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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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February 24, 1966. No. 345

COMMENT
A Letter from Paris

OBSTACLES TO A COMMON OIL POLICY II

Just when the Common Market crisis was breaking out on June 30, 1965, M.Marjolin (Vice-President of the Common Market Commission and the member with special responsibility for power) decided to grapple with the question of a common oil policy for the Six (see Comment, No 338). Since then France's refusal to take her place at the meetings of the European institutions during the second half of 1965 has prevented his launching negotiation which in any event promised to be both protracted and difficult. He originally planned a first meeting of the responsible national officials in September. Although this meeting did not, of course, take place, M.Marjolin was not discouraged; in November, when the French delegates were boycotting all Brussels meetings likely to contain any future commitment, he met M. Guillaumat and his colleagues, who are mainly responsible for French oil policy.

As might have been expected, his discussions with them did not in the slightest alter the views of the French oil companies, but for the first time they heard the sort of language they wanted to hear. They left generalities behind them and got to the heart of the matter; they began to discuss the attitude the Community's institutions should adopt towards competition on European markets between nationally controlled public and private concerns, on the one hand, and the big international oil groups on the other. These contacts will serve as a useful preliminary to the talks which will begin (when the Common Market resumes normal business) between the future single Commission and the member countries.

Before embarking on conversations with the representatives of the six governments, M.Marjolin wanted to sound the British and American oil companies, which in Europe as elsewhere play such a decisive role: in recent years the Esso group, for instance, has extended its business so much that it now refines and distributes one fifth of Europe's oil.

So M.Marjolin visited USA last spring and although his conversations had to be theoretical, because he had no official mandate and was only putting himself in the picture, the better to conduct future discussions on European oil policy. The general impression he gained from these unofficial talks was encouraging: the heads of the big international oil groups seemed well aware that any excessive ambitions might provoke "political" reactions.

The big groups do not all hold the same views on the future of the oil industry in the Common Market: those directed from London are inclined to play the "European" game, if given the chance. So it seems unlikely, at first sight, that the "big seven" are determined to use their vast financial resources to break the "independent" European companies at all costs, whether owned by the State or privately (in the oil-men's vocabulary, "independents" are firms not linked with any of the "big seven": Esso, Mobil, Gulf, Caltex, Texaco, Shell, and B.P.) The fact remains that in the last decade these seven groups have suceeded in improving their position in Europe generally and also, strangely enough, in West Germany, which has become the biggest oil consuming country in the Common Market. Between 1955 and 1964, the"big seven's" share of the German market rose from 45% to 60%. These percentages worry the civil servants at DICA (= Direction des Carburants = Oil Fuel Directorate) in Paris and the heads of the stae-owned oil companies, which have recently formed a single body, ERAP (Enterprise de Recherche et d'Activites Petrolieres = Oil Research and Development Institution). One of them asked "What is the use of talking about a European policy if, on the grounds of liberalizing trade and ensuring non-discrimination between the various competitors in the market, this policy gives the big international groups licence to keep getting bigger and bigger in the Common Market"?

This grumble may only show one side of the picture, but it is a fair reflection of the attitude which the responsible oil-men take. It also indicates how much mutual distrust must be overcome before fruitful discussions can be held on the objectives at which European policy should aim.

In the circumstances, the European oil-men may be overtaken by events, for oil's share of the Common Market's energy supplies is increasing at a staggering rate. Even in West Germany, whose industry is sitting on one gigantic coal-seam, like Britain's, oil now meets about 35% of the demand for energy. In France, this proportion has already reached 43%, and will probably rise to 50% in 1970; then expert opinion is that oil will fill between 45% and 48% of the Six's total energy requirements, compared with 42% at present. These estimates do not take into account the growing importance on the world market of coal's other rival, natural gas, which makes it increasingly artificial to think in terms of oil in isolation; oil and natural gas have to be taken together, whether the fuel is liquid or gas.

In spite of the existence of the ECSC, the member countries have not succeeded in cooperating to solve the problems raised by the declining use of coal: the German, French, and Belgian Governments have each independently taken what steps they thought fit in order to cope with the difficulties at their pits. When the crisis became acute in 1959, the High Authority (having failed to convince the governments to fall in with a Community policy) had to resign itself to seeing the Belgian market isolated by legal decree; to say the least, this ran counter to the spirit of the Paris Treaty. By closing pits, and in some cases by granting subsidies to their coal-mines and by taxing oil products which compete with coal, the ECSC countries have managed temporarily to lessen the most drastic effects of the changes in the energy market. After wasting a great deal of breath in an attempt to collaborate in solving the problems raised by the decline in coal consumption, the officials are beginning to wonder whether it might be better to make a positive approach, taking the line that coal's loss is oil's gain.

Whatever the approach, unless the Six come to some agreement, each of them will continue to follow a policy of its own, without paying much attention to the possible repercussions on attempts to establish a real common market for energy. France will retain its commitments in the Sahara, while devoting a great deal of money and effort to extending it sources of supply outside the franc zone (the Persian Gulf and Canada, for instance), Italy will steer a careful course between the Soviet agreements and those with Esso and the other big groups, so that whatever else happens she will be sure of obtaining the cheapest possible oil supplies. Germany will protect her small oil companies, while allowing the international groups to increase their share of the market.

The overall result of these unconcerted policies may prove to be less incoherent than might have been feared at the outset. The price at which the publicly-owned oil companies are selling Saharan oil to private refineries is drawing closer to the "international" price, although the Franco-Algerian agreement has now come into force. But in order to put the Common Market on stable footing it is not enough for each government's policy to result in similar conditions of supply in practice. Although memories of the Suez crisis have now grown rather hazy, it is clear that if difficulties arose on the world market, all the European countries would stand together and none could claim a privileged position. Just as defence policy can only be justified as a safeguard against war, economic policy can only be worked out with the object of avoiding crises.

That is the spirit in which the Six have tried previously to lay down a common energy policy. In May 1959, a working party was set up, which was described as "inter-executive" becuase it included representatives of the High Authority of the ECSC to deal with coal, of the Common Market Commission for oil, and of the Euratom Commission for nuclear energy. This working party, under the chairmanship of M.P.O. Lapie, submitted a preliminary report in March 1960 recommending "guide prices". Power prices varied widely from one Common Market country to another (they still do, but not so much) so one effective way of coordinating policies would have been to lay down common objectives, but it proved impossible to reach an agreement. The officials started all over again and in June 1962 they submitted a memorandum to the Governments containing a number of specific proposals, which were meant to prevent what seemed probable - virtual extinction of the coal industry by 1975. They calculated that if market forces were allowed free play, the demand for Community-mined coal would drop from 230 million tons in 1962 to about 100 million tons in 1975, which would cause serious social difficulties. Their main proposal was that moderate subsidies should be granted to the mines throughout the Community, financed by a levy on all energy imports (American coal, fuel oil and possibly also natural gas). After lengthy discussion, the memorandum was rejected by the Six on October 4, 1962. Their interests were poles apart: for instance, Italy had virtually no coal mines and was not at all keen to tax its oil imports for the benefit of pits in the Ruhr or the Borinage.

Even after this set-back the Six did not abandon their efforts to find some common ground, but realizing that they could not yet agree on a joint programme they confined themselves, for the time being at any rate, to laying down general principles which might later serve as guide-lines for the unattainable common energy policy. On April 21, 1964, they at last signed a draft agreement laying down, rather vaguely and ambiguously, what should concern the future negotiators of a common policy. For the first time, the section on coal was no longer than that on hydrocarbons (oil and natural gas).

In the case of hydrocarbons, the Governments expressed their intention "of putting into effect a common policy which would guarantee well diversified supply at prices as low and stable as possible, using methods which would suit the circumstances". At the same time, they said it was their aim "to eliminate progressively from the wording and application of their domestic regulations all forms of discrimination between their own nationals and those of other Member States". They also stated their willingness "to promote economically sound development of the Community's output of hydrocarbons .... and their readiness to move towards a common stock policy and a tax system suited to the above-mentioned objectives".

Each of these proposals deals with one of the vital problems which in every country faces those responsible for oil policy, but anybody can see that the solutions offered are not easy and are often contradictory: obviously Europe has everything to gain by diversifying its sources of supply to the greatest possible extent, so as to ensure regular deliveries whatever happens, but can it be done cheaply? When France decides to grin and bear it in the Sahara because she wants increasingly large quantities of oil (payable in francs) near at hand, she is being extravagant, at least in the short run. The objectives proposed are not very exacting; the Six have not even undertaken to harmonize their oil duties, which vary widely in both basis and rate.

Hardly anything has been down to put into practice this draft agreement, which M. Bokanovski, then French Minister of Industry, described on February 2, 1965 as "a big step towards a coordinated oil policy"; he said that it "acknowledged the primacy of certain vital principles, on which French policy had long been based". To this day only one Community decision has been taken which gives any substance to the draft agreement, and this was stocking, where the national regulations of the Six are already fairly close. The draft agreement recommends "promoting economically sound development of the Community's output of hydrocarbons". Since the largest European deposits for the future probably lie under the North Sea, divided between Britain, Denmark, West Germany, the Netherlands, and other countries, it is for consideration whether energy policy should not be examined in the context of Western Europe as a whole.

VIEWPOINT

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THE OUTLOOK FOR GERMAN AGRICULTURE

By Gustav Stein
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German agriculture must be helped to help itself, if it is to play its proper part in the country's economic growth; this conclusion is easily reached, but suitable action not so easy to define.

As any discussion of economic policy will show, relations between industry and agriculture are distorted by prejudice, springing from the difference between urban and rural living conditions. Farmers feel over-shadowed by the rapid growth of the economy generally, and hopelessly outpaced by industry; they even think of agriculture as a brake on industry and on progress towards European economic integration. They are on the defensive, which does not help to combat the downward drift of the agricultural population, but makes its inferiority complex more acute.

This attitude among farmers is subjective; economic analysis gives an entirely different picture. For instance, a smaller farming population does not mean that farming itself counts for less. This is disproved by the mere fact of its increasing specialisation to produce high quality foodstuffs, which integrates agriculture better in the national economy, and which incidentally removes something of the tradition that farming is not so much a profession, more a way of life. The French economist Fourastie has shown that the working population is becoming a smaller proportion of the total, but that does not mean that either industry or agriculture is waning.

Clearly, however, industry has been developing its adaptability to new economic conditions ever since the middle of the nineteenth century, whereas most sectors of agriculture have only begun to do so in the last few years. So industry got off to a good start, partly because its production factors are less variable. Rapid technical progress is whittling down that start, for nowadays small and medium-sized farms are ready to adopt better techniques, and their approach is more like industry's.

Prices are a knotty problem, and are at the bottom of most of the talks on agricultural policy which are now taking place. One important point is that farm prices are so rigid, in sharp contrast to the flexibility which industry enjoys. There is no solid foundation for the myth that agricultural prices tend to fall while industrial prices rise, as the German Government's "Green Reports" prove, and the same is true of agricultural incomes. Statistics show that agricultural prices have tended upwards for some time past and that some of them have risen faster than industrial prices. Unlike the industrial growth industries, agriculture is reaching saturation point in some markets, but it is not industrial growth which causes that phenomenon. If industry were not growing and therefore increasing people's purchasing power, the market for some farm produce (especially that which has to be processed) would have been much weaker and much harder to improve.

In her negotiations, both at GATT and with her partners in the Common Market, West Germany keeps running into the paradox that her policy is protectionist for agriculture but very liberal for industry. This is natural enough, since she is the second largest importer of farm products in the world and the second largest exporter of industrial goods. Progressive integration into the Common Market must surely bring a change.

Trade relations between member countries are altering fundamentally, and Germany will have to recognise that France exports farm produce from an agricultural area which constitutes 45% of the community's total, compared with Germany's 19%. She will have to adapt herself to the fact that the Common Market, with growing agricultural production, must adopt a policy which will foster exports, especially as it is almost self-sufficient for many products. In other words, progressive realization of the Common Market is compelling farmers in all the member countries to make a change, for trading reasons. Meanwhile, French agriculture is adopting a much more positive attitude than German in the GATT talks.

Recently German industry has welcomed the decision, taken Common Market Council of Ministers, to abandon the quota system for agriculture and to revert to the discipline of prices, both for production and for foreign trade. Industry's satisfaction is for economic reasons because in agriculture quotas cannot help discriminating, and they cannot be defended when production is rising fast, both inside a country and in her exporting neighbours. There are also political reasons, because if it is to work correctly the quotas system needs thorough-going State planning and the continuance of import monopolies of the kind which have been set up in German agriculture.

Again, German industry welcomed the three major and politically vital decisions which were taken in Brussels on January 14, 1962, December 23, 1963 and December 15, 1964 (see No 283, p 6). By dint of its more or less coherent growth, the Six's joint agricultural policy has become a force for their union. Even finance has become less of a worry since the Common Market Council unanimously laid down the main lines on January 14, 1962, and nobody is likely to be so inconsistent as to go back on what was then agreed. German agriculture will simply have to make extra efforts of adaptation, and go over from protectionist defence to liberal attack.

The Common Market is a net exporter of farm produce. It must therefore look for outside markets, which means that agriculture's interests are identical with industry's in the GATT negotiations. It also means abandoning West Germany's "do as you would be done by" policy, which has had the obvious effect of persuading her that she had to import agricultural produce in order to be able to export industrial goods. Until now this policy was considered rather like a sacred cow, but there is no longer any justification for it.

Industrialisation brings an increase in agricultural production and industrialised countries become exporters of farm produce as their economies expand, so the growth of world trade is also obviously in the interests of agriculture; indeed, such growth must tend eventually to ease the problem of agricultural over-production in Europe and North America. Of course, this can only be true when trading policies are as liberal as possible, both for agriculture and industry.

There has been altogether too much special rule-making for agriculture, on the pretext of the differences between farming and industry, especially the farmers' dependence on nature and the weather. Agriculture, to be sure, cannot help being immobile in some ways, but man himself can and does move in all industries other than agriculture, even in such difficult cases as the coal-mines. Farming therefore is not entirely different from other economic activities, either as to the conditions in which it produces or as to the basic laws which govern it. To think it is, is to indulge prejudices which not only impede the general economic development of a country, but often give farmers themselves an inferiority complex. The truth is that agriculture like industry must respond to the laws of supply and demand.

Relations between agriculture and industry seem to have been damaged much more by the persistence of wrong-headedness than by valid economic factors. When all is said and done, both agriculture and industry are economic enterprises, directed by independent and responsible men. It is against that background that subjects like salary levels, social systems, collectivism and free enterprise should be discussed. Farmers, like industrialists, are in business and they are a vital part of the nation, both socially and politically.

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THE WEEK IN THE COMMUNITY
February 14 - 20, 1966
From our Correspondents in Brussels and Luxembourg

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Off to a Slow Start in Brussels

The French are back in force and the various Common Market institutions have been able to start working properly again. M. Edgar Faure, the French Minister for Agriculture, has made a short personal visit to Brussels just to express how impatient and optimistic he is about getting European agriculture on the move again; he considers that the agricultural finance regulation will shortly be completed and without much difficulty. The Permanent Representatives of the Six have given some support for this view by agreeing to the principles of the Commission's mid-July Memorandum, evolved as an alternative to its famous (and finally disastrous) proposals of March 31, 1965 (see No 299 p 7).

It is, however, too early to start celebrating. As everybody in the Common Market knows by now, agreement in principle does not necessarily mean agreement on methods of applying those principles. And it is not just a question of haggling over prices. Even in the Commission's second watered-down version, the finance regulation raises a whole series of extremely important questions, including the powers of the European Parliament; this is barely mentioned but the Dutch delegation will undoubtedly revive it, so the first meetings of the Permanent Representative have been useful mainly for sorting out the main differences of opinion which the ministers will have to try and settle.

As far as major political choices are concerned, the situation is much the same as on June 30 last year. The pity is that eight months have been lost,which in itself could bog down the negotiations, for the major agreements reached on December 15, 1964 set July 1, 1967 as an important date for the Community. France's entire grain exports were then to be taken over by the Community in exchange for completion of the rest of the common agricultural policy and of customs union for industrial goods. This principle of "balanced development of the Common Market" was accepted on the insistence of Italy and Germany. These two countries, who were paying dearly for the common grain policy, reckoned on fairer distribution of the advantages of the Common Market, if it moved forward simultaneously on all fronts.

Now there is some doubt whether or not this time-table can be kept. Even if the crisis had not dragged on for six months, there would not have been a lot of time to spare. For practical reasons it looks as if a date later than July 1, 1967 will have to be set, and this may also go for the measures passed in December 1964 (grain and processed grain products - see No 283 p 6) which can be applied without technical difficulties. The French government may take this as another breach of solemn undertakings and if it does fresh tensions may arise. If it agrees to the adjournment, the Common Market's hoped for development may be seriously held up.

Time is also running short for President Johnson's special powers in the Kennedy Round negotiations at GATT. In that connection the Six still need to fix the Community's agricultural prices and the Commission is already a jump ahead. Taking pains to find out the attitudes of the various governments, it has sent three senior officials from its agricultural department on a tour of the capitals. Then on March 2 it will draw up the prices for dairy products and beef, which will be submitted some time after March 7 to the Council of Ministers for Agriculture.

One indication of the Commission's leanings in this respect is the "fork prices" which it proposes to adopt for 1966-1967. In the case of milk it proposes to reduce the present gap between fork prices so that the internal guide price should be between DM 34.50 and DM 40 per kg. These figures would oblige France to raise its prices slightly and Italy to lower hers considerably. As a good deal of opposition is expected from Italy it is likely that the Six will widen the fork sufficiently to keep things as they are. Italian resistance, and German determination to fix the price of milk at DM 39 per 100 kg, seem to indicate that in the end the single Community price will be about DM 40 which must bring France a rise in the cost of living and another inflationary nudge. This may be thought a further reason for postponing the Agricultural Common Market.

Where beef is concerned, the Commission's intentions are quite clear: cattle production must be stepped up. Common Market production is showing a deficit (630,000 tons last year) and the quantities available on the world market are unlikely to increase before 1970. If the Common Market wants to cope with the expected increase in demand it will have to rely mainly on its own resources. In the coming year milk production is expected to show a slight surplus, so the Commission considers that the present 7 : 1 ratio between the prices of beef and milk should be maintained. A single Community price of between DM 270 and DM 280 per kg. live weight, which is considerably higher than the guide-price applied at the moment by the Six but, with the exception of the Netherlands, is much nearer to average market prices.

The Commission has not gone this far in fixing its fork for the 1966-67 season. At the same time it has made a large increase in the present fork (DM 230 to 245) since it intends to fix it between DM 242 and DM 257. For calves, a similar rise is proposed and the fork will range from DM 339 to DM 360. However the ratio 1.4 : 1 has been maintained between the price of calves and that of fully-grown cattle. With the present steak shortage the Commission considers that killing calves should not be further encouraged.

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Loans to Turkey

The European Investment Bank has granted two loans for industrial projects in Izmir, Turkey. The terms are extremely favourable: thirty years, with seven years' tax exemption and an interest rate of only 4.5%. They are intended to finance the construction of a wire-drawing plant with a capacity of 5,000 tons a year (a loan of $ 1,500,000 for an investment of $ 3,950,000) and to modernise a textile factory (a loan of $ 190,000).

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East German Problems

The "equivocal" position of East Germany in its dealings with the Common Market (whether it should be deemed a non-member country or a temporarily-detached part of West Germany) has given rise to some delicate problems. A few weeks ago one such problem caused reservations in Bonn, and is still to be resolved from the legal and constitutional point of view: it was whether or not Dutch egg exports to East Germany should be entitled to rebates from FEOGA (the European Agricultural Guidance and Guarantee Fund). A more important matter, however, has just been raised by the Dutch socialist deputy Mr Vredeling, who is one of the keenest and most enquiring members of the European Parliament, and is responsible for about a hundred written questions to the Common Market Commission each year.

Mr Vredeling has already tackled the Commission on the matter, but in general terms which did not force Brussels to commit itself. This time he was more specific and reiterated the charges brought by his fellow countryman, the President of the Egg and Poultry Board, according to whom "all sorts of agricultural produce would seem to be exported to West Germany via East Germany". He implies that such movements of goods might result from the fact that Bonn, unlike its Common Market partners, does not impose levies on agricultural imports from East Germany; this follows the West German concept of the "legal non-existence" of the East German State. If that were so, as M. Vredeling rightly says, it would be difficult to deny that competition has been distorted.

He adduces several German publications in support of his theory. These confirm in particular that Danish pigs have been exported to East Germany and then re-exported into West Germany. According to the Milk Products Review, this operation may even have had official consent from Bonn which, in agreement with Denmark, granted East Germany supplementary licences to import pigs for slaughter.

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Latin-American Anxiety

Until now contact between Latin America and the Common Market countries has been confined to exchanges of information between the Latin-American delegations and the Commission; joint consultation of a kind, but with little bearing on what decisions the Six took. The Latin-Americans would like to improve on it with a permanent Joint Committee, which would meet regularly and even hold extraordinary meetings when necessary. This proposal to form an institutionalised "pressure group" would appear unacceptable to the Community; no doubts its advocates are aware of this feeling and are probably making the move for tactical reasons, as as to push the Six into "making a gesture".

Again, the Latin-American ambassadors have not concealed the motives behind the proposals they are putting forward. One more they have expressed their anxiety at the way Common Market trading policies are developing. Statistically this anxiety seems ill-based, for trade between the EEC countries and Latin America has steadily increased. From across the Atlantic, however, this development looks as if it has resulted, not from the Community's policy but from economic influences which may turn out to be transient. For eight years now, the Six have enjoyed a period of expansion, while world markets have suffered a number of shortages, especially of beef; that situation could turn inside out, with effects all the more damaging because Latin America's trade balance with the Common Market continues in deficit.

The Latin-Americans are also worried about the outcome of the Yaounde Convention (see No 256 p 9). Preferences on the European market for goods from Associated states have clearly done little as yet to upset the traditional pattern of trade between the Common Market and Latin America, but the effect of these preferences may be felt shortly. It could be that much worse now that the EEC is negotiating Associate rights for countries like Nigeria and the Maghreb States, some of whose products compete with those of Latin America. Granted, these are all time-honoured complaints, but they are being raised again now with renewed vigour.

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Ireland and the Common Market

In London last week Mr Walsh, Chairman of the Irish Industrial Development Authority, remarked: "The basis of our whole policy is that Ireland and Britain will be in Europe by 1970, give or take a couple of years".

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Britain & Europe

More than half the members of the British House of Commons now support the European Movement, according to the latter's U.K. Council.

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ECSC

Need for a Policy on Energy

The High Authority has asked its own staff to report on the coal situation and to suggest methods of improving it, for it is obviously getting worse day by day: unless quick and energetic steps are taken, the Community's coal industry will approach disaster, for the mining companies are no longer in a position to bear the financial effects of the gap between production and off-take. The surplus for 1966 is expected to be 8.3 million tons (7.4 million for West Germany alone).

All concerned are well aware how serious the coal surplus is, and the measures already applied or decided on this year will undoubtedly help.

The High Authority's aim is to bring production into line with the needs of internal consumption and external trade. Last week it received representatives of the coal producers; they appreciated that the High Authority could not step in without the active co-operation of the member governments, but they asked it to take full responsibility, right up to even beyond the powers granted it by the Paris Treaty. What they chiefly sought was production objectives for the years after 1980, which they consider will be a crucial period for the Community's coal-mines. From then on all the large industrial countries in the world will, in varying degree be dependant on imported energy. It is hard to assess at this stage what contributions atomic power and natural gas will make, but the Community's supplies may largely depend on the Middle East - politically a very unstable area. The coal producers believe that the vital question is security of supplies and the Community must take the political decision, what premium it is prepared to pay to ensure that security, in terms of quantities as well as prices.

At present, movements in the energy market and variations in the sale of Community coal are decided almost entirely by the oil companies, who choose what share of the market they will aim at; the coal industry is badly placed to compete and has to adapt itself to supplying the remainder of demand. Carrying stocks costs so much that in practice this means forcing pits to close, which may well be regretted when the Community's demand rises to the level forecast for 1980.

So the producers are looking to the High Authority for long-term objectives, fixed with security of supply in mind, and it has responded by instructing its staff to work out new General Objectives for Coal, not just for five years as in the past, but right up to 1980.

The coal producers also recommended immediate action by the High Authority (under Article 74 para. 3), inviting the six member governments to erect a 9% tariff wall against non-members. This would not be instead of existing protection (West Germany's DM 20 per ton, France's import control and Benelux's licensing system) but would be on top of it. One good result should be to remove, at least partially, distortions of competition between the Six's iron and steel industries, which arise from their either obtaining coking coal dearly inside the Community or cheaply outside it.

The six governments seem unlikely to accede to the request. It would scarcely help in the Kennedy Round negotiations; within ECSC it is thought that special protection against coal imports from outside would encourage purchases of oil, which is a much more serious competitor to Community coal than imported coal is.

The producers also asked that Article 57 should be applied; this provides for government action to increase the consumption of goods which are covered by the Paris Treaty and are not selling well. Such action could be the granting of sales subsidies.

The High Authority has declared its intention to put forward a group of proposals in the middle of March for discussion by the Consultative Committee before being submitted to the Council of Ministers. Officials from the Executive have already been the rounds of the Six's capitals sounding the member countries' views on the future policy for energy.

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EURATOM

The Scientific Committee

The Scientific and Technical (advisory) Committee of Euratom has been reviewing the work in progress in the Community. It has approved the Commission's plan for the rapid construction of a prototype based on the lessons of the Orgel project, which has shown its profitability and guaranteed Europe a certain lead over the United States in organic heavy water reactors. Besides that the Committee has called for increased co-ordination of studies carried out in Euratom on rapid reactors and for an extension of the Dragon agreement.

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EFTA

Export Rebates

Agreement has been reached in EFTA on the treatment of rebates of internal taxation on exported goods in the completed European Free Trade Area. The decision is that, as from 31 December, 1966, when the tariffs on EFTA industrial goods traded within the area are reduced to zero, such goods may not benefit both from EFTA tariff treatment and from rebate of certain types of indirect taxes. These are taxes on ancillary materials, equipment and services, etc, used in the process of production and marketing and entering into the cost of the goods concerned.

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	firms DR ROSS and LOEHE & DR ROSS form 50-50 French sales company. Germany: The British civil engineering firm LANSING BAGNALL gains control of the German company WILHELM SCHMIDT (control equipment etc). The two German steel groups THYSSEN and KRUPP will jointly produce laminated wire through a new Thyssen subsidiary. The Norwegian engineering group KVAERNER BRUG forms Bremen subsidiary. Italy: SOBRINO, Milan will be sole Italian agent for the American company BARBER GREENE (civil engineering plant). NUOVA CHIMI COMECCANICA, Milan will represent two German chemical equipment firms in Italy. SUGIURA (ITALIA), Milan is formed by the Japanese firm of that name (needles for the textile industry) to handle its Common Market business. Netherlands: The Dutch group LIPS gains control of NEDERLANDSE KOPEREN, Rotterdam and its subsidiary NEFRA (non-ferrous metal products). Switzerland: TINGSTROM, Zug (depth-sounding equipment) is transferred to new company INGENTA.
J FINANCE	Belgium: CONTINENTAL ILLINOIS, Chicago raises the capital of BANQUE EUROPEENNE D'OUTREMER, Brussels. France: BANQUE DE PARIS ET DES PAYS-BAS increases the capital of the investment company SOFILOG by the transfer of various assets. Netherlands: LEASE PLAN NEDERLAND Amsterdam, (leasing) takes over similar Dutch firm ANVEM.
K FOOD & DRINK	Belgium: Fourteen Belgian grain firms form general grain company BELGE DE MEUNERIE, Brussels. The American food and chemicals group CORN PRODUCTS opens branch at St-Josse-ten-Noode. The Hamburg dairy and poultry firm MILCH FETT ETC opens Brussels sales office. Germany: The German chain-store company RUDOLF HUSSEL takes majority share in coffee chain FREELO KAFFEE, Hamburg. Italy: The Hamburg company KOSMOS EXPORT will supply equipment for new brewery to BIRRA ASPROMONTE, Reggio, Calabria. The Italian brewery BIRRA BUHRER founds Naples company.
M INSURANCE	France: The British insurance brokers STENHOUSE HOLDING reorganize Paris interests. Germany: MUENCHENER RUECKVERSICHERUNGS, Munich strengthens its links with UNION ASSURANCE, London. The Strasbourg insurance company LA STRASBOURGEOISE closes its Saarbrücken branch.
M IRON & STEEL	Luxembourg: ARBED, Luxembourg gains control of HADIR, Luxembourg by buying the shares in it of PONT-A-MOUSSON and FORGES & ACIERIES DE LA MARINE ETC. Switzerland: The German steel group AUGUST THYSSEN forms Zurich finance and holding company.
N OIL, GAS & PETRO-CHEMICALS	France: ROYAL DUTCH SHELL forms SHELL GASCOGNE, Paris (technical assistance for oil-prospecting).

Page		
N	PAPER & PACKAGING	Austria: German interests hold 97% in ARLAND PAPIER, Graz-Andritz, Austria (cellulose and printing-paper). Belgium: following the example of INTERMILLS last year, several Belgian paper firms co-operate for know-how and sales. France: CASSARD, Paris (corrigated paper) merges with its parent company ONDULREX.
O	PHARMACEUTICALS	Belgium: BELGE DE THERAPEUTIQUE EXPERIMENTALE, Nivelles takes over LABORATOIRES LAREPHA, Nivelles. Luxembourg: The American pharmaceutical group MILES LABORATORIES forms Luxembourg investment subsidiary. Switzerland: Zug holding company of KNOLL CHEMISCHE, Ludwigshafen, Germany transfers investments to TRANSKLEPIA, Basle.
P	PLASTICS	France: RHONE POULENC and the American company PHILIPS PETROLEUM form joint Paris company to sell polyolefin resins. PLASTIQUES EXPANSES, Le Pre Saint Gervais, Seine is a new company selling expanded polyethylene and polyester foam to the automobile industry. KLEBER -COLOMBES, Colombes, Hauts-de-Seine forms its plastics division into new company KLEBER-COLOMBES PLASTIQUES, Trilport, Seine-et-Marne. The Italian chemical company ABET forms Paris subsidiary. PLASTIQUES TAUGIL, Neuilly merges two other French plastics firms to form INDUSTRIELLE & COMMERCIALE DES PLASTIQUES, Neuilly.
Q	PRINTING & PUBLISHING	France: EDITIONS MUSICALES BELGRAVIA FRANCE (music) is formed in Paris. Germany: Mc CORQUODALE, London takes 100% control of its German subsidiary (coloured maps) through its Swiss holding company.
Q	TEXTILES	Belgium: SOLVENT BELGE and five other Belgian wool firms form processing subsidiary. Italy: PIERRE FERRAT INTERNATIONAL, Paris (sportswear) forms Milan subsidiary.
R	TOURISM	Belgium: The Belgian company RAILTOUR forms Brussels subsidiary. The Swiss financial group GENERALE POUR L'INDUSTRIE forms Paris hotel company.
R	TRADE	France: LOUIS DREYFUS and GOLDSCHMIDT, Paris (cereals) form joint subsidiary MRM, Paris.
R	VARIOUS	France: The steel company USINOR, Paris takes over LORRAINE ESCAUT (steel products) and its parent company DENAIN NORD EST takes over ACIERIES DE LONGWY to form new industrial group. UFICO (SOURCE PERRIER group) transfers its Tourcoing property to another company in the group BOISSONS GAZEUSES DU NORD. MICHEL GUICHARD is formed in Paris to represent the German firm EMIL KOESTER (leather, linings etc).

ADVERTISING

** COMPTON ADVERTISING INC, New York (see No 339) has taken a shareholding in the agency CLAR GmbH & CO KG Heidelberg becuase it is closing down its Frankfurt subsidiary GARLAND COMPTON GmbH, formed in October 1963 (see No 142). The Heidelberg firm was formed in Berlin in 1941 by Herr and Frau Clar and is responsible for promoting about fifteen brand-names; it employs 115 people and in 1965 had a turn-over of DM 25 million.

The American firm, which has a 13% interest in PUBLISYNTHESE & R L DUPUY SA, Brussels, recently opened a subsidiary of its own there. It also has subsidiaries in Rome: COMPTON CUETO ADVERTISING SpA, and in London: GARLAND COMPTON LTD.

AUTOMOBILES

** STE BELGE DES AUTOMOB ILES ALPINE Sprl, Woluwe-Saint-Lambert, is to take over future Belgian sales promotion of M.J.Redele's "Alpine" sports car. The firm's capital (Bf 800,000) is shared by Messrs Redele (10%) L Bianchi, Woluwe-Saint-Lambert (45%), and J.Verbugh of Kraainem (45%).

Alpine cars, which are equipped with Renault-Gordini engines, are mounted in plastic monocoque bodies manufactured in Dieppe, Seine Maritime by ETS RDL Sarl (capital Ff 55,000). Sales are handled by STE DES AUTOMOBILES ALPINE Sarl, Paris (capital Ff 10,000) and both companies are managed by M.J.Redèle (with the assistance of MM. Mattei and Escoffier in the case of the second). The assembly lines are: (1) in Madrid; FASA-FABRICACION DE AUTOMOVILES SA (see No 310), a subsidiary of RNUR-REGIE NATIONALE DES USINES RENAULT SA, Boulogne, Billancourt: (2) in Rio de Janeiro; WILLYS OVERLAND DO BRASIL SA (see No 190), 38% owned by KAISER INDUSTRIES CORP, Oakland, Ohio (see No 323); (3) at Irolo, Mexico; DINA-DIESAL NACIONAL SA.

BUILDING & CIVIL ENGINEERING

** LOEB SA, Lille (capital Ff 1,070,000 - formerly ETS LOEB-LAROZE & FREDERIC LOEB), which makes building equipment, has opened a branch at Mascherode, West Germany. Loeb's managing directors are M.P.Loeb of Zurich, M.J.Loeb of Morocco and Mme Laroze. It has a Zurich branch and interests in LOEB ITALIANA SpA, Cinisello Balsamo (capital lire 930,000).

** NV BILLITON MIJ, The Hague (see No 325) has taken a share in the marine engineering and harbour works company MIJ VOOR CIVIELTECHNISCHE DIENSTEN CESCO NV, Delft which until now has been wholly-owned by KON NED MIJ VOOR HAVENWERKEN NV, Amsterdam (see No 291) which is engaged in civil engineering, harbour works, and public works and building. Cesco was formed in 1961 with a paid-up capital of Fl 400,000 and has now been re-named ADVIESBUREAU VOOR CIVIELTECHNISCHE CESCO NV. It will do engineering work in connection with North Sea oil-prospecting.

** The allied activities of French ship-yards are being reorganized and consequently INEURCO-L'INDUSTRIELLE EUROPEENNE DE CONSTRUCTIONS SA, Paris (capital Ff 9 million - formerly STE TECHNIQUE DE PREFABRICATION PROVENCE-NORMANDIE, CONSTRUCTIONS MODULAIRES VIKING SA, Caen, Calvados) has gone into voluntary liquidation. This company builds schools in prefabricated metal parts and has technical links with STE D'ETUDES, DE RECHERCHES & DE REALISATIONS INDUSTRIELLES-STERRIC SA, Paris (see No 307). It was formed in 1965 by the MARCEL DASSAULT Sarl group (50%) - represented on the board by M. R. Leveque (president) and MM R. Massin and M. S. Dassault - with three companies connected with the financial group RIVAUD & CIE, Paris (represented on the board by MM J. Pillet-Will and F. de Lestrade de Conty): CIE INDUSTRIELLE & FINANCIERE DES ATELIERS & CHANTIERS DE LA LOIRE SA; STE FINANCIERE & INDUSTRIELLE DE L'ARTOIS SA and MINES DE KALI-SAINTE-THERESE.

Under its previous name INEURCO acquired at the end of 1964, the Port-de-Bouc prefabricated section, curtain-wall and facing-panel Department of STE DES CHANTIERS & ATELIERS DE PROVENCE SA, Marseilles (valued at Ff 3,500,000). Its other main shareholders were STE DES CHANTIERS & ATELIERS DE PROVENCE, ATELIERS & CHANTIERS DE LA SEINE MARITIME SA, Paris: FORGES & CHANTIERS DE LA MEDITERRANEE SA, Paris and the Belgo-Peruvian group FRANGAL (represented by M. G. Lomme and M. H. du Chastel de la Howarderie).

CHEMICALS

** LILJEHOLMENS STEARINFABRIKS A/B, Stockholm (see No 227) which makes chemical products, fatty substances and stearine, has formed a sales subsidiary in Belgium LILJEHOLMEN SA, Frameries, (capital Bf 5 million). The new company (president Baron C. de Geer, a banker at Lovsta, Vasby) will be directed by Mr S. Wiklund of Stockholm who is also manager of the Berlin subsidiary LILJEHOLMEN GmbH (see No 195). The parent company is a member of the Stockholm group STOCKHOLM'S SUPERFOSFAT FABRIK'S A/B (see No 257).

** MALLINCKRODT CHEMICAL WORKS, Saint-Louis, Missouri (see No 283) is setting up a manufacturing and sales subsidiary in France for high purity products for pharmaceuticals and electronic components. The new company, called MALLINCKRODT EUROPE SA, Paris has a capital of Ff 175 million. In the Common Market the American company already has a 10% holding in NUKEM-NUKLEARCHEMIE & METALLURGIE GmbH, Wolfgang bei Hanau, Main (see No 289).

** The Canadian company BANFF OIL LTD (owned 48% by SNPA-STE NATIONALE DES PETROLES D'AQUITAINE, Paris through AQUITAINE CO OF CANADA LTD has taken 34% in the newly-formed Mexican company AZUFRERA OLNECA SA. The Canadian company has been joined in this venture by CREDITO BURSATIL SA, Mexico (BANCO NACIONAL DE MEXICO SA group) and the local industrial group URTEGA which have 33% each. The new company, which will receive technical aid from SNPA, will work a shallow sulphur-mine on the Tehuantepec isthmus, for which a concession of 1?0 square kilometres has been requested. PARIBAS CORP, New York, (subsidiary of BANQUE DE PARIS ET DES PAYS-BAS, Paris) recently took about 6% in Banff Oil (see No 342).

COSMETICS

** REVLON INC, Atlanta, Georgia (through one of its French subsidiaries, REVLON SA - capital Ff 10 millions) and SIFA - STE INDUSTRIELLE POUR LA FABRICATION DES ANTIBIOTIQUES SA are forming a joint manufacturing and sales subsidiary, STE COSMETIQUE DE DERMO-PHARMACIE SA (capital Ff 500,000).

SIFA is a member of the group STE CENTRALE DE DYNAMITE SA (see No 322), which has a minority direct holding in it and has indirect control of it through STE FRANCAISE DES GLYCERINES SA (see No 291). Revlon is making this move in order to increase its French sales of medical and pharmaceutical products, but not those subject to the appraisal of the Ministry of Health.

ELECTRICAL ENGINEERING

** CIE EUROPEENNE DES THERMOSTATS SA, Paris (see No 333) - formed by the merger of two French subsidiaries of ROBERTSHAW CONTROLS CO, Richmond, Virginia: ROBERTSHAW CONTROLS SARL, Paris and ROBERTSHAW MADEC SA, Melisey, Haute Saone - is now owned 51% by CIE DES COMPTEURS SA, Paris (see No 339) since its capital was recently increased from Ff 2,250,000 to Ff 4,430,000. Cie Des Compteurs, which is linked with the American group, will now cooperate closely with it in Europe for control and regulating equipment. Europeenne Des Thermostats will keep its plant at Melisey and will increase its manufacturing capacity by setting up a new plant South of Paris.

** The Belgian company MASSER SA, Brussels (built-in central heating, especially the Danish "Elvaco" system) has formed MASSER-EST Sarl, Nancy, Meurthe & Moselle (capital Ff 50,000) which will be managed by M. J. Guerineau, Nancy and M. R. Maskens, Brussels. M. Maskens also represents the parent company in LA DYNAMIQUE APPLIQUEE SA, Anderlecht (see No 187), MASSER-PARIS Sarl and MASSER-NORD Sarl both at Levallois-Perret, Hauts-de-Seine (see No 276) and also in MASSER-RHONE-ALPES, Lyons (see No 304).

** BASSANI SpA, Milan (see No 85) which makes electro-technical goods and equipment (switches etc) has formed a sales company PROMOTION TICINO BELGE SA, Saint Gilles-Brussels (president Sig. E. Bassani). The new company has a starting capital of Bf 3 million, almost fully paid up by the holding company HANNOVER ANSTALT FUER FINANZ & INDUSTRIE, Vaduz, Liechtenstein, which also controls the distribution company TICINO FRANCE SA, Charenton, Seine, which in 1964 had its capital raised to Ff 2 million.

ELECTRONICS

** CIE BULL GENERAL ELECTRIC SA (BGE), Paris, and AEI - ASSOCIATED ELECTRICAL INDUSTRIES LTD, London (see No 319) are negotiating with the purpose of AEI cooperating more closely with the group GENERAL ELECTRIC / BULL / OLIVETTI in the production of computers.

BGE (capital recently doubled to Ff 444 millions) is owned by CIE DES MACHINES BULL SA, Paris and the GENERAL ELECTRIC CO, New York (see No 313). AEI is BGE's distribution agent in Britain for "Gepac" control computers and DE LA RUE BULL LTD, London 50/50 subsidiary of BGE and THE DE LA RUE CO LTD) acts for the Franco-American group in selling the "Compatible 100" and the "400" series, and is about to launch the "GE 600" series. Excluded from these arrangements are the new "Gamma 140" and "141", of French design, which were recently brought out to deal with management problems and scientific work.

** A new company called CISEM-FRANCE SA, Paris (capital Ff 50,000) has been formed by French interests, mainly in the name of M. J. Lecas, Le Pecq, Yvelines: it has no connection with CSF but will act as the French representative of CISEM - CIA ITALIANA PER LO SVILUPPO DELL' ELETTRONICA NEI MATERIALI SpA, Bologna.

The Italian company makes internal telephones, recording equipment, microfilm etc and is a subsidiary of CSF - CIE GENERALE DE TSF SA, Paris (see No 342), directly and through DUCATI ELETTROTECNICA SpA, Bologna (see No 311).

Until now it was represented in France by CISEM-FRANCE Sarl, Paris, which was formed in March 1963 (see No 196) by SADELEC - SA D'APPLICATIONS ELECTRONIQUES, Paris, a member of the CSF group.

** SAIP - STE D'APPLICATIONS INDUSTRIELLES DE LA PHYSIQUE SA, Malakoff, Hauts-de-Seine has joined its subsidiary NUCLEOMETRE SA, Saint-Denis, Seine-Saint-Denis (see No 285: capital Ff 200,000; formed in 1964) and CARATOME - CIE D'APPLICATIONS & DE RECHERCHES ATOMIQUES SA, Saint-Denis to form a firm in Barcelona, ANSA-APLICACIONES NUCLEARES SA (capital Pts 3.5 millions). At first this is to be only a sales firm, but later it will produce nuclear devices and equipment designed for the industrial applications of nuclear fission.

SAIP recently negotiated an agreement with EDGERTON, GERMESHAUSEN & GRIER INC, Boston, Massachussetts to cooperate with them both technically and in sales in ultra-rapid impulse electronics. Its existing interests overseas are: 40% in STE D'ELECTRONIQUE NUCLEAIRE SA, Geneva and 18% in NUMINCO INC, Apollo, Pennsylvania, where its fellow-shareholder is NUCLEAR MATERIALS & EQUIPMENT CORP of Apollo.

** OVERSEAS TRUST CO LTD SA, (president Mr. J. Reiser - see No 292) which is a holding company of DISCOUNT BANK (OVERSEAS) LTD SA, Geneva (see No 325) has formed a Brussels subsidiary STE BELGE RALLI SA, whose board consists of Mr. V. Salama, London, Mr. P. Kunzi, Geneva and Mr. E. Bishofberger, Geneva. The new company (capital Bf 1,400,000) will sell manufacturing and technical equipment to the electronics industry.

Discount Bank (Overseas) belongs to the group ISRAEL DISCOUNT BANK LTD, Tel Aviv (see No 318) and is directly represented in Brussels by M. D. Vardi. Its London associate RALLI BROTHERS (BANKERS) LTD (see No 249, which is closely linked with the WOLFSON FOUNDATION group (through DRAGE'S LTD, London) controls RALLI GmbH, in Germany; RALLI BROS (BANKERS) SA, Lausanne, in Switzerland etc. Another company in the group RALLI TRUST CO LTD SA, Lausanne (formed in 1962 - see No 154) has direct control of STE FRANCAISE RALLI SA, Paris (see No 268).

ENGINEERING & METAL

** LANSING BAGNALL LTD, Basingstoke, Hampshire (civil engineering and handling equipment) has gained control of the German firm MASCHINENFABRIK WILHELM SCHMIDT, Roxheim, Pfalz which makes control equipment, presses and hydraulic cylinders. The German company's manufacturing capacity will be used by a subsidiary now being formed in Frankfurt, LANSING GmbH.

The British company has interests in Switzerland: LANSING BAGNALL AG, Dietikon, Zurich and LANSING BAGNALL INTERNATIONAL LTD, Glarus; and also in the Commonwealth, LANSING BAGNALL (AUSTRALIA) PTY LTD and LANSING BAGNALL OF CANADA LTD. It is linked with TOWMOTOR CORP, Cleveland, Ohio in two joint subsidiaries: TOWMOTOR LANSING LTD, Basingstoke and in America LANSING TOWMOTOR INC, Cleveland, Ohio; and also by a sales agreement for Europe, Africa and Asia. Towmotor, which makes handling equipment, had a turn-over of $ 60 million in 1965 and has belonged to the CATERPILLAR TRACTOR CO group, East Peoria, Illinois since last autumn (see No 322)

** AUGUST THYSSEN-HUETTE AG, Duisburg-Hamborn (see No 322) and FRIED KRUPP HUETTENWERKE AG, Rheinhausen, the two largest West German steel groups, have agreed to go into joint production of laminated metal wire. A 96% subsidiary of the former, NIEDERRHEINISCHE HUETTE AG, Duisburg (see No 241) has started building a wire mill which, when it comes into service at the end of 1967, will be able to produce 40 to 45 thousand tons per month, 40% of which will be reserved for Krupp. Each group is at present operating its own mill, in Rheinhausen and Duisburg respectively, but these date from 1913. Their capacities are 15,000 and 12,000 tons a month, or about a sixth of all German wire production.

Fried Krupp Hüttenwerke was formed by the amalgamation of HUETTEN - & BERGWERKE RHEINHAUSEN AG with BOCHUMER VEREIN FUER GUSSTAHLFABRIKATION AG (see No 332).

** CIE NANTAISE DE TRAVAUX INDUSTRIELS & NAVALS, Nantes has transferred its plant for producing heating, ventilation and air conditioning equipment (under exclusive licence from the Italian firm OFFICINE AUGUSTO BINI, Rovereto) to a new company being formed at Nantes, CIE DES TECHNIQUES AERAULIQUES BINI FRANCE Sarl (capital Ff 400,000). Nantaise is a joint subsidiary of CIE INDUSTRIELLE & FINANCIERE DES ATELIERS & CHANTIERS DE LA LOIRE SA, Paris, (see No 307), STE FINANCIERE & INDUSTRIELLE DES ATELIERS & CHANTIERS DE BRETAGNE SA, Nantes and CIE NANTAISE DES CHARGEURS DE L'OUEST SA, Nantes.

** EHRHARDT & SEHMER MASCHINENFABRIK AG, Saarbrücken (see No 264) has increased the capital of its subsidiary SOFES-STE FRANCAISE EHRHARDT & SEHMER Sarl, Paris from Ff 10,000 to Ff 140,000 and transferred to it real estate at Vesinet Yvelines. Since July 1964 (see No 264) the parent company has been an equally owned subsidiary of the German groups (ROECHLING SCHE EISEN - & STAHLWERKE GmbH, Volkingen, Saar (see No 335), DEMAG AG, Duisburg (see No 305 - directly and through DINGLERWERKE AG, Zweibrücken) - and KLEIN SCHANTLIN & BECKER AG, Frankenthal, Pfalz (see No 304).

** SOBRINO SpA, Milan has become sole agent in Italy for BARBER GREENE CO, Aurora, Illinois (see No 195) manufacturers of civil engineering plant (tar-sprayers, concrete-mixers, excavators etc). This will provide an Italian market not only for the products of the American firm but also for those of its British subsidiary, BARBER-GREENE OLDING & CO LTD, Bury St Edmunds, Suffolk.

The American firm has had a Common Market subsidiary for three years; BARBER-GREENE EUROPA NV, formed in Rotterdam jointly with its Common Market representatives, including SpA IL CONGOLO, Milan (see No 179).

This new Italian outlet provides a market for a number of American civil engineering equipment and plant producers such as CLARK EQUIPMENT CO, Battle Creek, Michigan; HENRY R. JAHN & SON INC, New York and KENNEDY VAN SAUN MFG. ENG, New York etc.

** NUOVA CHIMICOMECCANICA SpA, Milan (see No 238) has signed an agreement with two German firms making mechanical equipment for the chemical industry to represent them in Italy. These are MESSER GRIESHEIM GmbH, (formerly ADOLF MESSER GmbH, Frankfurt - see No 273) and EISENWERKE KAISERLAUTERN GmbH (see No 294). The Italian company is linked with KRAUSS-MAFFEI-IMPERIAL GmbH, Munich-Obermenzinny, a member of the FLICK KG group - through BUDERUS'SCHE EISENWERKE, Wetzlar, which is controlled by METALLHUETTENWERKE LUEBECK (see No 329).

** BAKER PERKINS LTD, Peterborough, Northants (see No 280) has opened a Paris branch of its Swiss sales subsidiary BAKER PERKINS SA, Zug (formed in 1962 - see No 278). It will be directed by M. J.R. Beaurain, owner of BEAURAIN FRERES Sarl, Le Pre-Saint-Gervais, Seine, who is the parent firm's agent and representative in France. Baker Perkins is engaged in mechanical engineering, metals, plastics, rubber and makes presses, milling-machinery for the food industry etc.

** J.S. CHINN & CO LTD, Coventry, metal workers, have entered the Common Market by establishing a sales subsidiary in Antwerp, J. S. CHINN METAL FABRICATIONS (EUROPA) NV, (managers Messrs B.A. Stevens and F. Wolff-Cammaerts, Uccle).

Chinn's control the Coventry firm A.O. HENTON ENGINEERING LTD, which trades in rare metals for aero parts and engines. M. Wolff-Cammaerts already manages the Brussels mechanical firm DEXTER CONTINENTAL SA (capital recently increased to Bf 6.75 millions) and its parent company WOLFERS INDUSTRIE SA (see No 310).

** The engineering group KVAERNER BRUG A/S, Oslo has formed KVAERNER BRUG (DEUTSCHLAND) GmbH at Bremen (capital Dm 20,000, manager Mr. H.F. Massmann). In May 1965 (through CARGO DYNAMICS SA, Fribourg, a holding company which it owns jointly with McDOWELL WELLMAN ENGINEERING CO, Cleveland, Ohio) the Oslo firm took shares in another company formed at Bremen: CARGO-DYNAMICS (DEUTSCHLAND) GmbH (see No 314) which sells ship-building equipment.

The Norwegian group includes several companies which are mainly concerned with the ship-building industry and which employ about 3,000 workers: A/S BENTSE STOPERI, A.S. MYRENS VERKSTED, A/S THUNES MEK VAERSTED, A/S MESNA BRUK, etc.

** The LIPS NV, Drunen group (see No 184) has gained full control of NV NEDERLANDSE KOPERENBUIZENFABRIEK, Rotterdam and its subsidiary NED FRANSCHE METAALWARENINDUSTRIE "NEFRA" NV, The Hague, both making various non-ferrous metal products. Up to now the two firms have been controlled by NV VER TOUWFABRIEKEN, Rotterdam, which makes metallic cables and ropes (in hemp, sisal, nylon and other synthetic materials).

The Lips group has a varied range of activities: boat-propellors, tiles and bricks, non-ferrous metals and articles laminated in non-ferrous metals. It has numerous subsidiaries both in the Netherlands and abroad: LIPS FERRO NV, Drunen (metal processing); INTERNATIONAL ADVIESBUREAU INTERCON NV, Drunen (engineering for ships' engines); AFFILIPS-STE BELGE D'AFFINAGE LIPS SA and SOCOLIPS-STE COMMERCIALE LIPS SA, Tirlemont, Belgium; 50% in ANSALDO-LIPS SpA in equal association with ANSALDO SpA, Genoa (see No 325) etc.

** SUGIURA KNITTING NEEDLE MFG CO LTD-SUGIURATCOL, Tokyo, the Japanese maker of needles for the textiles industry, has formed SUGIURA (ITALIA) Sas in Milan to handle its Common Market representation and sales. The new venture is under Italian control; a 30% shareholder, Sig U.Navarro, as managing director, and Sig F.Marchiori, of Milan holds 40%.

** Mr T.W.D. Tingstrom, a Swedish business-man living in Switzerland, who owns T.W.D. TINGSTROM, Zug (a firm of representatives for depth-sounding equipment which was formed in 1960) has transferred it to a new company called INGENTA AG, Zug (capital Sf 130,000). This company has a sister-firm in West Germany INGENTA HANDELS GmbH, Neuss formed in November 1965 (capital DM 20,000, manager M. Tingstrom).

** Two German firms, both in Hennef, Siegsburg: DR ROSS GmbH (capital DM 6 million) and LOEHE & DR ROSS GmbH (capital DM 1 million) have joined 50-50 to form the sales company ROSS FRANCE Sarl (capital Ff 40,000, manager M.G. Le Gontrec). Both the parent firms are run by Dr Alfons Ross and specialise in equipment for industrial laundry (washing-machines, wringers, driers, drier-ironers, heaters etc.)

FINANCE

** LEASE PLAN NEDERLAND NV, the Amsterdam leasing company (formed in 1963, see No 226) is taking over a similar Dutch company, formed in 1964, ANVEM-ALGEMENE NED VERHUUR & EXPLOITATIE MIJ NV, the Hague, which is controlled by WEST NED FINANCIERINGEN. This last company is affiliated to NEDERLANDSCHE BANKISTELLING NV, the Hague, a joint subsidiary of NEDERLANDSCHE CREDIETBANK NV (see No 230) and PIERSON, HELDRING & PIERSON (see No 325), and a member of ROYAL DUTCH SHELL group's pension fund. As a result, the two Dutch banks will become indirect shareholders in the new company.

Lease Plan Nederland is a minority shareholder of INTERLEASE SA, Luxembourg, (see No 331). Its capital is Lux f 2.5 millions, and its shareholders include NEDERLANDSE OVERZEE BANK and a member company of its group NED OVERZEESE BELEGGINGSMIJ NV (10% and 25% respectively); MEES & HOPE, Rotterdam, and the Amsterdam investment company ALGEMENE COMMERCIELE ASSOCIATIE NV (which is closely linked with HAMBROS BANK LTD, London; see No 244).

** The investment company SOFILOG-STE FINANCIERE LOUIS LE GRAND SA, Paris has had its capital increased from Ff 50,000 to Ff 57 million after obtaining from BPPB-BANQUE DE PARIS ET DES PAYS BAS, Paris its holdings (4.5% and 5% respectively) in PIERREFITTE SA, Paris (see No 333) and LA ROCHETTE-CENPA SA, Paris (see No 299) and the 14% interest of STE GENERALE COMMERCIALE ET FINANCIERE SA, Paris (capital Ff 7,400,000 - another investment company of the BPPB group) in CIE GENERALE INDUSTRIELLE POUR LA FRANCE ET L'ETRANGER SA, Paris (see No 341) which belongs to ELECTROBEL-CIE GENERALE D'ENTREPRISES. Sofilog was formed in November 1965 with the backing of BPPB, through SNEPI-STE NOUVELLE D'ETUDES ET DE PARTICIPATIONS INDUSTRIELLES SA, Paris.

** CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST CO, Chicago, has increased its financial assets in Belgium and Luxembourg by raising the capital of BANQUE EUROPEENNE D'OUTREMER SA, Brussels (see No 337) to Bf 100 million. The new funds have been made available to the Belgian bank by the holding company CONTINENTAL OVERSEAS INVESTMENT NV, Amsterdam. This company was formed last year by the Chicago group and NEDERLANDSE OVERZEE BANK NV, Amsterdam, in which Continental Illinois owns 10%, and which has gained full control of BANQUE EUROPEENNE D'OUTRE MER (a former subsidiary of the Dutch bank - see No 327).

FOOD & DRINK

** STE BELGE DE MEUNERIE SA (president, Mr F. Peeters of Woluwe-St Lambert) has been formed in Brussels by fourteen Belgian grain and flour companies for all kinds of commercial, manufacturing and financial business connected with the milling or allied industries. Mr Peeter is managing director of SA DE MEUNERIE BRUXELLOISE SA, Brussels and MOULINS VAN DER STUCKEN NV, Antwerp (linked with CONTINENTAL GRAIN CO, New York through CIE CONTINENTALE D'IMPORTATION FRIBOURG ET CIE SA, Antwerp - see No 301). Mr H. Van Kan, president of MOULINS RYPENS SA, Boom, is director-general of the new business, whose capital of Bf 50 million is owned 15.97%, 4.3% and 3.01% respectively by the Brussels, Antwerp and Boom firms.

The shareholders are: GRANDS MOULINS DE BRUXELLES SA (a joint subsidiary of INTERSTATE GRAIN CORP, Kansas City, GRANDS MOULINS DU NORD SA, Valenciennes, Nord and GRANDS MOULINS DE STRASBOURG SA, Paris - see No 342) with 5.7%; MOULINS DE TROIS FONTAINES SA, Vilvarde, with 11.48%; NOUVEAUX MOULINS GAND-BRUGES, Ghent, with 12.42%; MOULINS DE DEYNZE, Deinze, Ghent, with 9.37%; LA ROYALE, SA DES MOULINS A VAPEUR DE CHATELINEAU, Chatelineau, with 3.26%; SA DES USINES REMY Wijmaal, Brabant (see No 334), with 10.88%; MOULINS DE LA MEUSE SA, Namur (formerly MOULINS DE BEEZ SA) with 4.93%; ANVERSOISE DES MOULINS SA, Merksen, with 6.17%; MOULINS DE SAINT FRANCOIS SA, Farciennes, with 2.05%; LES MOULINS MOREAU SA, Argentau, with 3.69%; and MOULINS HUNGARIA, G. PETERS & FILS SA, Louvain, with 6.68%.

** The American food, chemicals and maintenance group CORN PRODUCTS CO, New York, (known in Europe for its trade-marks "Maizena", "Alsa", "Knorr", "Best Foods" etc - see No 230) has opened a branch at St-Josse-ten-Noode for its subsidiary CORN PRODUCTS CO, New York (formerly BEST FOOD INC, Dover, Delaware). The new company will be directed by Mr B.W. Warner and Mr J. Van Doren, and will take the place of the group's International Division Zurich head office which was recently closed down. Corn Products already has two subsidiaries in Antwerp CORN PRODUCTS CO SA and LES INDUSTRIES DU MAIS SA.

** KOSMOS EXPORT GmbH, Hamburg directed by Herr H. Rachoen has been chosen to supply BIRRA ASPROMONTE SpA, Reggio Calabria with all the mechanical, bottling and distributing apparatus (at a cost of more than 1,500 million lire) necessary to set up a brewery for Organisation Financiere des Pays Musulmans (headed by Mohamed Abdool Gafoor). The Italian company was formed in July 1962 to establish a brewery industry in Southern Italy. Its authorized capital is lire 100 million and it is directed by Sig. F. Spatolisano and Mr J. Haase.

** The German chain store company RUDOLF HUSSEL AG, Hagen-Bathey (see No 327), which mainly makes confectionery, has taken a majority holding in FREELO KAFFEE-FRIEDRICH LOHR, Hamburg, which runs a chain of shops for the sale and roasting of coffee.

Among HUSSEL's main business interests is COCO-CANDY AG in Basle (formerly KAISER-HUSSEL AG), which it controls through its Zurich holding company INTERCANDY HOLDING AG, and PEECK'S SCHOKOLADEN WERNER PEECK GmbH, a wholly owned subsidiary in Berlin.

** MILCH FETT & EIER KONTOR GmbH, Altona, Hamburg (see No 296) wholesalers of dairy and poultry products, has opened a sales office in Brussels MFE BELGIUM Sprl, directors M. A. Kneer and M. H.G. Marquardt. The capital of the new business (Bf 50,000) is jointly owned Herr C. Link (30%) and Herr W. Struthoff (70%), both of Hamburg.

The parent firm comprises a group of about fifteen German producers of milk, fats, eggs, poultry etc and already has a subsidiary in Ghent; it has several sales subsidiaries in the Common Market, especially in France: LACTALUX Sarl (formerly INTERLACTA Sarl) and MFE FRANCE Sarl, Boulogne-Billancourt. In Italy it has GERMILACTA Srl, Milan and MILCH-FETT - & EIER KONTOR Srl (see No 291).

** BIRRA W~~B~~UHRER SpA, one of the oldest brewing firms in Italy, with factories in Florence and Olma, Rome, is expanding in the Mezzogiorno and has founded STA BIRRA W~~B~~UHRER SUD SpA in Naples. The initial capital of the new firm (president Sig. F. Wuhrer, manager Sig. C. Wuhrer) is lire 1.2 millions, which will be raised by instalments to lire 480 millions.

The Buhrer group also owns PIETRO WUHRER SpA, Brescia, (capital lire 808 millions), whose president is Sig. P. Wuhrer and deputy director Sig. F. Wuhrer.

INSURANCE

** MUENCHENER RUECKVERICHERUNGSGES AG, Munich (see No 344) which since the beginning of 1964 has owned 25% in BRITISH & EUROPEAN INSURANCE CO LTD, London a subsidiary of UNION ASSURANCE CO LTD, London (see No 105) is strengthening its links with the latter company: the British group can now take its re-insurance business abroad through an exchange of services and will take a 5% holding in the Munich group and in another company in which the German firm owns 30%: ALLIANZ VERSICHERUNGS AG, Berlin and Munich, (see No 344).

** The insurance company LA STRASBOURGEOISE - STE D'ASSURANCE MUTUELLE, Strasbourg has closed down its branch at Saarbrücken,W. Germany.

** The British insurance brokers STENHOUSE HOLDING LTD, London (see No 303) is re-organizing its Paris interests and as a result GROUPE BACH & WELLMAN ALLARD-BESCHERELLE SA (capital Ff 230,000) has taken over BACH & WELMANN INTERNATIONAL Sarl (capital Ff 10,000). The British firm also controls the Paris companies OFFICE D'ASSURANCES INTERNATIONALES SA (capital Ff 160,000), SEFAC-STE D'EXPLOITATION FINANCIERE ADMINISTRATIVE & COMPTABLE SA (capital Ff 2,000), STENHOUSE FRANCE Sarl (capital Ff 100,000), and SUCA-STE URBAINE DE CONTRE-ASSURANCES Sarl (capital Ff 10,000).

IRON & STEEL

N.B. More "Iron & Steel" under "Various".

** At the end of 1965 (see No 332) ARBED-ACIERIES REUNIES DE BURBACH-EICH-DUDELANGE SA, Luxembourg gained 63% control of the Luxembourg steel-works HADIR SA (see No 335) by buying the minority shareholding in Hadir owned by the groups CIE DE PONT-A-MOUSSON SA, Nancy and CIE DES FORGES & ACIERIES DE LA MARIINE, DE FIRMINY & DE SAINT-ETIENNE SA, Paris. Arbed has now decided to increase its shareholding to 75% and to merge with it as soon as contracts with other firms have been fulfilled. Negotiations are already in progress with Belgian shareholders in Hadir, (1965 production: 1,430,000 tons of steel) of which the largest is STE GENERALE DE BELGIQUE SA, with 15%.

Arbed has eight factories (five in Luxembourg, one in Belgium, and two in the Saar, West Germany) and in 1965, with a production of 3,590,000 tons of steel had a turn-over of Lux F. 15,200 million. Its other main interest in the steel industry is a holding of about 41.3% in SIDMAR-SIDERURGIE MARITIME SA, Ghent (see No 314) whose capital (the remainder of which is Belgian, French and Italian) will shortly be raised to Bf 8,500,000 to finance part of the last stage of installation; its steel-works with a capacity of 1,250,000 tons, will be finished in 15 months and will cost Bf 17,000 million; its first cold-rolling has just come into operation.

** THYSSEN HOLDING & FINANCIERUNGS AG (capital Sf 10 million) has been formed in Zurich. Its president is Mr W. Cordes, a director of the steel group AUGUST THYSSEN-HUETTE AG, Duisburg-Hamborn (see No 322), which has large Swiss interests. These include 50% in TOLAS VERTRETUNGS AG, Zurich (capital Sf 700,000) and holdings in

AG FUER BETEILIGUNGSWERKE, Berne (capital Sf 17 million, through PHOENIX RHEIN-ROHR AG VEREINIGTE HUETTEN- & RUEHRENWERKE, Düsseldorf), VER EDELSTAHL, Glarus (capital Sf 3.5 million through DEUTSCHE EDELSTAHLWERKE AG, Krefeld), EISEN STAHL & ROEHREN, Zurich (capital Sf 700,000, through HANDELSUNION AG, Düsseldorf) and VARIAPAT AG, Glarus (capital Sf 50,000, through NIEDERRHEINISCHE HUETTE, Duisburg.

OIL, GAS & PETROCHEMICALS

** ROYAL DUTCH SHELL has formed SHELL GASCOGNE Sarl, Paris (capital Ff 100,000, divided 66% to SHELLREX and 34% to SHELL FRANCAISE). The new company's manager is M. M. Lacour-Gayet, who holds the same post in Shellrex. Its object is to give technical assistance in prospecting for oil and gas under the Bay of Biscay, where an area exceeding 5,000 square km has been allotted (see No 339) to a consortium: ERAP-ENTREPRISES DE RECHERCHES & D'ACTIVITES PETROLIERES, Paris (50%); SHELLREX - STE SHELL DE RECHERCHES & D'EXPLOITATION Sarl, Paris (see No 336 - 30%); SHELL FRANCAISE SA (see No 341 - 15%) and CIE DES PRODUITS CHIMIQUES & RAFFINERIES DE BERRE SA (ST GOBAIN group - see No 344 - 5%).

PAPER & PACKAGING

** In 1965 PAPETERIES DU PONT WARCHE (now INTERMILLS SA see No 335) took over the companies UNION DES PAPETERIES, La Hulpe; PAPETERIES GODIN, Huy, and PAPETERIES STEINBACH, Malmedy. This process of amalgamation is continuing: a number of paper converting firms in Belgium are now discussing the possibility of close technical and sales co-operation. Those mainly concerned are as follows: a subsidiary of Intermills, PAPETERIES SCALDIA SA, Borgerhout, Antwerp: and its own offshoot PAPIMEX-SA-PATER IMPORT & EXPORT CO, Borgerhout (see No 321); PAPETERIES GENERALES BELGES ED HASELDONCK & CIE, Brussels, and ETS LEGAST SA, Soignies (see No 201).

** The Paris corrugated-paper manufacturers G. CASSARD SA, Paris (capital Ff 2,150,000) has merged with its parent company ONDULREX CRL SA, Crest, Drome, which own 75% in it. Ondulrex, which as a result has increased its capital to Ff 3,630,000, will directly run its former subsidiary's two factories at St Hilaire-Peyroux and Dampniat, Correze (gross assets estimated at Ff 10,920,000). Cassard had previously transferred its factory at Vernon, Eure (see No 337) to LAFARGE EMBALLAGE SA, Caluire, Rhone (controlled by CIMENTS LAFARGE SA, Paris and linked with UNION BAG CAMP PAPER CO, New York).

PAPER & PACKAGING

** German connections of the Underberg family group now hold 97% of the shares in ARLAND PAPIER - & ZELLSTOFF-FABRIKEN AG, Graz - Andritz, Austria, which makes cellulose and printing paper. In May 1965 several Austrian paper companies (including BUNZL & BIACH, Vienna, PAPIER & SULFATEZELLULOSE FABRIK AG - NETTINGSDORF FABRIK, Traun and HALLEINER PAPIERFABRIK, Hallein - itself a subsidiary of KELLNER-PARTINGTON PAPER PULP CO LTD, which is a member of the Norwegian group BORREGAARD A/S, Sarpsburg) took control of ARLAND; it had been in difficulties for several months and CARTIERA DI TOLMEZZO SpA, Milan had considered taking it over.

The Underberg group (see No 161) is mainly in the food and drink industries. It includes UNDERBERG GmbH, Rheinberg, Rhineland; UNDERBERG BELGIQUE SA, Brussels; UNDERBERG LTD, London; UNDERBERG HANDELS AG, Zurich and UNDERBERG HANDELS VERTRIEBS GmbH, Vienna,

PHARMACEUTICALS

** The pharmaceutical group MILES LABORATORIES INC, Eckart, Indiana (see No 202) has now formed another Common Market subsidiary; an investment company MILES DEVELOPMENT SA, Luxembourg (capital $400,000, 75% paid-up, managing director Mr J.H. Hoyt).

The American group is firmly established in Britain, with several manufacturing and sales subsidiaries; it also has a factory in France (LABORATOIRES MILES SA, Eperson, Eure et Loire formerly at Courbevoie, Seine); one in Italy (MILES SpA, Naples - see No 246 - in association with LEDOGA SpA; see No 296) and sales companies in Germany (MILES GmbH, Mannheim) and Italy MILES ITALIANA SpA, Milan); a research laboratory in Switzerland (MILES-LAUSANNE SA) etc.

** INTERKNOLL AG (capital Sf 760,000), a Zug holding company of KNOLL AG CHEMISCHE FABRIKEN, Ludwigshafen, West Germany (see No 115), has transferred investments valued at Sf 8,600,000 to TRANSKLEPIA AG, Liestal, Basle, recently formed with a capital of Sf 1,200,000 on the premises of another industrial and sales company linked with the group: KNOLL AG CHEMISCHE FABRIKEN (capital Sf 1 million).

The German company (capital Dm 14,700,000) employs about 1,500 workers in the manufacture of pharmaceuticals, mainly alkaloids (caffein, ephedrene, paraverine, theophylline etc) and is represented in France by the Paris firm ANDRE DESHORS

** The recent concentration in the Belgian pharmaceutical industries, involving STE BELGE DE THERAPEUTIQUE EXPERIMENTALE SA and LABORATOIRES LAREPHA Sprl, both of Nivelles, has resulted in the former taking over the latter (and not the reverse, as we mistakenly indicated in No 342).

PLASTICS

** RHONE POULENC SA (see No 343) is planning to carry out its recent agreement on polyolefin resins with PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 331 and No 342) by forming STE DE DEVELOPPEMENT DES POLYEFINES SA (capital Ff 1 million) in Paris, which will sell the manufactures of MANOLENE-MANUFACTURE NORMANDE DE POLYETHYLENES SA, Paris, the largest French producer of low-pressure polyethylene. Two shareholders of this last company, ETS KUHLMANN SA (see No 341) and CFR - CIE FRANCAISE DE RAFFINAGE SA (see No 341), are disposing of their holdings (5.4% each), so in future control will be divided 60/40 between Rhone Poulenc and Phillips Petroleum.

Rhone Poulenc is also reorganizing and extending its pharmaceutical research, especially into chemical cures for cancer and virus infections, largely in close collaboration with FARBENFABRIKEN BAYER AG, Leverkusen (see No 338).

** A new sales firm, LES PLASTIQUES EXPANSES SARL, has opened in Le Pre Saint Gervais, Seine-Saint-Denis (capital Ff 100,000; manager M. C. Kadouch). It is to handle two types of material, mainly for the automobile industry: "Plastazone", expanded polyethylene, made by EXPANDED RUBBER & PLASTICS LTD, Croydon, and "Moltopren" type polyester foam made by PLEYEL PLASTIQUES DE LUVIERS SA, Saint Denis, Seine-Saint-Denis, (capital Ff 3 millions; factory in Louviers, Eure).

The British company is a subsidiary of BAKELITE XYLONITE LTD, London, which controls about thirty firms, half of them in the Commonwealth. It was formed in December 1962 50-50 by THE DISTILLERS' CO LTD, Edinburgh, (see No 325) and UNION CARBIDE CORP, New York (see No 330).

** KLEBER-COLOMBES SA, Colombes, Hauts-de-Seine (see No 333) has brought in the whole of its Plastics Division at Trilport, Seine-et-Marne, to form KLEBER-COLOMBES PLASTIQUES SA, Trilport (capital Ff 31,875,000).

Kleber-Colombes is closely linked with CIE GENERALE DES ETS MICHELIN (MICHELIN & CIE) Sca, Clermont-Ferrand, and its Plastics Division accounts for some 10% of its turnover: about 600 people are employed making "Klegecell" expanded vinyl, plastic sheeting and groundsheets etc.

** ABET - BRAIDESE ESTRATTI TANNICI SpA, Bra, Genoa, making chemical products for the leather industry, plastic material and laminates (capital lire 1,000 million) has formed a Paris subsidiary, PRINT-FRANCE, STRATIFIES PLASTIQUES Sarl, for the wholesale distribution of special plastics. 90% of the capital (Ff 10,000) will be held outright, and the balance shared by two of the directors, one of whom, Sig. E. Rocca of Genoa, is to be managing director.

** STE DES PLASTIQUES TAUGIL SA, Neuilly (capital Ff 200,000) recently took over two firms to form CIE INDUSTRIELLE & COMMERCIALE DES PLASTIQUES SA in Neuilly (capital Ff 3,210,000). The firms were the plastics and Plexiglas dealers SOMAPLEX SA, Marseilles (capital Ff 440,000) and the plastics and rubber processing concern ETS HUSSON & VAILLANT, Aubervilliers, Seine-Saint-Denis (trade marks "Gentlemen", "Vitmi" and "Vitlux": capital Ff 440,000).

PRINTING AND PUBLISHING

** Mr Philip R. Solomon, London, has formed EDITIONS MUSICALES BELGRAVIA FRANCE Sarl in Paris and owns nearly all its Ff 10,000 capital; the balance is held by M. Gerard Tournier, Paris, who is the manager of a number of musical businesses which were set up in Paris a year ago. They included STE D'EDITIONS BOURNE FRANCE Sarl (see No 336), EDITIONS & PRODUCTIONS MUSICALES NOUVELLES Sarl (in which he and Sen. M.J. Estebe held 50% each), EDITIONS MUSICALES MAINSTAY Sarl, etc. He is also manager of EDITIONS & PRODUCTIONS MUSICALES GERARD TOURNIER Sarl (which was formed in 1962 with a capital of Ff 10,000 and at that time called MARKS FRANCE Sarl). He is president of AGENCE MUSICALE INTERNATIONALE, which was formed in 1963 (capital Ff 10,000), which has just become a Limited Company.

** The printers and publishers Mc CORQUODALE & CO LTD, London have now taken 100% control of their German subsidiary Mc CORQUODALE GmbH, Gottingen, coloured map producers, through the Swiss holding company Mc CORQUODALE AG, St. Moritz, Grisons (capital Sf 500,000).

The British company controls about 30 businesses in Britain and has interests in USA and several Commonwealth countries, (Australia, Canada, New Zealand and Nigeria). In Brazil it is expanding the business of its two subsidiaries LITOGRAFICA INTERPRINT SA and Mc CORQUODALE IMPRESSORA LTDA (held through Mc CORQUODALE COLOUR DISPLAY LTD, London) in cooperation with the Swedish group ALBERT BOMMIER FORLAGS A/B, Stockholm.

TEXTILES

** SOLVENT BELGE SA DE DEGRAISSAGE DE LAINE, together with five other Belgian wool-processing firms have formed a subsidiary, LAVEURS CARBONISEURS REUNIS SA (capital Bf 500,000). It is to handle the washing, carbonisation and warehousing of wools and textile fibres. The other firms in the scheme, apart from the founder (with 42%), are LAVOIR ET CARBONISAGE DE DOLHAIN SA, Dolhain, Bilstain; CONSTANT DESPA SA, Theux; ETS MARCEL DOUBISTER SPRL, Chauffheid, Theux; ETS BRULL, Goe (managed by M. W.A. Sage homme, director of Solvent Belge) and ETS JEAN SERPE FILS SPRL, Theux.

** CREATIONS PIERRE FERRAT INTERNATIONAL PARIS SA, Paris, which makes and sells sportswear and beachwear under the "Guitare" and "Pierre Ferrat" brands, has formed a subsidiary of the same name (capital Lire 499,000) at Milan, which will be directed by Sig. F. Pastore and M. P. Martin. The parent company is controlled by the hosiery firm MAGLIERA RAGNO DELLA MANIFATTURA PASTORE SpA, Valduggia, Varcilly (see No 329) and has links with ETS PORON SA, Troyes, Aube (see No 325).

TOURISM

** The Belgian company RAILTOUR SA, St.-Josse-ten-Noode (see No 135) has formed a Brussels subsidiary RAILTOUR INTERNATIONALE SA to run travel agencies and to organize normal or packaged foreign railway tours for groups and individuals. Railtour SA controls the starting capital (Bf 500,000) jointly with three sister companies in Brussels, NAVITOUR SA, IMMOTOUR SA and AIRTOUR SA (see No 337) and the Dutch group Vm. H. MULLER & CO, Rotterdam. Railtour's score of shareholders includes CIE INTERNATIONALE DES WAGONS-LITS & DES GRANDS EXPRESS EUROPEENS SA, Brussels, CIA ITALIA DEL TURISMO-C.I.T. BELGIQUE SA, Brussels, AGENCE HAVAS BELGE SA, Brussels, and AGENCE MARITIME INTERNATIONALE SA, Antwerp.

** STE GENERALE POUR L'INDUSTRIE SA, Geneva (directed by M. A. Koechlin) has formed a company in Paris to acquire, establish and run hotels in France. It controls 95% of the Ff 100,000 capital of the new company STE FRANCAISE D'ETUDES HOTELIERES Sarl, whose manager is M. A. Griotteray, president of TORNADO-FRANCE.

Ste Generale Pour L'Industrie is a financial group but is also concerned with engineering, hydro-electric work, sanitation, irrigation, tourist centres etc. It has several minority shareholdings in France including those in STE LYONNAISE DES EAUX & DE L'ECLAIRAGE SA, Paris (see No 335) and UFIE-UNION FINANCIERE POUR L'INDUSTRIE & L'EQUIPMENT SA (which is linked with Lyonnaise des Eaux by crossed and direct shareholdings).

TRADE

** LOUIS DREYFUS & CIE (see No 326) and J.A. GOLDSCHMIDT SA, Paris (whose capital has recently been increased from Ff 6.5 to Ff 8.5 million - see No 318), both of which are mainly concerned with the cereals trade, have combined to form MRM - MAGASIN DE ROUEN MARITIME SA (capital Ff 10,000) in Paris, which will build a joint warehouse in an industrial zone at Rouen, Seine Maritime.

VARIOUS

** The Dutch diesel engine group VMF-VERENIGDE MASCHINENFABRIEKEN NV STORK-WERKSPOOR, the Hague (see No 298) has taken over a similar firm KROMHOUT MOTOREN-FABRIEK NV, Amsterdam (see No 170). Kromhout (issued capital Fl 3,500,000 and assets valued at Fl 19,500,000) owns, in addition to its engine factory in Amsterdam, subsidiaries in Rotterdam and Groningen, a shareholding (in association with APPINGEDAMMER BRONSMOTORENFABRIEK NV, Appingedam, Groningen) in MOTORENFABRIEK SAMOFA NV, Harderwijk and a sales subsidiary in France: STE FRANCAISE DES MOTEURS KROMHOUT Sarl, Charenton, Seine).

** The first of the mergers caused by the industrial reorganization which is being encouraged in France by the Government after that of DENAIN ANZIN SA and FORGES & ACIERIES DU NORD ET DE L'EST SA (see No 334) centres on USINOR-UNION SIDERURGIQUE DU NORD DE LA FRANCE SA, Paris (see No 279) and its parent company DENAIN NORD-EST. Usinor will take over LORRAINE ESCAUT SA (see No 343) which manufactures almost all kinds of steel products. Denain will take over the investment company STE DES ACIERIES DE LONGWY SA, Paris (see No 333) and change its name into DENAIN NORD EST LONGWY.

The new industrial group thus formed (president M. M. Borgeaud) will have a capacity of 6,800,000 tons of steel per annum, mainly from the works at Denain (2 million tons), Longwy (2 million tons), Dunkirk (1,800,000 tons) and Thionville (1 million tons). Steel-processing will be centred round the works at Valenciennes (girders), Louvroil and Anzin (iron and bars), Sedan Maubeuge and Besseges (pipes).

There is practically no financial tie-up between Usinor and Lorraine Escaut (which is owned by ACIERIES DE LONGWY - 42% - STE METALLURGIQUE DE SENNELLE MAUBEUGE and ESCAUT ET MEUSE SA: 20% each) but they have a technical agreement which includes the use of the Dunkirk rolling-mills. In addition they are both linked with VALLOUREC SA, an engineering and pipe-making group(21.2% and 9.4% owned by Denain Nord Est and Acieries de Longwy respectively) with which they have numerous joint subsidiaries.

Longwy's absorption into the Denain Nord Est group will mean a greater share for the Senelle Maubeuge-Escaut et Meuse groups in sales of steel goods through LONGOMETAL (in which SAULNES & GORCY is also a shareholder - see No 272) and in banking through CIE FINANCIERE & INDUSTRIELLE-COFI SA, Paris (in which CIE FINANCIERE DE SUEZ has a 25% interest).

** UFICO-UNION FRANCAISE D'INDUSTRIES DE CHOCOLATERIE & DE CONFISERIE SA, Noisiel, Seine et Marne has transferred its Tourcoing property (acquired by taking over SACI -SA DE CONFISERIE INDUSTRIELLE, Tourcoing) to STE DES BOISSONS GAZEUSES DU NORD SA. This last company was formed by SOURCE PERRIER SA, Vergeze, Gard (see No 207) in April 1963 and has now raised its capital from Ff 200,000 to Ff 3,200,000. Ufico is a new member of the Source Perrier group (see No 333) and was formerly CHOCOLAT MENIER SA, Paris (capital Ff 13, 500,000 - see No 330).

** A. TONELLI & CO SpA has taken over another Milan metal working firm, ENERGO ITALIANA SpA. Tonelli (capital Lire 8,000 million) processes extrusion and welding metals in its works at Paderno Dugnano, Milan, (a modernization programme costing Lire 2,500 million was launched last year), Turin and Piere Vergonte. In 1960 it took over FABBRICA ITALIANA TUBI METALLICI SpA.

** MICHEL GUICHARD & CIE Sarl has been formed in Paris (capital Ff 60,000) to take over the French agency for EMIL KOESTER AG LEDERFABRIKEN, Neumünster (capital Dm 7,608,000) the German firm making leather for shoes, linings, gloves and clothing. The German firm (controlled by the Köster family) employs some 650 people and has two subsidiaries in Neumünster, BEKLEIDUNGSWERKE KOSTER AG (capital Dm 360,000), which makes leather garments, and WOHNUNGSBAU - GES GEILENBECK mbH.