGHEINRICH UNTERNEHMENSVERWALTUNG GmbH & CO KG (share capital of DM 4 million).

In this capacity, the new company will control the following: H. Jungheinrich & Co Maschinenfabrik GmbH & Co KG (DM 2 million share capital), Hubertus-Regal, Herstellungs- & Vertriebs GmbH, and Akkutechnik Ladegeräte KG, all in Hamburg; in Switzerland, it will hold the capital of Jungheinrich International GmbH, Aarau, which already co-ordinates the group's foreign business, especially that of its subsidiaries in France, the Netherlands and Austria (see No 404).

** The leading French engineering groups THOMSON-HOUSTON HOTCHKISS-BRANDT SA (see No 417) and CIE DE PONT-A-MOUSSON SA (see No 417) have taken equal interests through their respective subsidiaries SOGEV-STE GENERALE DU VIDE SA and STE FINANCIERE DE ROBINETTERIE SA, Paris - and gained control of STE DE CONSTRUCTIONS MECANQUES & ELECTRIQUES DE COLOMBES SA, Colombes, Hauts-de-Seine (capital raised recently to Ff 1.57 million). With a factory at Champanges, Haute-Savoie, the latter specialises in control equipment for the chemical, petrochemical, cryogenic and nuclear energy industries. It will now be run by Sogev.

The move will strengthen the position of the two groups' interests in the special control sector. Thomson-Houston Hotchkiss-Brandt has two subsidiaries in this sphere, Sogev and Vanelec SA, Choisy-le-Roi (acquired in 1966 - see No 343), whilst Pont-a-Mousson indirectly controls Cie Generale de Robinetterie-Cogero SA, St-Sulpice-Ham, Somme (see No 309).

** The Chicago group SIGNODE CORP (see No 404) has acquired almost total control of its Belgian affiliate LE LAMINAGE SA, Carnieres (see No 286) and has changed its name to SIGNODE SA (held by the group's Antwerp sales subsidiary up till 1962). The capital remains unchanged at Bf 250,000.

The Chicago group specialises in equipment for packaging and sealing crates and bales (trade names include Dymax, Signode, Paslode). Through its subsidiary (also based in Chicago), Signode International Ltd, it controls several European sales companies; Signode System GmbH, Dinslaken, and Elastic GmbH, Frankfurt, Signode NV, Amsterdam, Signode SA, Paris, Signode Ltd, Swansea, and Signode A/B, Stockholm.

** The Dutch small engines concern, ANKER MOTOREN NV, Rotterdam, (see No 356) has made a co-operation agreement with the moped and motor-cycle group, NV GAZELLE RIJWIELFABRIEK v/h ARENTSEN & KOELLING, Dieren (see No 315), under which the former will close down its "Berini" moped factory in Rotterdam, and make over this activity to the latter.

Anker Motoren is under the control of the Belgian group Laura & Vereeniging SA (a Generale de Belgique affiliate), through its Dutch subsidiary NV Beleggingsmij Laura & Vereeniging, Eyselshoven, and of the Rotterdam group Anker Kolen Mij NV. It is to shed still more of its manufacturing interests by transferring production of "Anker" and "Berini" motors for mopeds, outboards, trimmers, power tools, etc. to the Belgian group's Eyselshoven factory, where Laura has its head office.

** The American manufacturer of cutting and stamping equipment CINCINNATI SHAPER CO, Cincinnati, Ohio (see No 406), has set up a Brussels sales subsidiary, CINCINNATI BELGE SA (capital Bf 100,000), which will be run by M. E. D. Laurent.

The group's European sales network has already been reorganised in several countries, through the creation of local subsidiaries (in Düsseldorf, Glasgow and Neuilly-sur-Seine) responsible for sales operations and controlling distributors.

FINANCE

** BANQUE DE SUEZ & DE L'UNION DES MINES SA, Paris (see No 380), and BANKERS TRUST CO, New York (see No 413), have organised the formation by fifteen international banks from ten countries (six for the Common Market) of a joint finance subsidiary in Switzerland. This is to guarantee a regular market for the financing of medium-term operations, to buy and place in the international market - through CIE FINANCIERE & DE CREDIT SA, Lausanne - promissory notes issued by borrowing companies, mainly in dollars or convertible currency. The notes at the outset will have a maturity of two to five years.

The new firm is also based in Lausanne and is called CIE INTERNATIONALE DE CREDIT A MOYEN TERME SA (president M. Gilles Doubreze). Its initial capital stands at Sf 5 million, and 10% of this each has been put up by the above-mentioned banks and MARTINS BANK LTD, Liverpool, and AMERICAN EXPRESS CO INC, New York. Other shareholders are: 1) from the EEC, Banque de l'Union Parisienne - C.F.C.B. SA, Paris; Banque Internationale a Luxembourg, Luxembourg; Commerzbank AG, Düsseldorf; Banque Lambert Scs, Brussels; and Credito Italiana SpA, Milan; 2) from EFTA, Banque Cantonale Vaudoise SA, Lausanne; Ste de Financement International de la Compagnie de Suez-SOFIS SA, Geneva; Svenska Handelsbanken A/B, Stockholm; Bergens Privatbank A/S, Oslo; Christiania Bank Og Kredit-Kassen, Oslo, and Den Norske Creditbank A/S, Oslo.

** Two British banks, MIDLAND BANK LTD (see No 354) and SAMUEL MONTAGU & CO LTD (see No 386), have joined with three European banks, STE GENERALE DE BANQUE SA, Brussels, AMSTERDAM-ROTTERDAM BANK NV, Amsterdam, and DEUTSCHE BANK AG, Frankfurt, in forming a new (mainly medium-term loan) bank in Brussels under the name of B.E.C.-BANQUE EUROPEENNE DE CREDIT A MOYEN TERME SA. The new concern has Bf 750 million fully paid-up capital (\$15 million), and other European banks are expected to join the partnership at a later date.

This is the first time that the Midland Bank has given financial backing to a venture of this kind on the Continent, but it already has ties with the other banks (except Samuel Montagu), with which, in 1963, it formed a consortium called "European Advisory Committee", which itself formed the credit group called Exfinter-Export Finance International (see No 292).

Another effect of this new grouping will be to enable the hire-purchase financing departments of the banks concerned to extend to exporters in any of the four countries those credit facilities in the importing country that are offered by banks and finance companies associated with members of the group.

** CHARTER EUROPEAN HOLDINGS SA, Luxembourg (\$1.3 million authorised capital - see No 407), which was formed recently by the London holding company for South African mining concerns, CHARTER CONSOLIDATED LTD, has increased its finances by releasing a new block of \$400,000 capital, all of which has been underwritten by the group's London subsidiary, CENTRAL MINING FINANCE LTD, represented in Luxembourg by Banque de Paris & des Pays-Bas pour le Grand Duche de Luxembourg SA.

The latter was formed late in 1964 as a subsidiary of Banque de Paris & des Pays-Bas (see No 279), and has just raised its capital to Lux F 50 million. This increase was subscribed by its parent bank and by five members of the group: SA d'Etudes & d'Applications Industrielles & Commerciales, and Cie Centrale de Financement SA, both in Paris; Marches Commerciaux SA, Geneva; Sanipar SA, Antwerp, and Ste Financiere de Gaz & d'Energy SA, Luxembourg.

** DE BEERS CONSOLIDATED MINES, Kimberley, South Africa, has formed in Luxembourg (through its local financial subsidiary, DE BEERS EUROPEAN HOLDING SA (formed in February 1967 - see No 405), an investment company called HILUX HOLDING SA (capital Ff 100,000). the managing director of the new concern is Mr. B. W. Pail, financial director of Charter Consolidated Ltd, London (see above), an investment company of the main group behind all these companies: Anglo-American Corp of South Africa Ltd, Johannesburg (see No 405).

** A finance company called ALEXANDER HAMILTON FUND SA has been formed in Luxembourg to manage an international investment trust, using mainly American stocks - but which cannot be held by American citizens. Its authorised capital has been fixed at \$5 million (\$10,000 issued with \$90,000 placed in the company's reserves by Finimsa SA, Luxembourg, a member of the Kredietbank NV group of Antwerp - see No 416).

The board of the new company includes Messrs S. H. Woolley and C. M. Bliss, chairman and vice-chairman of the Bank of New York, which merged with the Empire Trust Co in 1966. Sir G. L. F. Bolton (chairman of BOLSA-Bank of London and South America - see No 415), Lord Polwarth, governor of the Bank of Scotland Ltd, Edinburgh (see No 406) and M. J. Meynial (former managing partner of Worms & Cie, now changed to Banque Worms & Cie SA - see No 415).

** One of Sweden's leading commercial banks, STOCKHOLM ENSKILDA BANK A/B (see No 372), is to take a 13% shareholding in MORGAN & CIE SA, Paris (see No 389), and will be represented on the board by its general manager, Marc Wallenberg Jr. Other minority shareholders in the Paris concern (with an equal interest) are Mees & Hope, Rotterdam and Morgan Grenfell & Co, London (see No 388).

The French bank is a 61% interest of Morgan Guaranty International Finance Corp, a subsidiary of Morgan Guaranty Trust (see No 394); its banking activities were taken over some months back by Morgan & Cie International SA, Paris (capital Ff 4 million), whose president is M. Pierre Meynial. This is controlled on a 33-66 basis by Morgan Guaranty International Finance Corp and Morgan Stanley & Co, New York.

** M. Louis Lombard, a Geneva banker and partner in LOMBARD, ODIER & CIE Snc, Geneva (see No 384), has become sole owner of the Luxembourg holding company CARITAS SA, which he has started to wind up. The latter (capital Lux F 7.5 million) was formed in 1961 with Lux F 20 million capital, as a joint venture with the Luxembourg bank, BANQUE COMMERCIALE SA.

** The American brokers and exchange agents FAULKNER DAWKINS & SULLIVAN (headed by Mr. Dwight Faulkner), has formed a Paris subsidiary, FAULKNER DAWKINS & SULLIVAN (FRANCE) Sarl, to carry out all dealings stocks and shares although it will not include work on the Paris Bourse. Mme Maingot-Biecheler is manager of the new venture (capital Ff 75,000).

FOOD & DRINK

** Frau Maria Batscheider-Lieken, Lugano, Ticino, owner of the West German wholemeal bread manufacturer ACHIMER SIMONSBROT-FABRIK FRITZ LIEKEN GmbH, Achim, Bremen, has taken a 97.5% interest in the formation of a holding company, BATSCHEIDER-LIEKEN VERMOEGENS VERWALTUNG GmbH, Achim (capital DM 1 million), with the remainder held by Herr Fritz Lieken, Lugano. Achimer Simonsbrot has around 400 people on its payroll, with a capital of DM 200,000.

** The American poultry-breeding group, THE COBB BREEDING CORP, Littleton, Massachusetts, is to strengthen its links with the Dutch group E.P.U.-EUROPESE PLUIMVEE UNIE NV, Hamersveld-Leusden (see No 361), by taking a 50% interest in one of the latter's wholly-owned subsidiaries, Europese Pluimveefokbedrijf Hamersveld NV (see No 351), which will change its name to Cobb Hamersveld NV as a result. Messrs A. E. Wardwell Jr and J. A. Tromp will represent the American group on the board of the latter, and it will sell the Cobb group's chicks not only in the Netherlands, but throughout the Common Market, and in Spain, Portugal, Switzerland and Austria.

In 1963 a similar 50-50 link-up between these two companies (Cobb, through its subsidiary Cobb's Pedigreed Chicks International Inc) led to the formation of Cobb's-Hamersveld Centrum Voor Ontwikkeling & Research van Pluimvee NV (capital F1 150,000).

** The Dutch producer of milk-based fattening foods for pork and veal GARDENBROEK'S VEEVOEREFABRIEK NAVOBI NV, Staverdin-Elspeet, has formed a second subsidiary in Belgium, EUROPEAN MEAT CORP-EUMECO NV. With M. Marinus Gardenbroek as president, and run by M. A. van Regemorter, it has a capital of Bf 120,000 shared between the directors of the founder, mainly Messrs A. Gardenbroek and P. Boermann, and the first subsidiary, Veevoederbedrijf NV. It will specialise in selling and canning meat.

The Dutch group, which was formed in 1956 (capital F1 5 million) has over 150 people on its payroll. It has two other subsidiaries and affiliates in the Common Market: Navobi GmbH, Lubeck, and Organizzazione Navobi Italiana Srl, Manuta, which was formed four years ago with a capital of Lire 2.4 million.

** STE ALSACIENNE DE CONSERVERIE ALIMENTAIRE Sarl, Wissembourg, Bas Rhin, which was formed in 1966, has chosen to set up its first foreign subsidiary in West Germany: it has joined 50-50 with local backers in forming PALAS-LEBENSMITTEL IMPORT EXPORT HANDELS GmbH at Landau i.d. Pfalz with DM 20,000 capital and M. Pierre Cussac of Paris as manager.

The parent company, which has already appointed a number of foreign sales companies, especially in Belgium and Canada, is mainly concerned with canning meat and mushrooms, but plans soon to include milk and fresh fruit amongst its lines.

** The American food group PILLSBURY CO, Minneapolis (see No 252), which already has French interests, is at present negotiating for a controlling interest in the biscuit firm ETS BROSSARD SA, St-Jean d'Angely, Charente-Maritime. With M. G. L. A. Brossard as president and headed by M. J. C. Doris, the latter has a capital of Ff 3.4 million and an annual turnover of around Ff 40 million. Its main brand is "Specialite", and it exports to Europe and Africa. Since 1961, Pillsbury has controlled Ste des Ets. Gringoire SA, Pithiviers, Loiret (formerly in Paris), which has an issued capital of Ff 8.12 million (authorised capital of Ff 15 million, and an annual turnover of around Ff 100 million).

Pillsbury's new move follows the trend towards concentrations and foreign shareholdings in this sector of the French food industry, which have recently started up once again. General Mills Inc, Minneapolis, has signed an agreement which would give it control of BN-Biscuiterie Nantaise-P. Cosse, A. Lotz & Cie SA, Nantes (see No 411), but this move is still awaiting the go-ahead from the French government.

** M. Pierre Arnal, the commercial director of the Paris group LOUIS DREYFUS & CIE SA, has been appointed president of the newly formed STE EUROPEENNE DES MELASSES SA (capital of Ff 600,000 - 25% issued). This will purchase, sell, stock and use alcohol extracted from molasses, and was established as the result of an agreement signed in December 1966 between the group and Sucres & Denrees-Cie Financiere d'Equipements & d'Engineering "Cofequip" SA, Paris (see No 395).

Louis Dreyfus has direct and indirect interests in the new concern through Cie Maritime de Navigation & de Commerce SA. It was already linked with Sucres & Denrees, as both are minority shareholders in SODES-Ste d'Ethanol de Synthese SA, Paris (see No 361). MM. Maurice Varsano and Jacques Robon, along with their subsidiary S. A. d'Approvisionnement-SAMA, Casablanca, have controlled Sucres & Denrees since its formation in 1952.

** Four West German sugar concerns, whose annual turnover is near the DM 200 million mark, have decided to link in order to boost sales of "Diamant-Zucker" sugar. A new company has therefore been formed in Hanover, DIAMANT-ZUCKER FABRIKEN GmbH (capital DM 200,000) with Herren Richard Tams and Theodor Gelshorn as managers. The concerns involved are DIAMANT ZUCKER GmbH, Brunswick (capital DM 2 million), ZUCKERFABRIK NORDSTEMMEN GmbH, Nordstemmen (capital DM 1.4 million), ZUCKERFABRIK RETHERN AG, Rether, Leine (DM 3.55 million), and LEHRTER ZUCKER AG, Lehrte (capital DM 4.3 million).

** STE DES VINS DE FRANCE SA, Marseilles, has made its Kehl, Rhineland, branch a full subsidiary, which it has named KIRAVI-Ste des Vins de France GmbH (capital DM 50,000 - manager M. Roger Neuhart of Strasbourg).

The parent company is a member of the "Cremieux" group, and was formed by the merger late in 1965 (see No 326) of a similarly-named Lyons concern, and SAPVIN-Ste d'Approvisionnements Vinicoles SA, Marseilles. Its main foreign shareholdings are in Bartissol GmbH Wein & Spirituosen-Import & Vertrieb, Düsseldorf (through Bartissol SA, Banyuls, Pyrenees Orientales); "Europe-Vins" Wijnhandel NV, Amsterdam; Kiravi SA, Geneva, and Ste des Vins de France Ltd, Ipswich. For some months now it has been conducting negotiations (see No 382) with a view to regrouping with the groups, Margnat SA, Marseilles, and Les Grands Vins Selectionnes "Geveor" SA, Paris. If successful, this move would result in the formation of a group supplying about 3 million hectolitres of quality and ordinary wines a year (some 60 million gallons of wine).

GLASS

** The American PITTSBURGH PLATE GLASS CO, Pittsburgh, Pennsylvania (see No 378), has formed another subsidiary in Europe under the name of PPG INDUSTRIES (EUROPE) SA, Brussels (capital Bf 1 million - director Charles Melchers), to co-ordinate and make more efficient the group's sales and promotional activities on the continent.

It was in view of the now widely diversified activities of the group (glass and fibreglass, paints and brushes, chemicals and plastics, etc.) that it decided a few months ago to adopt the new name of PPG Industries. Its main Belgian interests are Glaces de Courcelles SA, Courcelles (see No 352); Usines J. G. de Coninck Fils SA, Merksen-Antwerp; Corona Pittsburgh Paints SA, Schaerbeek-Brussels, and Pittsburgh Corning de Belgique SA, Brussels. The group has numerous other Common Market interests: Silenka AKU-Pittsburgh NV, Arnhem, Netherlands; Peintures Corona SA, Valenciennes, and Allymer SA, Paris, in France; Pennitalia SpA, Salerno; Chimic Sarda, Cagliari and Italver Pittsburgh Paints SpA, Milan, in Italy, etc.

INSURANCE

** HAFTPFLICHT-UNTERSTUETZUNGS-KASSE KRAFTFAHRENDER BEAMTER DEUTSCHLAND AG, Coburg, which specialises in car insurance (over 1,000 employees), has taken a 7.5% interest in the Munich insurance concern (legal costs and reinsurance) RECHTSSCHUTZ-UNION VERSICHERUNGS AG. The latter, the capital of which was increased from DM 2.5 million to DM 3 million in late 1966, has its main shareholders, the Frankfurt life insurance company: "Alte Leipziger" Lebensversicherungsgesellschaft AG (interest has dropped from 49.4% to 42.8%), the fire and general insurance concern Agrippina Versicherungs AG, Cologne (25%), and the fire-insurance concern Leipziger Feuer Versicherungs Anstalt, Frankfurt (16.7%). The balance (8%) is shared between La Paix SA, Paris (see No 409), Heimat Allgemeine Versicherungs AG, Vienna, Leitiger Allgemeine Transport- & Rückversicherungs AG, Frankfurt, and Zenith Versicherung AG, Sarrebrücken.

OIL, GAS & PETROCHEMICALS

** The Italian interests of the French CIE FRANCAISE DES PETROLES SA-C.F.P. group (see No 410) have been expanded, as its subsidiary, TOTAL-SOC. ITALIANA PER AZIONI SpA, Milan, has opened a Bologna branch headed by Dr. Giancarlo Munari.

With Signor D. Albonetti as president, Total Italiana recently raised its capital to Lire 19.09 million, after having taken over three Milan companies (two property concerns and Ozo Italiana SpA) as well as SI.PE.-Sicula Petroli SpA, Catania.

** The American engineering concern (petroleum and gas distribution and storage, etc.) RIC-WIL INC, Barberton, Ohio, has extended its interests to the Common Market with the formation of two subsidiaries in Uccle-Brussels. The first is RIC-WIL BELGIUM SA (capital Bf 5 million), whose president is Mr. Joseph Martin of Windsor, Berkshire, and it is a 55-45 venture with the Belgian firm HENRI STORME SA, Brussels, whose president will run the new concern. The second is RIC-WIL SALES EUROPE SA (capital Bf 2.5 million), which is headed by Mr. Charles Baker, and it is directly controlled by the subsidiary company Ric-Wil Industry Inc, Barberton.

Since late 1965, the American group has had a British company, Ric-Wil (England) Ltd, which is run by Mr. Joseph Martin.

** The Italian state group ENI-ENTE NAZIONALE IDROCARBURI SpA, Rome (see No 413), intends to sell its minority shareholding (16%) in SFIS-STE FINANCIERE ITALO-SUISSE SA (see No 354).

The latter (president M. Ed. Bandelier - capital Sf 50 million) has various interests in different sections of Italian industry (in Italsider and Finsider), although a few months ago it sold its majority shareholding in Petroliepli SpA, Milan (formerly at Multedo-Genoa, headed by Signor A. Diana - capital Lire 1,000 million) to SNAM SpA, Milan (a subsidiary of ENI - see No 411).

PAPER & PACKAGING

** The French company STORAPRO- STOCKAGE, RAFFINAGE & PRODUITS CHIMIQUES DE BEAUNE -LA ROLANDE SA, Beaune-la-Rolande, Loiret (see No 402), has raised the capital of its West German subsidiary DEUTSCHE AEROSOL VENTIL GmbH, Nuremberg, from DM 100,000 to DM 850,000 with the aim of backing the latter's expansion.

With a capital of Ff 10.8 million, the French company belongs to the London-based packaging group Cope Allmann International Ltd, London (see No 417). The same group also has direct interests in Europack Vertriebsgesellschaft Für Spezialverpackung GmbH, Nuremberg (see No 357), in which the minority shareholder is the metal packaging firm Gebr. Köllisch AG, Nuremberg.

** CELLITAL Srl has been formed in Milan as a joint Italian and Swedish venture (capital Lire 500,000) to import and sell all sorts of raw materials and sundries for the paper industry. Its managing partners are Mr. C. R. Lindfors (a Swede resident in Milan), who holds 55%, and Sig. P. G. Bongiorno.

PHARMACEUTICALS

** The American chemicals, pharmaceuticals, cosmetics, toiletries, medical, surgical and optical instruments concern WARNER-LAMBERT PHARMACEUTICAL CO, Morris Plains, New Jersey (see No 385), has increased its Italian interests by gaining control of VISTER-VISMARA TERAPEUTICI SpA, Casatenuevo, Como. This is a former subsidiary of the local food firm of Vismara Francesco SpA, and specialises in therapy research and steroids; it has laboratories in France and Spain.

The American group already has one Italian interest: A. Angiolini & Co SpA (president Paul van der Stricht - see No 264), while in 1964 it formed Adams SpA in Milan (see No 276), which is now run by Sig A. Capelloni.

PRINTING & PUBLISHING

** The Swiss group EDITION D'ART ALBERT SKIRA, Geneva (see No 295), has formed a Milan sales subsidiary, SKIRA ITALIANA Srl (capital Lire 1 million), over which it has almost total control, with the minority interest held by Mr. Henry A. Kunz. Headed by Y. E. Hertzschuh, the new firm specialises in the sale of works of art and the hiring of art films.

Owned by M. Albert Skira, the Swiss firm (run by M. J. M. Duchosol) signed a co-operation agreement in 1965 with the Italian group Fratelli Fabbri Editore SpA, Milan. This covered the issue of a periodical called "Arte Raccontè".

RUBBER

** The Munich rubber and plastics group METZELER AG (see No 399) has decided to improve the co-ordination of its plastic form sales (annual turnover around DM 100 million) both in West Germany and abroad. It has therefore formed a specialised subsidiary called METZELER SCHAUM GmbH, Memmingen, Allgau (capital DM 100,000). The sales networks involved are those of the Memmingen branch and two subsidiaries, Correcta Werke GmbH, Bad Wildungen and Dr. W. Scheermesser & Co KG, Linz am Rhein.

Mezetler is a 90% interest of Herr Willy Kaus, and had a 1966 turnover of DM 692 million.

SHIPBUILDING

** The Dutch heavy engineering and shipbuilding group PHS. VAN OMMEREN NV, Rotterdam (see No 410), has been able to give further financial support to its affiliate, CANTIERI DEL MEDITERRANEO SpA, Genoa, which has had to be wound up because of the existing economic situation. The latter (president Signor V. Serrati) owned dry docks for shipbuilding and repairs at Pietra Ligure.

TEXTILES

** The merger decided upon during the autumn of 1966 (see No 381) between the French textile groups M. J. WILLOT & CIE SA, Wasquehal, Nord (see No 406), and ETS AGACHE SA, Perenchies, Nord (see No 391), is to take effect when Agache takes over Willot and raises its capital to Ff 75 million. The new group will have a turnover of Ff 330 million (consolidated turnover of Ff 500 million), and will employ some 12,300 people in 40 factories.

Agache's present turnover stands at around Ff 110 million, and it is one of Europe's leading linen firms, with its factories in Northern France. Its main subsidiaries are Filatures & Fileteries de France SA, Lille, and Blanchisserie du Pont-de-Nieppe SA, Nieppe, Nord. Willot controls (either directly or through Ste Europeenne de Participations & d'Etudes-Europar, Wasquehal) some dozen French firms (in the North, the Seine valley, Eastern France and the region around Lyons) involved in different sectors of the textile industry: B. & P. Dewavrin, Tourcoing, Ets Gaillard SA, Barentin, Coframaille SA, Arras and Schirmeck, Cosserat, Amien, Sincotex, Mulhouse, Preiss, Cernay, Haut-Rhin, Ets G. Risler SA (factory in Haute-Saone), P. Chamiron & Sirot SA, Thizy, Rhone, N. Koechlin & Co SA, Masevaux, Haut-Rhin, Filatures & Tissages de Wittenheim, Wittenheim, Du Pasquire, Le Havre, Ets Auguste Descamps, Linselles, Nord. Its foreign interests include Ste des Anc. Le Peigne SA, Maline, Belgium, and companies in the Central African and Niger Republics.

** Run by M. E. S. Eflhimiou, the Greek ready-made clothing firm PIRAIKI-PATRAIKI, INDUSTRIE DU COTON SA, Athens, has chosen Brussels as the centre for its Common Market sales operations. A wholly-owned subsidiary, PIRAIKI-PATRAIKI INTERNATIONAL SA, has been formed with M. A. Ch. Catsambas, Athens, as president, and run by M. E. N. Papastathopoulos, Woluwe-St-Lambert. With Bf 1 million capital, it will manufacture, import and market (either wholesale or retail) both ready-made and unfinished knitted goods in natural or synthetic fibres.

** BRITISH CELANESE LTD, London (a member of the COURTAULDS LTD group - see No 403), has signed a technical and marketing agreement with COTONIFICIO DI LOMBARDIA SpA (see No 343). The latter will be responsible for the marketing in Italy of "Tricel" fabrics.

** The Italian manufacturer of cotton cloth, ELIOLONA-STA ITALIANA PER AZIONI, Milan (factory at Garbagnate Milanese), has signed a technical co-operation agreement with the French household linen firm DESCAMPS L' AINE SA, Lille, with the aim of creating a European development plan within the French group DOLLFUS-MIEG & CIE SA (see No 413), to which the Lille firm belongs.

Descamps l'Aine's main product is sheets, and it has gross assets of Ff 20.7 million, including its interests in Descamps l'Aine Espana, Publilin, Soprolin and Ugesnord. It was recently taken over by Dollfus-Mieg as part of a major reorganisation, which also involved the group taking over Ste Emile Grosse & Fils, and a strengthening of its control of Dechelette-Despierres SA, Ste des Tissages A. Brechard (all of Roanne, Loire) and Ets F. Dupuis, Merle & Cie SA, Thizy, Rhone. Various other regroupings took place which strengthened two new companies, Tissages Roannais SA (manufacturing) and Ste de Participation des Tissages D.M.C. SA (investment).

** The West German furnishings and cloth for tapestries concern EMSDETTTER BAUMWOLL-INDUSTRIE RUD. SCHMITZ & CO KG, Emsdetten (see No 416), has made one of its Swiss subsidiaries, GARDISETTE GmbH, Zug, responsible for the financial side of one of the group's French companies, GARDISETTE Sarl, Chatillon-sur-Bagneux. The latter has increased its capital tenfold to Ff 1 million in order to finance its expansion.

The French company is managed by a Dutchman, M. Hans Rot of Doorn, and it was formed in 1965 (see No 319) by the group's Dutch (Utrecht) and Italian (Milan) subsidiaries. The German concern also has a shareholding in Corolux Sarl, Armentieres, Nord. It has a Belgian branch headed by M. J. de Gand of its Dutch subsidiary (see No 296), and controls the Swiss companies Gardisette AG, and Gardisette International AG, both Zurich-based.

** The Danish wool company, BLOCH & BEHRENS TOLBBOGADE A/S, Copenhagen (president E. J. Strandberg; director H. Pagh), is extending its French sales interests by forming a branch under M. Urbain Delaoutre.

Bloch & Behrens has Kr 4 million capital, and specialises in trading in and processing wool and other textile fibres. It is a member of the Copenhagen group A/S Det Ostasiatiske Kompagni (see No 410).

TRADE

** The Belgian-Japanese import-export firm EQUIPMENT & TRADING CORP-EQUITRA SA, Brussels (see No 379), has wound up its Marseilles branch (opened in early 1965 - see No 327).

With M. A. G. Closon as president, Equitra (capital Bf 10 million) was formed in 1962 on equal basis by Brufina-Ste de Bruxelles pour l'Industrie & la Finance SA and the Osaka group Sumitomo Shojo Kaisha Ltd. The latter has its own West German subsidiary, Deutsche Sumitomo Exp. & Imp. GmbH, Dusseldorf, as well as branches in Brussels, Paris and Milan.

** As the result of an agreement between the West German mail-order group NECKERMANN VERSAND KGaA, Frankfurt (see No 404), and KOERTING RADIO WERKE GmbH, Grassau, Chiemgau (see No 389), the former will market colour TV sets at a much lower price (DM 1,840) than that normally charged in West Germany.

Körting (all of whose DM 10 million capital is held by Herr Gerhard Böhne) employs over 1,700 people, and its 1966 turnover reached DM 101 million. It has two foreign manufacturing subsidiaries, Körting Austria GmbH & Co KG, Grödig, and Körting Italiana Srl, Pavia (see No 263). For its part, the Neckermann group already had close commercial and financial links with Körting (Herr Peter Neckermann is vice-president of Körting Italiana), and it ranks second in the German mail-order business with a 1966 turnover of DM 1,300 million, behind Grossversandhaus Quelle Gustav Schickedanz KG, Fürth, Bavaria (see No 415). It is a 51.8% interest of the Neckermann family, although General Shopping SA of Luxembourg (see No 393) also has a 4.7% interest.

TRANSPORT

** The Genoese shipping company TITO CAMPANELLA DI NAVIGAZIONE, a member of the Milan group LA CENTRALE FINANZIARIA GENERALE SpA, (see No 415) is to take over two Palermo companies: Transmarittima Sicula SpA and Albaro Soc. Italiana di Navigazione (capital Lire 50 million in either case). The capital of Campanella stands at present at Lire 2,500 million.

** Formed in early 1966 as a joint venture by the Dutch transport concern H. A. T.-HOLLAND AVIA TRANSPORT NV and NV BELGISCH BLAAUW-VRIESMEEM (see No 353), both Amsterdam subsidiaries of the Blaauwhoed NV group (see No 412), the Belgian air-cargo firm BAT-BELGIAN AVIA TRANSPORT NV, Antwerp, has opened a branch at Zaventem, Brussels, and another at Deurne, Antwerp, and has changed its name to H. A. T. BELGIAN TRANSPORT.

** The West German river transport concern (mainly minerals and metallurgical products) WESTFALISCHE TRANSPORT AG, Dortmund, has gained control of the international transport and warehousing concern KOCH & CO, SPEDITION, LAGERUNG, SCHIFFARHT KG, Duisburg. A family concern (share capital of DM 1 million), the latter controls docks and unloading equipment covering 2½ acres in the port of Duisburg.

The Dortmund firm (capital DM 15 million) is a 50.57% interest of the administrative company Montana Verwaltungs GmbH, Essen (itself an affiliate of the Essen group Gelsenkirchener Bergwerks AG (10.9%), and Fried. Krupp Hüttenwerke AG, Bochum (4.6%). Its other main shareholder is Hoesch AG Hüttenwerke, Dortmund (26.38% - see No 416). With over 3,000 people on its payroll and majority shareholdings in some 15 West German firms in the same sector, it also has a number of foreign interests: 15% in Portlux SA, Martet, Luxembourg (see No 312), and 51% in Doran, Algemene Transporthij NV (see No 334).

VARIOUS

** One of the largest Dutch agricultural co-operatives, COBECO-NATIONALE COOPERATIEVE AAN- & VERKOOPVERENIGING VOOR LAND- & TUINBOUW GA, Rotterdam (see No 414), has formed a finance company in Rotterdam called DEELCO NV (authorised capital of Fl 10 million), control of which is shared with AGRO-TECHNIEK NV, Rotterdam.

COBECO is directed by MM. Ijsbrand de Boer and Frans de Wit (who also head the new company), and it employs over 1,200 people in the production and selection of peas and cereals and seed-potatoes, for export throughout the world.

** The Swiss company OPSA-ORGANISATION & PUBLICITE SA, Geneva, is the main founder of the Paris management consultancy SITEC-STE D'INFORMATION TECHNIQUE & COMMERCIALE Sarl (capital Ff 20,000). M. Yves Bossard, who will run the new concern, holds a 5% interest, and he is also a shareholder in the engineering consultancy Organisation Y. Bossard & P. Miches, Paris.

** STE D'ECONOMIE & DE MATHEMATIQUES APPLIQUEES-SEMA Sarl, Paris (operations research - see No 405), has reorganised its Italian interests by forming METRA INDUSTRIA Srl, Milan (capital Lire 1 million), and by closing down its local affiliate STA PER LA MATEMATICA & L'ECONOMIA APPLICATE SpA-SOMEA (see No 322), which had a Rome branch.

M. P. A. Frignet (a member of the team which runs SEMA in Paris) is the sole director of Metra Industria Srl, with Signor E. Cimino in charge. With Signor G. Enriques as president and run by Signor E. Crostarosa, SOMEA will be wound up by Signor F. Tesi.

The Paris group, which is run by MM. Marcel Loichot and Jacques Lesurne, has an annual turnover of around Ff 65 million, and has eight foreign affiliated companies in Belgium, Britain, Italy, Spain and West Germany, which are headed by Metra International (see No 402). These companies account for some 40% of the group's turnover.

The British associates and members of the Metra International group are also being reorganised, and as a result, Metra Sigma Martech Ltd, London (see No 322), will merge with its own subsidiary, Proplan-Product Planning Ltd, which is headed by Mr. H. J. Novy. The former is headed by Messrs A. D. Mackey and R. Harvey-Jones, and it has another subsidiary called Sigma-Science in General Management Ltd, Croydon, the chairman of which is Mr. Stafford Beer, while shares in it are held by Martec Consultants Ltd, London (present chairman Mr Novy).

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INDEX OF MAIN COMPANIES NAMED

Achimer Simonsbrot	J	Descamps l'Aine	P
Agache, Ets .	O	Deutsche Bank	H
Agro-Techniek	R	Diabor	E
Alsacienne de Conserverie	K	Diamant Zucker	K
American Express	H	Dollfus-Mieg	P
Amsterdam-Rotterdam Bank	H	Dreyfus & Cie, Louis	K
Anglo-American of South Africa	I	Durofalt-France	C
Anker Motoren	G		
Arentsen & Kölling	G	E .N.I.	M
Atlas Copco	E	E .P.U. -Europese Pluimvee	J
Avebe	C	Eaton, Yale & Towne	F
		Elin	D
B .A .S .F .	C	Eliolona	P
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Bank of New York	I	Equitra, Brussels	P
Bank of Scotland	I		
Bankers Trust	H	Faulkner, Dawkins & Sullivan	J
Banque Commerciale	J	Financiere & de Credit, Cie de	H
Banque de Paris & des Pays-Bas	I	Fisons	B
Banque de Suez & de l'Union des Mines	H		
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Belgisch Blaau-Vriesmeem	Q	Generale de Banque	H
Blaauwhoed	Q	Geveor	L
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		Haftpflicht-Unterstützungs-Kasse	L
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Cantieri del Mediterraneo	O		
Caritas	J	Imaco	C
Caroni	B		
Cellital	N	Jungheinrich	G
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la Centrale	B,Q	Key & Kramer	C
Charter Consolidated	I	Kiravi	L
Cincinnati Shaper	H	Koch & Co	Q
Cobb Breeding Corp	J	Körting Radio	Q
Cobeco	R	Krauss-Maffei	E
Cogefar	B		
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Courtaulds	O	Ledermann	E
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Margnat	L	Safios	F
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Metzeler	N	Wesco	D
Midland Bank	H	Westfälische Transport	Q
Midland Heater	F	Wiener Starkstromwerke	D
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Morgan & Cie	I	Worms & Cie	I
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Navobi	J		
Neckermann Versand	Q		
Nordstemmen, Zuckerfabrik	K		
Opsa, Geneva	R		
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Pillsbury Co	K		
Piraiki	O		
Pittsburgh Plate Glass	L		
Pont-a-Mousson	G		
Rethern, Zuckerfabrik	K		
Ric-Wil Inc	M		
S.F.I.S.	M		
Schmitz & Co	P		
Seligman, Robert	D		
Sema, Paris	R		
Siemens	D		
Signode	G		
Simmonds Precision	D		
Skira, Albert, Edition d'Art	N		
Sogev	G		
Stockholm Enskilda Bank	I		
Storapro	M		
Stork-Werkspoor	F		
Storme, Henri	M		
Thomson-Houston Hotchkiss-Brandt	G		
Total	M		
V.M.F.	F		

