April 4, '66

Opera Mundi EUROPE

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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March 31, 1966. No. 350

Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED
GENERAL BUILDINGS ROYAL TUNBRIDGE WELLS KENT *TEL. 25202/4 TELEX 95114*

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Printed and Published by EUROPEAN INTELLIGENCE LIMITED
at General Buildings, Royal Tunbridge Wells, Kent, England

COMMENT
A Letter from Bonn

HOW LONG CAN GERMANY SIT ON THE FENCE?

The general relief felt in Germany at the Luxembourg agreement and the cautious optimism about the future of the Common Market have given way to consternation at General de Gaulle's memorandum to the NATO countries. Some kind of attack on the present structure of the Atlantic Alliance had been expected for some time but the General's haste to make his decision official, once the first shock had passed, has given rise to a wave of disappointment and ill-concealed anger. But, in fact, reform of NATO has been under discussion in Bonn for some years. It was felt that America's over-riding influence should be tempered with greater participation by the countries of Europe, especially in drawing up the Organisation's basic plans of campaign. Also there was considerable German support for the idea of a partnership between two groups of more or less equal strength on either side of the Atlantic.

The Germans had approved, in principle, de Gaulle's idea of reforming the Atlantic Pact but their reactions were quite the reverse when he announced on February 22 that "because of the internal and external progress of the Eastern Bloc, the Western world is no longer in the same danger as when an American protectorate was set up in Europe under the guise of NATO". The Germans are fully aware that there is no longer the same danger of aggression from the East. At the same time they know that as far as German, or European defence policy is concerned, what matters is not the intentions of a possible aggressor but the military advantages of the country or region in danger. In taking this attitude, the German government came up against Washington, as well as London and Paris. But it is convinced that no other is possible for Germany, exposed as she is, both militarily and politically.

Here the Alliance, and particularly the military integration which has been its policy since the Autumn of 1950, provides the most effective defence against any aggressor. The Germans are therefore determined to fight strongly against any weakening of NATO and it can only look upon the French President's memorandum as part of a policy to do precisely that. This is not only the feeling of the government and Parliament: it is the people's opinion as well. A recent survey by a German public opinion poll (EMNID) showed that 59% of people interviewed considered the effects of de Gaulle's policy to be "unfavourable" while only 15% thought the reverse. de Gaulle's policy has never received such a bad press in Germany. What is even more serious is the choice now facing Germany: Paris or Washington. When the General first attacked NATO Germany immediately supported the United States.

The main cause of Germany's anger was the proposal that the French divisions stationed in Germany should stay there under the "convention of October 23, 1954". Dr Erhard saw this as a return to the Occupation and an instance of deliberate discrimination. The former Defence Minister, Herr Strauss pointed out that a statute of this kind could result in making the Bundeswehr into a "German

Foreign Legion" in Germany. There is, too, an underlying fear that the end of military integration under NATO will mean the end of Germany's equal military status with the other members of the Organisation in European defence policy. This could lead to a re-kindling of ardent nationalism: a non-integrated German army would obviously require a large military hierarchy. Every German, in fact, who favours integration in principle as a tenet of the new order in Europe fears that General de Gaulle's ideas might spread to his country, starting a trend which would do no good for Germany, France nor Europe as a whole.

The West German Government will try to use its contractual ties with France as a way to get bilateral negotiations started. Herr Barzel, president of the parliamentary Christian Democrat Party recently made a suggestion that could be construed as a short-term programme: he said that "at present it is most important for us to safeguard NATO to the best of our ability and at the same time remain as close to France as we can". This struggle to keep in with Paris at all costs is called for not only by defence interests but also by developments in the Common Market. The Germans know well enough that Europe will find itself on the rocks if they allow their differences with Paris to pivot on the NATO issue. This danger is all the more acute now that prospects for political unity in Europe are beginning to fade, at least for the near future: even Chancellor Erhard, without any tub-thumping, has quietly let go of one of his most cherished ideas. He has admitted that looking for practical solutions to specific problems will probably do more for European unity than any amount of wild schemes, which are all too prone to frustration. This really marks the end of his attempts to re-open top-level talks on political union, which broke off on July 18, 1961. He has now thrown in his lot with Herr Schröder, who has always taken the view that any attempt to increase political co-operation, as things stand at present, should always play second fiddle to closer co-operation within the EEC as such.

In West Germany, scant regard has been paid to General de Gaulle's remarks concerning the Common Market at his last press conference. The most that commentators have noted was his remark: "What is this jinx that prevents the Six from getting together to sort out political problems of common interest, that will not let them organise their political contacts?" The General's plea for co-operation and what he has expressed on the significance and usefulness of positive solidarity in certain political fields, has so far been met with little more than apathy, although this was a gesture to West Germany. Again, even his hint about the reunification of the country has failed to excite any real political reactions in Bonn. It is true that, even before the shock of the official notification about NATO reform, Germany had succumbed to the atrophy of those six long months when Brussels was without French representation: the Luxembourg compromise (see No 342 p 1) did not come soon enough to shake her out of it.

This does not mean that Germans were not relieved at the agreement, indeed some even greeted it as a miracle. The consensus of opinion is that France's return to Brussels marks the end of a highly critical phase in the history of the EEC, especially as even its most tense moments were not sufficient to draw exhortations that the Common Market should go on, "if necessary without France" from any influential quarter in Germany. Politicians and businessmen alike had always held that it would be out of the question to take any major decision on political economy covered by the Rome Treaty's programme without France being in on it. The apparent reason for the crisis, financial arrangements for the European agricultural market, has itself almost faded from the picture in recent months, whilst both public and political interest have tended to concentrate on two questions:

1. Would the rule of unanimity in the Council of Ministers during the third phase of the transitional period lead to amendments to the Treaty that might change its political import?

2. Would the EEC Commission become so weakened as to degenerate into nothing more than an international secretariat?

The Luxembourg compromise has given the first problem a special complexion as far as the Germans are concerned. It suggests that the Commission should take time to reach universally acceptable terms on issues involving member-states' vested interests, in accordance with Article II of the Treaty: this is virtually what Bonn has been saying for some time now - that majority rule should be retained as the letter of the law, but that in practice all decisions should be unanimous. Germany has not really given full consideration to the concessions made to France in order that this compromise should be achieved. There has been no attempt, from the German angle, to find out what might happen if France ever decided to invoke it as a means of stalling the machinery of negotiation in Brussels. Not only that: hardly anyone heeded de Gaulle's emphatic assertion at his press conference that at last the Six had abandoned the pretence that their common economic organisation should be directed by any body other than their own national organs of power and responsibility.

Germany's second worry, that the Commission might be in danger of losing some of its powers, has apparently been allayed by what happened in Luxembourg. She did not have matters of protocol in mind so much as the idea that the Commission should be allowed to keep all its powers of initiative and not become the mere flunkey of the Council of Ministers. All three German political parties are agreed, however, that if it is decided in Bonn that the fusion of the three communities is necessary, the present president of the Commission, Professor Hallstein, must not be pushed aside. They are so adamant on this particular point that indications that the Chancellor might take a flexible attitude to it were greeted with prompt and violent protests. Herr Schmücker, Economics Minister, has officially stated that the Federal Government will support Hallstein whatever the cost. The Ministry for Foreign Affairs has taken the same standpoint: it is an open secret there that the relationship between Hallstein and Schröder has been improving for some time. The Socialist Party, too, has revealed through its parliamentary spokesman that there can be no justification whatsoever for ousting Walter Hallstein. The German Government is pointing out that, in all his years as Secretary of State for Foreign Affairs, he made an invaluable contribution to the cause of friendship and closer relations between Germany and France, whilst as president of the EEC Commission he has always fought for the interests of France when they have not crossed those of the Common Market. In the light of all this, any attempt to exclude him could only appear as an act of gross ingratitude by France.

In this matter, the German Government obviously seems to be counting on the support of the Dutch, who for their part are hoping to see Sicco Mansholt, vice-president of the Commission, keep his hold on the reins in Brussels; it would then become a polite exchange of courtesies. France's suggestion, that the presidency should be subject to a rota, can only be seen as a compromise, viable as and when it does not prejudice the smooth running of the Community, but out of the question if it means Hallstein cannot be accepted as the first president under it.

An objective analysis of the European problem in West Germany quickly shows just how ill-founded is the optimism shown there. The Federal Government is pulling out all the stops to get the Kennedy Round negotiations off the ground in Geneva, but at the same time in Brussels it is fighting shy of committing itself to a course of action that can only lead to price reductions for German milk, sugar or cereals. Under the influence of deputies from agricultural areas, it is trying to keep the Commission's decisions on agricultural policy in the vaguest terms possible. Nevertheless it appreciates just how unrealistic the demands of the German Farmers' Union are when they want the enforcement of the single price for Common Market cereals to be deferred to the end of the transitional period, not to July 1967. It fosters the hope that the decisions made on the other markets, especially sugar and milk, could come in for reconsideration. This attitude is hardly an attack on the warcry of "an eye for an eye" raised by certain pressure groups, nor does the Federal Government point out that it is the taxable sectors as a whole and not just agriculture who will have to fork out. Indeed, the latter is comfortably indemnified against any losses that might occur as a result of its being adjusted to a general European level.

The outcome of all this is that there is a growing fear in industry, which exports one third of its output to the Common Market, one third to EFTA countries and one third outside Europe, that the German Government's attitude towards the common agricultural policy might seriously prejudice the success of the Kennedy Round. However, industrialists see four main reasons for the ultimate success of the GATT negotiations:

1) That it would not only make the Common Market a stronger entity within world economy as a whole, but would also ensure that the Customs Union could settle at a relatively low tariff level.

2) That, in the absence of any likelihood that useful negotiations could get under way between the Six and the Seven, it would automatically narrow the gulf between them.

3) That any reversal suffered by GATT would detract from its authority and have

the side-effect of lending greater influence to UNCTAD. This would give a larger rostrum to the developing countries, whose views on economics at present are accepted with some reservation.

4) That GATT's failure would inevitably bring with it some loss of the attraction that the idea of a USA-Europe partnership at present exerts.

West German politicians in the know are now asking just how long she will be able to keep up this two-timing European policy. It is possible that the need to achieve something concrete in the Kennedy Round might bring her down to earth in a way that so far has been looked for in vain. As the Americans themselves have not the least desire to separate agriculture from industry in tariff negotiations, Germany must embark on agricultural concessions in order to safeguard her exporting interests. For the time being this remains a riddle without any apparent solution, but it is obvious that it is soon going to become a burden that will be too heavy to bear not only for Germany but for the Community as a whole.

THE WEEK IN THE COMMUNITY
March 21 to March 28, 1966
From our Correspondents in Brussels and Luxembourg

* * *

THE COMMON MARKET

French Tactics and the German Problem

The EEC Council's meeting of March 21-22 made it more than usually difficult for observers to decide exactly how European affairs were developing. Their confusion is justified by the fact that spokesmen from the Six themselves were occasionally at odds. This can be explained by the depths of technicality to which the debate at times descended: it did not take long, for instance, before new ministers such as M. P. Harmel (representing Belgium) were completely at sea. This was not helped by the fact that the negotiations took on an increasingly financial bias. No doubt in due course politics will again come to the fore, but at the moment they have been totally eclipsed by sheer trade talk: the Council is more like a stock exchange than a political venue. With such a tangle of figures and technicalities to unravel, it becomes extremely difficult to perceive the true motives of the parties or what the debate is really getting at; or to see how the two will resolve themselves. This makes it all the harder to determine the exact value of such progress as has been made: whether it is a pointer to the final solution or whether it merely serves to disguise less encouraging second thoughts. West Germany can probably provide the answer to this, but she has made no real attempt to do so, as Herr Schroeder's persistent absenteeism goes to show. Until now, Bonn has only sent financial, technical and agricultural ministers to Brussels, which could indicate that the Foreign Office intends to keep its hands free for the final show-down. According to some observers West Germany's "economic" and "diplomatic" delegates (such as Herr Lahr) do not always see eye to eye, and it is quite possible that Herr Schroeder has not yet made his final statement. One of them put it in a nutshell when he said "It's not the Germans' problems that worry us - it's the German problem".

It is not only France that feels this way about it: everyone knew that Germany would scarcely be in the most conciliatory of moods when she came to the conference table, but there are murmurings in the ranks of some delegations that their Bonn colleagues "are getting too stand-offish". They have taken a very casual attitude to the concessions granted to them, and continue to demand that a ceiling should be fixed to their contribution to the European Agricultural Fund (FEOGA). These demands coincide with the drafting of an agreement that meets their wishes concerning the calculation of national contributions on the basis of gross imports: an agreement that removes all grounds for their original demand. It seems likely that at this rate it will not be long before the debate degenerates into a "Germany versus the rest" battle. Belgium and Luxembourg are already coming down on

France's side of the fence, while the Netherlands, even though they may feel closer political affinities with Bonn, are in no way disposed to take her part in the discussion of agricultural problems as such. Last but not least, and perhaps this is the most significant development in the last session, Italy is now showing signs of leaving Germany to it.

Until now it had been to the mutual advantage of Italy and Germany to keep the ball rolling and "swell the compromise". What Italy was after was that the single agricultural market, with the financial backing of the Community, should be achieved for more than just cereals by July 1, 1967. The fairness of such a request has already been explained in these pages (that it would balance more justly Italy's FEOGA contributions), but it would call for complicated measures, such as fixing common prices and organizing markets. It seemed possible, if agreement was not reached on these measures in reasonable time, that Rome might start hacking away at the basic issues of the debate again. To avoid this it was suggested that Italy might be allowed certain compensations pending the formation of the single fruit, vegetable and olive oil market. Such a solution has not yet, of course, been passed but at least the Council is kindly disposed towards Italy. Since her problem is purely financial, the crunch will come when the precise amount of the compensation has to be agreed: but this is not an insurmountable obstacle.

But France also exports fruit and vegetables and could logically claim that this system should be extended to her. In Brussels the French delegation did make some reference to this, but apparently only as a matter of form. M. Couve de Murville's main aim in fact seems to be to ensure the complete isolation of Germany while maintaining an ostensibly conciliatory and optimistic approach. Although M. Ulrich, the French Permanent Representative mentioned June 30 during a press-conference, he hastened to add that there was of course no question of an ultimatum. At any rate, the Six have decided to hold another general session (that is, a session covering all problems) on May 4 and 5, which should remove the "last ditch" atmosphere which surrounds the meeting planned for April 4 and 5.

M. Couve de Murville seems to be pressing less hard; perhaps he is only bluffing, although there is no reason why he should. France still wants agreement as soon as possible on the agricultural finance regulation. But she is fully aware that under present conditions it will not be achieved without concessions and counter-demands, or some sort of package deal which the Germans especially will try to make the most of. She has to somehow "undo" the package, or at least pretend to. Unfortunately the package has been carefully tied - by the deadline of July 1, 1967 for the free circulation of industrial and agricultural products. Why not cut this string? it is already pretty frayed by the problems surrounding it and by the accumulated delays. Of course this would not mean reviewing the entire Community financing system for grain; a final decision was taken on that on December 15, 1964 and when Italy gets her guarantees only the Germans are likely to dispute it.

However M. Couve de Murville did press home a few points. He recognized that there is now very little hope of agreement being reached before the summer on the outstanding agricultural prices and regulations; that certain products (hops, for instance) would even then not be under a common system; and that in any case, the Commission's proposals anticipated that some products, like milk, will not reach the single market stage until 1968. So it could hardly be said that the common policy will be in full operation by July 1, 1967. In that case, and to ensure the balanced development of the Community, the completion of the industrial customs union should also be adjourned to January 1, 1968. The Germans, to whom this customs union is extremely important, were upset. They pointed out that this question had already been settled, but M. Couve de Murville replied that, in international law, setting an objective did not necessarily mean that a decision had been reached.

Now that the wrangling between the Six has turned from fundamental principles to timing, a six or twelve-months adjournment from July 1, 1967 would have important consequences. The "overall agreement" would in fact be cut in two. The time gained would make it easier to trade the agricultural policy against the industrial customs union. In the immediate future the give-and-take should refer to two main subjects: the finance regulation and the Kennedy Round (which of course requires agreement on agricultural prices). In the meantime, on April 4, France could show a little understanding on this problem. At least she is no longer insisting on immediate settlement on the second stage of the Common External Tariff, whereas in January she was insisting on a deadline of March 31.

Anyway M. Couve de Murville is not running any great risk in giving the all-clear to the Kennedy Round. Unless the EEC makes any great concessions in Geneva the negotiations seem unlikely to arouse any more interest than before among Common Market industrialists. Everyone recognizes the political and psychological importance of an agreement with GATT but at the same time they are all (with the exception of the German Foreign Minister) aware of the economic risks. This feeling, which is backed up by serious studies of the situation, has been accentuated by fresh possibilities of a settlement between Britain and the EEC. The increased concentration of British industry would make it difficult for Common Market manufacturers to cope with both the Kennedy Round and a European Britain.

* * *

M. Walter Hallstein is Bonn's Candidate for the Unified Commission

The last meeting of the Council of Ministers touched upon the problem of merging the executives of the three Communities into the new single Commission. The question as to whether this new Commission could still begin its work on July 1st was not considered to be impossible, but there is still need for agreement on the problem of personalities. Despite M. Couve de Murville, M. Joseph Luns has too much respect for the States-General at the Hague, to rush them into ratifying the agreement on the merger, until the problem of personalities has been satisfactorily resolved.

Germany has taken the initiative by proposing that M. Walter Hallstein, with his deep knowledge of Community affairs, should be the new Commission's president. This proposal was strongly backed by M. Luns. It was however pointed out by M. Couve de Murville that the two other existing presidents, MM del Bo and Chatenet, also had some experience in Community affairs. As it is extremely unlikely that M. Hallstein would be replaced by a Frenchman if he were not selected, it would seem as if it is now a struggle between the candidature of the Presidents of the EEC and of the ECSC. The chances of any third party successfully standing are considered to be negligible.

Although France's partners have accepted the principle of a two year term of office for the President of the new single Commission, which effectively reduces his power and prestige, they have obtained assurances on the continuity of the staff of the three Communities. In other words the renewal of the European Commissioners' term of office cannot be used to modify the basic structure of the Commission. This can be summarized in the following words "Presidents may come and go but the Commission remains". If therefore this continuity is good for the future it should also be good for the present and even M. Couve de Murville would have agreed with this. Consequently the number of likely candidates for the Presidency of the single Commission is reduced to just two names: M. Hallstein and M. del Bo.

It remains to be seen whether M. Couve de Murville will use his veto against a candidate officially proposed by his German partner. Opinion is that this would be difficult since the nomination of any other suitable candidate would give rise to further difficulties. Such a candidate could only be M. Paul-Henri Spaak, but as he is now a member of the Opposition, it would need a 'goodwill gesture' on the part of the Belgian government to allow his nomination. Another difficulty is that M. Luns has claimed the Vice-Presidency for a Dutch national, even though it is reserved for a member of Benelux, since both Belgium and Luxembourg were already the seat of the Communities.

The problem of M. Hallstein's candidature will doubtless become one further item in the package deal between the members of the Common Market, or to put it more accurately between the French and Germans.

* * *

The Level of World Corn Prices

The six Common Market Ministers of Agriculture spent some time during their discussions on March 21 on the question of a world agreement on grain under the Kennedy Round. The EEC has already suggested in Geneva that this agreement should be based on the amount of subsidies given to producers. However it remained to be seen what world reference prices would be used to calculate the amounts of subsidies, and how the contracting parties would finance disposal of surplus production resulting from the payment of subsidies. Before presenting formal proposals on April 4, Mr. Mansholt suggested that the world wheat price should be fixed at the price-level used by the most efficient producer (Canada), plus five dollars for storage and transport. Surpluses arise mainly because many of the under-developed countries are too insolvent to buy what they need, and M. Mansholt favours financing their sale by a system of budgetary contributions from the States bound by the International Wheat Agreement.

M. Faure, reverting to the ideas of MM. Baumgartner and Pisani, proposed a more ambitious plan. He maintained that the Canadian price should be raised by \$10; this is the economic price at which demand from solvent customers can be met, something Canada is quite incapable of doing on her own. Such a world price would in effect remove the unfair (even "scandalous") advantages at present enjoyed by those countries who buy wheat, who in fact are the richer, industrialised ones. If M. Faure's prices were enforced, the producer countries would contribute part of the price (up to \$5) to a world fund; each year this would finance the sale or gift of 5 million tons of cereals to insolvent countries. The producer countries would also be able to plough back into the fund some of the savings achieved by such a rise in world cereal prices.

Everyone probably agreed with the general ideas of the 'Faure Plan', but this did not prevent serious doubts from arising. The importing countries, especially Germany have little enthusiasm for a system which will make them bear the major part of the cost, especially when they are already being asked to pay for the common agricultural policy. They are worried in case the increase in world prices should unbalance the market by over-stimulating production. Taking the opposite view to the French, the Germans suggested that the Canadian wheat price, increased by \$2, should become the world price. Will M. Mansholt, whose ideas were least supported by the Benelux states, be able to find a compromise? It is difficult to reject the French plan out of hand. But American aid to the underdeveloped countries is diminishing and the Common Market has already made a considerable effort. Can it afford to start a new aid programme, for which it would have to provide the main financial support, especially in view of the scale of its own purchases of cereals? The Italians may have found part of the solution when they suggested that the problem should be studied within the general framework of the relationship between the industrialised and the underdeveloped countries. In other words, if the creation of a 'World Food Fund' is accepted as a good idea in itself, it should be financed equally by all industrialised states and not just by those states importing cereals.

* * *

The Greeks Obtain Satisfaction

During the last few months the Greek Government has complained several times about the working of its association with the Common Market, and especially about the credits it had been granted. After three and a half years of association, Greece has only been lent $37 million out of the $125 million granted to it for five year period. This problem is due to the fact that the European Investment Bank, which always follows orthodox banking practice, and which is responsible for organising the loans, has been following the instructions given to it by the member states of the Common Market. Under these, the loans must be split in a proportion of two to one between normal loans (industrial projects which will be immediately be profitable) and improvement loans (for developing infrastructure). Because of the rapid utilisation of improvement loans compared the normal loans, no more loans have been forthcoming.

Greece has pointed out that such a policy has prevented it from going ahead with precisely those infrastructure projects, which are essential for the creation of profitable industrial projects. This vicious circle has slowed down growth, and delayed the date when Greece can become a full member of the Community. The truth of this argument, supported by a well-placed diplomatic offensive, was recognised by the Common Market member states, and they have decided to modify the financial regulations under the treaty of association. This means that of the remaining $75 million credits, $50 million will be immediately made available for improvement schemes, and no regard will be paid to the two to one proportion laid down previously. The Greek Government will thus be able to finance programmes at present in suspense.

The Common Market has also undertaken to hasten the dimantling of the tobacco tariff barrier, which has already been cut by 70%. From July 1, this will be cut by 5% and by a further 5% on January 1, 1967. The Greeks had hoped for an immediate reduction of 10%, but in view of the financial concessions obtained, they did not press the point. They had already obtained assurances that their partners would work out as quickly as possible a common tobacco policy, and that their interests would be considered, as far as possible.

ECSC

Getting to Grips with the Coal Problem

Luxembourg: The ECSC Consultative Committee's debate on coal last thursday in Luxembourg fully confirmed the High Authority's forecasts. Coal producers, users, workers and all other interested parties represented on the Committee alike stressed the importance of safeguarding low-cost supplies for a longer period when the coal policy is formulated. Most of those representing producers proved to be even more pessimistic than the High Authority about the future of the market, assuming that there will be no change in present protection and subsidies.

The ad hoc "Coal Policy" Committee, meanwhile, has held its first meeting: it began by defining its terms of reference:

1) To review in depth recent developments in the coal market in the light of the High Authority's memorandum on the economics of energy.

2) To forecast what this market's development is likely to be between now and 1970 if no new measures are adopted.

3) To make recommendations to the Council (following the objectives and provisions of the Treaty of Paris, and the protocol issued on April 21, 1964) as to ways and means of resolving present and foreseeable difficulties in the coal market, in particular the problem of surpluses.

The ad hoc Committee has commenced operations with a fact-finding study, and has already looked into the Belgian Government representative's complaints about rising imports to his country, particularly of house coal, from other EEC countries, especially the Netherlands and the Aix-la-Chapelle basin.

This problem is all the more ticklish because Belgium is the very country where pithead stocks are building up. At the same time there would probably be little to be gained by the isolation of the Belgian market, because conditions tend to be uniform throughout the mining areas of the Community. Again, the Belgian Government would be contented if coal imports from other member-countries could at least be kept at the level indicated by present requests for import licences.

Some speakers at the Consultative Committee's debate asked for the return of financial assitance for workers reduced to short time by pithead stockpiling, as was done when the coal crisis first began. The High Authority will duly consider all the suggestions that have been put forward, but has categorically stated that it is opposed to any measures calling for import duties on coal.

* * *

Compensation for Miners Affected by Closures

The High Authority has just granted a total of 5,268,000 Units of Account in compensation to some 16,260 workers affected by the closure of coal-mines and coking-plants in Belgium, The Netherlands and West Germany.

Large sums have also been made available to research institutes or organizations proposing to investigate labour psychology or physiology, methods of preventing and controlling atmospheric pollution, direct reduction of iron ores, and the improvement of blast-furnace operation.

STUDIES AND TRENDS

THE EUROPEAN TEXTILE INDUSTRY - II

The Growth of Demand

Demand for made-up textiles, especially clothing, is increasing steadily in all countries, but at different rates in different places: thus for 1958 the Common Market average was 34% while the Netherlands and France achieved rates of 43% and 41% respectively. Britain, on the other hand, takes after the USA in having a rather poor rate of increase: their rates for 1958, though admittedly these were affected by an already high level of demand, were only 17% and 13%

INCREASES IN CONSUMER EXPENDITURE ON CLOTHING (AT CONSTANT PRICES)
(Base 100 in 1958)

Country	1957	1959	1960	1961	1962	1963
Germany	101	104	119	128	135	137
Belgium	101	104	111	115	121	133
Netherlands	102	105	116	125	133	143
France	104	106	113	120	129	141
Italy	99	104	110	115	123	131
Common Market	102	104	111	119	127	134
Britain	100	104	112	114	113	117
U.S.A.	99	105	106	107	111	113

This increase can be expected to continue, though at a slackening rate: what happens is that the amount spent on clothing in proportion to the total expenditure of each family tends to decrease in those countries who have reached a high consumption level in textile products. If the USA and Britain are anything to go by, even though consumers in the Common Market countries will spend more on textiles, this will become a diminishing fraction of their expenditure as a whole. This trend is already revealing itself in Germany and Italy; in the latter it seems likely that economic rather than structural influences are at work. (see page 15)

External trade in the Common Market countries is showing an annual increase which is bound to act as a stimulus to the textile industry: Britain again is an exception, with a constant level of imports and only a slight increase in her exports. On the whole, there is a tendency for imports of manufactured articles to surpass exports, such that between 1961 and 1963 in the EEC imports increased by 30% whilst exports only rose by about 15%. Again there are wide discrepancies between countries: France and especially Italy doubled their imports between 1961 and 1963, and only showed a very slight increase in their overseas sales.

PERCENTAGE OF TOTAL PERSONAL EXPENDITURE CONSUMED BY CLOTHING COSTS (AT CONSTANT PRICES)

Country	1958	1959	1960	1961	1962	1963
Germany	12.6	12.4	12.5	12.5	12.5	12.3
Belgium	9.5	9.8	9.8	10.0	10.1	10.6
Netherlands	15.5	15.5	16.2	16.5	16.7	16.8
France	12.0	12.4	12.5	12.5	12.6	13.0
Italy	10.5	10.3	10.3	10.0	9.9	9.6
Common Market	12.0	12.1	12.2	12.2	12.2	12.3
Britain	9.7	9.7	9.9	9.9	9.7	9.6
U.S.A.	9.1	9.0	8.8	8.8	8.6	8.5

There are also differences relating to the nature of the products being considered, and to see these more clearly it is best to table them in separate groups and leave aside raw materials:

TOTAL IMPORTS AND IMPORTS FROM EUROPEAN OECD COUNTRIES OF TEXTILES* (IN MILLIONS OF U.S. DOLLARS)

Year	Germany	Belgium-Lux	Netherlands	France	Italy	EEC	Britain
1961							
Total	637.6	177.1	300.0	101.3	78.4	1,294.4	410.1
Europe	549.9	155.6	262.2	82.4	64.6	1,114.7	214.2
%	86	88	87	81	82	86	52
1962							
Total	729.5	190.6	305.5	130.4	102.4	1,458.4	378.1
Europe	629.3	171.8	281.5	106.6	83.2	1,272.4	201.8
%	86	90	92	82	81	87	53
1963							
Total	788.1	232.1	372.3	193.6	154.0	1,720.1	405.4
Europe	656.6	208.6	340.6	160.1	123.5	1,489.4	214.1
%	85	90	91	83	80	87	53

*(i.e. threads, fabrics, manufactured articles and related products excluding clothing and knitwear).

TOTAL IMPORTS AND IMPORTS FROM EUROPEAN OECD COUNTRIES OF CLOTHING AND KNITWEAR (IN MILLIONS OF US DOLLARS)

Year	Germany	Belgium-Lux	Netherlands	France	Italy	EEC	Britain
1962							
Total	208.7	54.0	111.3	40.8	17.3	432.1	150.6
Europe	160.4	50.9	103.0	38.3	16.0	368.7	73.9
1963		65.7					
Total	256.0	65.7	145.5	70.0	25.6	562.7	181.0
Europe	191.2	61.6	133.4	65.3	23.5	475.0	74.6

TOTAL EXPORTS AND EXPORTS TO EUROPEAN OECD COUNTRIES OF TEXTILES * (IN MILLIONS OF US DOLLARS)

Year	Germany	Belgium-Lux	Netherlands	France	Italy	EEC	Britain
1961							
Total	415.5	410.1	309.5	567.3	489.8	2,192.2	689.8
Europe	288.8	330.0	183.6	315.9	281.1	1,399.4	223.1
%	70	80	59	56	57	64	32
1962							
Total	444.0	468.9	324.4	597.5	513.1	2,347.9	685.7
Europe	325.5	382.6	219.0	355.1	298.6	1,550.8	240.9
%	73	82	68	59	58	67	35
1963							
Total	530.1	507.8	356.2	630.7	531.6	2,556.4	711.4
Europe	399.7	433.4	270.9	385.4	327.8	1,817.2	270.4
%	75	85	76	61	62	71	38

*(i.e. threads, fabrics, manufactured articles and related products excluding clothing and knitwear).

TOTAL EXPORTS OF CLOTHING AND KNITWEAR (IN MILLIONS OF US DOLLARS)							
Year	Germany	Belgium-Lux	Netherlands	France	Italy	EEC	Britain
1962	121.8	81.0	57.0	173.3	276.3	709.4	106.1
1963	146.3	102.9	65.4	203.3	338.1	856.0	110.7

These tables show that the flow of trade is relatively steady, in that exports and imports inside Europe by the Common Market countries and Britain varied only a little between 1961 and 1963. At the same time, while such countries as Belgium and Germany have found three-quarters of their export customers inside Europe, France and Italy have only sold 60% of their exports on the Continent and Britain only 38%, in spite of the fact that she is increasing sales there all the time.

On the import side, the Common Market countries take no less than about 85% of imported textiles from Continental producers and somewhat more than this in the Netherlands and Belgium, where the figure is still rising. Italy, on the other hand, imports rather less from Europe and is increasingly looking elsewhere for import textiles.

Taken as a whole, the EEC's balance of trade in this industry is positive and fairly steady, in that the positive balances in France, Belgium and Italy outweigh the negative ones registered in Germany and the Netherlands. Britain stands alone in having a negative balance for clothing and knitwear and a positive balance for other manufactured articles.

THE BALANCE OF TEXTILE TRADE BETWEEN EUROPEAN OECD COUNTRIES
(IN MILLIONS OF US DOLLARS)
(subtracting imports from exports)

Year	Germany	Belgium-Lux	Netherlands	France	Italy	EEC	Britain
(1) Textiles other than clothing and knitwear:							
1961	-261.1	+174.4	-78.6	+233.5	+216.5	+284.7	+38.9
1962	-303.8	+210.8	-62.6	+248.5	+215.5	+308.4	+39.1
1963	-256.9	+224.8	-69.7	+225.3	+204.3	+327.8	+56.3
(2) Clothing and Knitwear:							
1960	- 17.6	+ 14.5	-26.3	+ 30.7	+ 93.2	+ 94.5	-23.2
1961	- 43.2	+ 19.1	-41.9	+ 34.9	+142.1	+111.0	-33.7
1962	- 63.2	+ 23.6	-50.4	+ 35.2	+165.1	+110.3	-28.5
1963	- 69.9	+ 33.1	-71.9	+ 28.3	+182.0	+101.6	-22.0

Trade will develop according to past trends that date from when Europe became an importer of raw materials and an exporter of finished goods.

Developing countries in the world at large have all provided themselves at the outset with textile industries that have cheap labour in plenty at their disposal while they are developing production of raw materials (cotton in particular). Often as not their methods are somewhat primitive, but this does not alter the fact that they are going to exert quite an influence on the world market as a whole.

EUROFLASH

		group PLESSEY form 50-50 Amsterdam subsidiary (road-signalling equipment). Switzerland: The New York group RADIO CORP OF AMERICA forms Geneva sales promotion company (radio receivers).
I	ENGINEERING & METAL	Belgium: The French metal firm FORGE & ESTAMPAGE DE GENEVE and the BAUME MARPENT group form the Belgian company FORGEUROP (forging, pressing etc). The British company PRESSED STEEL winds up its Brussels subsidiary. France: The American group DRESSER INDUSTRIES takes 50% in DUJARDIN INTERNATIONAL MACHINERY and changes its name. The German company KARL KASSBOHRER (lorry trailers etc) forms French subsidiary. Italy: TRACTION & ELECTRICITE, Brussels, MONTECATINI, Milan and EFIM, Rome will build aluminium complex in Sardinia. Madagascar: ELECTRO-CHIMIE ETC D'UGINE, Paris and two subsidiaries form mining and sales company in Madagascar.
J	FINANCE	Belgium: Mr J. Wilkinson former managing director of BANQUE DE COMMERCE, Antwerp becomes permanent Belgian representative of BARCLAYS BANK, London. PHILLIPS RYAN increases the capital of its Luxembourg holding company and gains control of six European companies. Belgium: BANQUE DE BRUXELLES and its finance subsidiary FIDUCEM form joint company to administer the "Renta Fund". IFI (a holding company which controls FIAT) increases the capital of its Luxembourg investment company INTERNATIONAL HOLDING INVESTMENT CO. France: BANQUE DE PARIS & DES PAYS-BAS and ANGLO-AMERICAN CORP SOUTH AFRICA form joint Paris finance company. LA HENIN, Paris and FINANCIERE DE SUEZ increase their shares in LA PAIX, Paris (holdings) which is increasing its capital. Germany: CHASE MANHATTAN, New York will form second German subsidiary. NORD-DEUTSCHE HYPOTHEKEN, Hamburg takes over the banking business of RITTERSCHAFTLICHES KREDITINSTITUT, Celle.
L	FOOD & DRINK	Belgium: The French wine and spirit firm DE LUZE & FILS forms Brussels sales subsidiary. BARTON DISTILLING CO, Chicago and RAFFINERIE TIRLEMONTOISE, Brussels form new Belgian distilling and sales company. Italy: The Swiss group NESTLE reorganises its Italian interests.
L	OIL, GAS & PETRO-CHEMICALS	Italy: STE D'INVESTISSEMENTS PETROLIERES, Chiasso, Switzerland (investment) opens Milan branch. The Milan group SIR forms five new subsidiaries for its chemical

complex in Sardinia. Germany: WINTERSHALL, Celle (mining, oil) buys the remaining 49% in ERDOEL-RAFFINERIE FRANKEN, Munich from German subsidiary of TEXACO. United States: PETROFINA, Brussels tries to expand in the USA and Canada by buying back minority shareholdings in its subsidiaries there. STANDARD OIL forms ESSO EUROPE, London;changes the name of ESSO MEDITERRANEAN.and gives greater independence to its chemical subsidiaries in Europe.

N	PHARMA-CEUTICALS	France: M. Terral representing SIFA, Paris becomes president of COSMETIQUE DE DERMOPHARMACIE (REVLON group). Germany: OLIN MATHIESON, New York buys DRESDNER BANK's 25% in CHEMISCHE FABRIK VON HEYDEN, Munich. Netherlands: The French pharmaceutical company LABORATOIRE DE CHIMIE & DE BIOLOGIE takes 30% in new Rotterdam sales firm (chemical and biological products).
O	PLASTICS	Germany: The German chemical companies HULS and SCHOLVEN CHEMIE buy SCHOELLER & CO, Gottingen (plastic bottle-racks). PHILLIPS PETROLEUM, USA forms Frankfurt sales company (synthetic rubber and plastics). India: HOECHST joins local interests in setting up NATIONAL ORGANIC CHEMICAL INDUSTRIES, Bombay.
P	PRINTING & PUBLISHING	Belgium: In the Belgian publishing industry, HATIER, Paris forms Brussels subsidiary; VAN GOOR, The Hague and ARMAND COLIN, Paris form LIBRAIRIE EUROPEENNE, Brussels; CIE D'OUTREMER and BANQUE LAMBERT form CIEL (magazine supplements for newspapers). Germany: GROLIER INTERNATIONAL, New York and subsidiary THE RICHARDS CO form two German sales companies (educational books).
P	TEXTILES	Belgium: The Dutch textiles firm HORST (jute thread) forms Belgian subsidiary. Italy: COTONIFICIO CANTONI, Milan takes over three Milan investment companies. Switzerland: Four directors of TRIUMPH INTERNATIONAL, Munich form Swiss company.
Q	TRANSPORT	Netherlands: AEROTRACO INTERNATIONAL, Amsterdam is formed by VAN CASTEREN, Tilburg, TRADESHIP, Vaduz and a Dutch agent Mr Flinzer.
Q	VARIOUS	France: SERAI, Brussels merges with two French firms. LAURENT BOUILLET, Rueil and the Hamburg firm SELBSTTAETIGE FEURLOESCHANLAGEN (fire equipment) form joint French subsidiary. SEPAL, Paris and INTER AFHA, Zurich form AFHA FRANCE (correspondence courses). CIMEX, Mexico (films) now has 79% in CIMEX FRANCE, Paris. Germany: LANCASTER BOAT is formed in Frankfurt (pleasure boats). INDESIT, Turin holding company has 50% in HISPANO INDESIT, Barcelona (household appliances).

AUTOMOBILES

** STE DES AUTOMOBILES SIMCA SA, Paris, in which the CHRYSLER CORP, Detroit, recently increased its shareholding to 76.7%, has set up an import and sales subsidiary in Vienna, SIMCA GmbH, (capital Sch 200,000) managed by M. A.Guerriot

** SIMCA INDUSTRIES SA, Paris, as the latest step in establishing its West German sales network, has set up a company at Schalbrucke, Sarrebruck. The new firm, UNIC SCHWERLASTKRAFTWAGEN HANDELS GmbH (capital DM 20,000; manager M. A.Segard) is to handle the business of a new Saar sales centre for "Unic" lorries.

FIAT SpA recently increased its interest in Simca Industries to 57%, when it bought up the 25% held by CHRYSLER CORP, Detroit. Since 1963, the French group has had a 33% subsidiary in the Ruhr at Bochum, UNIC LASTKDRAFTWAGEN VERTRIEBS GmbH (see No 235), whose initial capital of DM 80,000 has been increased to DM 1,200,000.

BUILDING & CIVIL ENGINEERING

** ISTITUTO ROMANO DI BENE STABILIS SpA, Rome is taking over two of its Italian subsidiaries IMMOBILIARE SAN GIACOMO SpA and FINANZIARIA IMMOBILIARE AGRICOLA SAFIA SpA. Bene Stabilis is one of Italy's leading property development companies, with branches in Rome, Milan, Naples, Venice, Palermo, Trieste and Arezzo, etc., and controls a large number of companies including BENI STABILI TARANTO (in association with MERIDIONALE FINANZIARIA SpA of the IRI group); IRCOM - INDUSTRIE RIUNITE COSTRUZIONI MODULARI SpA; NAPOLI CENTRALE IMMOBILIARE SpA; COGECO - CIA GENERALE COSTRUZIONI SpA; EDILIZIA MEDITERRANEA SpA; BENI STABILI AREZZO BESTAR SpA, etc.

** The Dutch group SCHOCKBETON NV, Zwijndrecht (see No 301) which makes prefabricated concrete sections and blocks for the building industry has formed a company in Madrid, SCHOCKBETON ESPANOLA SA. Under a ten year agreement the Dutch company will contribute its patents and knowhow.

Schockbeton (headed by Mr H.J. van Wuyckhuyse) has four main factories in the Netherlands making sections and sheets for facings, walls and paving. It also has several enterprises using its building methods abroad: SCHOCKBETON Pvba, Hasselt Belgium; SCHOCKBETON GmbH, Düsseldorf; SCHOCKBETON-FRANCE SA, Nantes, Loire Atlantique (a 50% subsidiary); AFRICAN CONCRETE PRODUCTS LTD, Accra, etc. Several foreign firms using its name are in fact only licensees such as SCHOCKBETON PRODUCTS CO, USA or SCHOCKBETON JAPAN LTD, Tokyo; CANADIAN SCHOCKBETON LTD is controlled by IBOCO-INTERNATIONALE BOUWCOMBINATIE NV (joint subsidiary with the group HBM-HOLLANDSCHE BETON MIJ NV - see No 346 - through INTERVAM NV, The Hague).

** J. BROCKHOUSE & CO, West Bromwich, Staffordshire (builders specialising in prefabricated units) is increasing its Common Market development programme by introducing its "Clasp" system for light buildings, schools etc. into France. To support this move its Paris subsidiary BROCKHOUSE STEEL STRUCTURES LTD has set up a new company, CONSTRUCTIONS MODULAIRES SA, (capital Ff 400,000).

Brockhouse's methods have been well tried and proven both in Britain and abroad, especially in Canada and the USA, and it established them on the Continent several years ago, notably in Italy, with COSTRUZIONI MODULARI SpA, Milan, the ownership of which it shares with IRCOM SpA, Naples, and J. BROCKHOUSE & CO, and also in West Germany with BROCKHOUSE STAHLBAU-SYSTEM GmbH, Dortmund. This was formed a matter of years ago as a joint enterprise with RHEINSTAHL UNION BRUCKENBAU AG, Dortmund (see No 123).

CHEMICALS

** CONTINENTAL ENGINEERING NV INGENIERSBUREAU VOOR DE PROCES INDUSTRIE, Amsterdam (see No 269) has formed a subsidiary in Mexico City called INGENIERIA CONTINENTAL SA-de-CV. Like its founder the new company will be engaged in engineering for the chemical industry, and will build a caprolactam factory at Salamanca for the Mexican group CICLIAMIDAS SA which is linked with the Dutch group AKU-ALGEMEENE KUNTSTZIJDE UNIE NV, Arnhem (see No 348).

Continental Engineering is a subsidiary of the Dutch group VERENIGDE MACHINEFABRIEKEN NV STORK-WERKSPOOR (VMF), The Hague (see No 345) and its most important work in hand at the moment is the construction of two caprolactam factories in Russia each with a capacity of 50,000 tons a year using the processes perfected by NEDERLANDSE STAATSMIJNEN NV; it is also setting up a chemical fertiliser plant near Durban, South Africa for AFRICAN EXPLOSIVES & CHEMICAL INDUSTRIES LTD (see No 320). This plant will have an annual capacity of 170,000 tons.

** KON ZWANENBERG ORGANON NV, Oss, Netherlands, and MILLSMASTER ONYX CORP, New York (see No 349) are forming a 50-50 sales company, ONYX ORGANON NV, which will be the American firm's first direct financial interest in Europe. Its two founders are already linked in European sales of Millsmaster's tertiary amines and aminoxide. It will continue this work and also make preparations to manufacture the American firm's special chemicals on the spot in Europe.

** HADFIELDS SA, Mantes, Yvelines, (capital Ff 1.5 million) French subsidiary of the British paint and varnish group HADFIELDS (MERTON) LTD, Sheffield, (see No 183) has signed an agreement with HERPE Sarl, Champigny sur Marne, (maintenance goods). Under this, a joint subsidiary UNIVERS PAINT Sarl, Champigny sur Marne has been formed and will produce household cleansing and protection supplies. The capital (Ff 150,000) will be split 40-60 between Hadfields SA and Herpe SA.

The British group, which has several subsidiaries in Britain, already controls the Belgian firm HADFIELDS MADER SA, Ruishoek, which was formed in December 1962 when its subsidiary HADFIELDS SA merged with STE BELGO-SUISSE DES USINES WALTER MADER SA, Diegem, Belgium. The Swiss partner is Dr W. Mader (managing director of DR.WALTER MADER, LACK & FABENFABRIK AG and GES FUER ANGEWALDTE CHEMIE AG, both in Baden.)

** An agreement has been signed by the chemicals group HUSTINX, Maastricht (controlled by M. E. Hustinx and KON MAASTRICHTSCHE ZINKWIT-MIJ NV, Eijsden, Maastricht to the effect that the latter will receive a 50% shareholding in ZEEP-FABRIEK HUSTINX NV, Maastricht, which is a subsidiary of the former making chemical and metallic abrasives and detergents. Zeepfabriek Hustinx will change its name to HUSTINX CHEMIE NV and be expanded considerably; it will also benefit from the large technical and manufacturing resources of its new shareholder which so far have not been fully exploited.

ZINKWIT-MIJ makes zinc oxide, lithophone, sulphuric acid, cadmium, etc. It recently took over the lithophone production of its subsidiary INDUSTRIES CHIMIQUES DE WILSELE NV, Wilsele, Louvain (see No 349) which then became an ordinary marketing company. In Belgium it also controls (with 54%) TRIMETAL PAINT CO BELGIUM NV, Machelen, Brabant (see No 310); in France it has a large holding in STE DES COULEURS ZINCIQUES SA, Aubervilliers, Seine-Saint-Denis which has factories at Bouchain, Nord and mines at La Loubiere, Aveyron. In Western Germany it shares control of ZINKOXYD GmbH, Duisburg 50-50 with the chemicals and metals firm DUISBURGER KUPFERHUETTE AG, Duisburg (see No 257).

The Hustinx group, apart from its 50% holding in the new firm Hustinx-Chemie NV also controls HUSTINX-RESEARCH LABORATORIA NV, Maastricht, SILICHIMIE SA, Paris (see No 193), together with its subsidiary HUSTINX' INTERNATIONALE ONTWIK-KELINGS-MIJ NV, Maastricht, and also SILIKAT-CHEMIE GmbH, Düren. Its main business is in the field of chemical and metal detergents and abrasives and also silicates in general. It also handles special processes, chemicals production and makes plant for the chemical industry (in particular rotating ovens which were studied and developed by M. E. Hustinx and his associates).

COSMETICS

** The Japanese perfume company TAKASAGO KORYO KOGYO, Tokyo has formed a wholly-owned sales subsidiary in Paris, TAKASAGO Sarl (capital Ff 240,000). The new company, managed by Mr M. Kainosho of Paris, will deal in oils and natural and synthetic extracts, aromatics, enzymes and any products used in the manufacture of perfumes. The parent company employs about 650 workers and had a turnover of 6,400 million yen in 1964.

** SCHERK PARFUMEUR PARIS SA (perfumes and beauty preparations; capital Ff 500,000) has wound up its subsidiary LABORATOIRES SENART Sarl, Paris, having acquired all its capital (Ff 100,000).

Scherk's president is Mme M. Caze (Michel Caze is managing director of LABORATOIRES A.& M. CAZE SA, Paris). It was recently taken over by SAUZE SA, Colombes, Seine (formerly PARFUMERIES SAUZE FRERES), which is managed by M.A. Duplan. Sauze's (Ff 1,800,000) capital is held mainly by the pharmaceuticals group Laboratoires A. & M. Caze (capital Ff 1,800,000) and by BRIQUETERIE BOHIN SA, Chevilly sur Marne (capital Ff 13,820,000). Scherk itself was owned from its formation in 1957 by M. W. Scherk, who shared control of SCHERK PARFUMEUR SA, Forest, Brussels (capital Bf 4,900,000) with the sister company at Dahlem, Berlin, FRITZ SCHERK KG.

ELECTRICAL ENGINEERING

** The British electrical engineering group JAMES SCOTT (ELECTRICAL HOLDINGS) LTD, Dunfermline, Fife has gained control of the French company MASSOT & DISDIER SA, Grenoble, Isere (president M. G. Cellard and director K. J. Petit) which makes high- and low-frequency electrical equipment and installations, control panels, prefabricated transformers etc.

In a similar operation James Scott acquired its first foreign subsidiary just over a year ago when it bought 70% of the Israeli firm ASHER FEUCHTWANGER LTD, Tel-Aviv.

** A merger is taking place in the GENERAL ELECTRIC CO group of New York: SCOTTI BRIOSCHI & CO SpA is being taken over by its parent firm CIA GENERALE DI ELETTRICITA-CGE SpA (see No 329). Scotti Brioschi (president M. M. Rostan, capital lire 240 million) has a factory at Novara where it makes components for radio and television sets, rheostats for electric furnaces, transformers etc.

** Two Turin companies, the CASTOR SpA group and RENT SaS (see No 297) have just formed CADEAL SA BELGE, Quenast, Brabant (Bf 1 million) to market electrical household goods produced by them and their associates. The managing director of the new venture is M. H. Degraeve (principal shareholder) and the president is M. A. Piazza (president of CASTOR INTERNATIONAL SaS, marketing subsidiary of the Turin group). The minority shareholders include RENT SaS and NOVASA SA, Luxembourg, a holding company formed in April 1964 by CREDIT GENERAL DU LUXEMBOURG-CREGELUX SA, with a capital of $20,000.

CASTOR SpA which makes washing machines at Rivoli, for sale throughout the world, either under its own trademark or that of other important international groups (HOOVER, IMPERIAL DOMESTIC APPLIANCES Etc), has a capital of Lire 1,500 million controlled by WASHING MACHINES HOLDINGS AG, Lugano (capital increased to Sf 2 million in November 1965). The group has several branches abroad in Amsterdam, Cologne, London, etc.

** SIME-IMPIANTI MANUTENZIONI ELETTRICHE SpA, Florence (president Dr G. Rossi), wholly-owned subsidiary of the Italian group LA CENTRALE FINANZIARIA GENERALE SpA, Milan (see No 347) is to take over OFFICINE MECCANICHE TONDUTI & CO, FRIGORIFERI MAJESTIC SpA, Milan (capital Lire 300 millions). Sime (capital Lire 400 millions) will at the same time centralise production (electrical household goods, wireless and telephonic equipment, transformers and slot-machines) by closing its factory at Pogliano-Bettolino, Milan.

ELECTRONICS

** J.F.D. ELECTRONICS CORP, New York, which makes electrical components, drive motors, teleguided instruments, transmission equipment, alarm mechanisms for signalling and security systems has chosen Paris as its European sales centre: J.F.D. ELECTRONICS SA (capital Ff 50,000) is being formed by M. D. Taub.

** SEL-STANDARD ELEKTRIK LORENZ AG, Stuggart, Zuffenhausen (see No 329), a 93.36% subsidiary of INTERNATIONAL STANDARD ELECTRIC CORP, New York (one of the overseas holding companies of INTERNATIONAL TELEPHONE & TELEGRAPH CORP, New York (see No 337) has acquired the radio and television production and marketing division of the Austrian firm RADIOFABRIK INGELEN PORZELLAN FABRIK FRAUENTHAL-FIGER & Co KG (Vienna). This will now be called RADIOFABRIK INGELEN FIGER & CO, and will mount an export drive to EFTA countries. The electroceramic side of the Austrian company will remain under local control. The German firm (over 36,000 on the payroll) which specialises in telephony, cables, telecommunications and data-processing equipment, produces radios and television sets at its Rastatt and Pforzheim factories. It already has a 2.56% interest in STANDARD TELEPHON & TELEGRAPHEN AG, CZEIJA, NISSL & CO, Vienna, in which the INTERNATIONAL STANDARD ELECTRIC CORP holds 93.26%.

** NV FABRIK EN HANDELSBUREAU 'NEDERLAND', Haarlem (see No 348) which has a labour force of 400 making control instruments and safety valves for the petrol industry, and road signalling equipment, is strengthening its links with the British electrical and electronics firm PLESSEY CO LTD, Ilford, Essex (see No 267). A 50-50 newly formed subsidiary PLESSEY NEDERLAND TRAFFIC SYSTEMS NV, Amsterdam (capital Fl 2.5 millions will sell electronic road signalling equipment made by both of its founders.

Only recently the Dutch firm made an agreement with RHEEM INTERNATIONAL INC, New York (member of the RHEEM MANUFACTURING CO group, New York) to form RHEEM IN NEDERLAND NV, Haarlem which will manufacture and sell gas boilers using natural gas.

** CRESCENT CORP, New York the electronics and electrical group (Mr L.J. Colasurdo was recently made chairman) is to expand in Europe under an agreement made with Italian financial and industrial interests to manufacture radio, recording and telephone components and equipment. A manufacturing subsidiary CRESCENT EUROPE SpA, Milan, is being formed with this object in mind.

The American group is represented in France by MATERIELS & CONSTRUCTIONS SA, and in West Germany by a subsidiary NEUZEITLISCHE ELEKTRO & MOTORENTECHNIK GmbH, Koblenz. It recently gained control through its 85% subsidiary EASTERN AIR DEVICES, of two Scandinavian electronic firms: RADIO A/B PEERLESS, Malmo. Sweden, and PEERLESS FABRIKKERNE A/B, Copenhagen, Denmark.

** The New York group RADIO CORP OF AMERICA (see No 302) has formed a company in Geneva to promote sales, in particular of radio receivers, on the European, Middle Eastern and African markets. The new firm (capital Sf 200,000; president Mr J.R.Hogan, New York) is to be called RCA MARKETING SA, and will be added to the group's already-existing interests in Switzerland; these are two subsidiaries (see No 230) - LABORATORIEN RCA AG, Zurich (capital Sf 100,000) and RCA OVERSEAS SA, Geneva; and one branch at Geneva of the Montreal subsidiary, RCA INTERNATIONAL LTD.

RCA, when it started up, confined itself to the broadcasting and records business, but it has now established itself in the electronics field, particularly in the production of radio and T.V. sets (both black and white and colour), electronic equipment for industry, and computers. Its other European interests are: RCA INTERNATIONAL SERVICE CORP Sarl, Paris (see No 73); RCA ITALIANA SpA, Rome; VAKUUMTECHNIK GmbH, Erlangen and RADIO FERNSEH ELEKTRO GmbH, Frankfurt; RCA GREAT BRITAIN, Sunbury on Thames, Middlesex; NBC INTERNATIONAL (GREAT BRITAIN) LTD, London; INELSA-INDUSTRIA ELECTRONICA SA, Spain; AMERICAN RADIO TELEVISION (HELLAS) SA, Greece etc.

ENGINEERING & METAL

** After lengthy negotiations (in which the American company HARVEY ALUMINIUM took a large part) agreement in principle has been reached between TRACTION & ELECTRICITE SA, Brussels, MONTECATINI SpA, Milan and the State-owned organisation EFIM-ENTE PER IL FINANZIAMENTO DELLA INDUSTRIA MECCANICA, Rome (see No 347). The intention is to build an integrated aluminium complex in the Sulcis mining area of Sardinia. The plant will produce 100,000 tons a year and will cost Lire 50,000 million.

EFIM will have 52% control of the new company ALSAR SpA, Portovesimo, through MINERARIA CARBONIFERA SARDA SpA, Rome and Carbonia, Sardinia (see No 226) which will contribute the entire compensation of Lire 17,000 million received from ENEL for the transfer of its electrical installations. The remainder of the capital will be shared by Montecatini and the Belgian group, which is already engaged in the aluminium industry through its interests in: 1) COBEAL - CIE BELGE POUR L'INDUSTRIE DE L'ALUMINIUM SA, Brussels, which in Italy controls MINERARIA MONTEVERGINE SpA (bauxite deposits in the province of Lecce and holdings in ALUCAM-CIE CAMEROUNAISE DE L'ALUMINIUM PECHINEY-UGINE, The Cameroons); 2) ALUMINIUM EUROPE-ALEUROPE SA, Brussels (see No 328).

** Under the agreement signed in France between ETS DUJARDIN & CIE SA, Lille and DRESSER INDUSTRIES CO, Dallas, Texas (see No 342) the latter has a 50% interest in DUJARDIN INTERNATIONAL MACHINERY SA, Lille, which will become DRESSER DUJARDIN SA (capital Ff 34 million). The French partner, which has already made over to the new company its heavy engineering equipment, compressors and diesel motors etc will now act as an investment company with a 44.2% interest, the balance being held by VALLOUREC SA, Paris founder company of Dujardin & Cie (52%).

** KARL KASSBOHRER FAHRZEUGWERKE GmbH, Ulm, Donau a German company making lorry trailers, crane lorries and tipping trucks etc, has approached the French market by forming an almost wholly-owned subsidiary at Montreuil sous Bois, Seine-Saint-Denis, KASSBOHRER FRANCE Sarl, (capital Ff 250,000 - manager M. P. Momber). The parent company is a family firm (capital DM 10 millions) which employs about 3,300 people in its factories at Ulm, Dortmund, Hamburg, Frankfurt and Berlin.

** The French metal firm FORGE & ESTAMPAGE DE GENEVE SA, Foulain, Haute Marne, under an agreement with the BAUME, MARPENT & THIRION REUNIS SA group, Brussels (see No 319) has formed FORGEUROP SA, Morlanwelz, Belgium for all types of forging, metal pressing and treatment of metals and steels, etc.

The new company's capital (Bf 3 million) is controlled, in return for equipment he has supplied, by its president M. A. Auberville, owner of the French firm, which until recently had metal pressing works and forges at La Courneuve, Seine.

** The British steel company PRESSED STEEL CO LTD, Cowley, Oxford, has wound up its wholly-owned sales subsidiary PRESSED STEEL SA, Brussels. This company was formed in 1958 as Pressed Steel's only Common Market sales branch: its capital of Bf 100,000 was never increased.

** STE D'ELECTRO-CHIMIE & D'ELECTRO-METALLURGIE & DES ACIERIES ELECTRIQUES D'UGINE SA, Paris (see No 349) both directly and through its subsidiaries STE ELECTRO-METALLURGIQUE DE SAINT-BERON SA, Lyon and STE FRANCAISE DE FONDERIES & ACIERIES ELECTRIQUES SA, Paris (see No 329) is the main founder-shareholder in CIE MINIERE D'ANDRIAMENA-COMINA SA - Tanarive, Madagascar (capital Madg f 100 million = app. $400,000). The object of the company will be the extraction, concentration and sale of chrome. Other shareholders include CIE DE PRODUITS CHIMIQUES & ELECTRO-METALLURGIQUES PECHINEY SA, Lyon, (see No 340), CIE DE MOKTA SA, Neuilly (see No 271) and CIE FINANCIERE POUR L'OUTREMER-COFIMER SA, Paris (see No 169).

FINANCE

** The former managing director of BANQUE DE COMMERCE-HANDELSBANK NV, Antwerp, (see No 341), Mr W.J. Wilkinson of Antwerp has become the permanent representative for Belgium and Luxembourg, residing in Brussels, of BARCLAYS BANK LTD, London (see No 328). At the same time three Barclays directors have retired from the board of Banque de Commerce, where they represented the British bank's direct minority shareholding. They are Mr F.W.A. Fairfax-Cholmeley, M. J. Jussiant and Mr L.E.D. Bevan. The last two will remain as directors of BANQUE DE BRUXELLES SA, which is linked with Barclays, and has 96% control of Banque de Commerce, which deals mainly with the financing of Anglo-Belgian trade. Now, with capital increased to Bf 330 millions, it shares control of Banque de Commerce 50-50 with CHASE MANHATTAN OVERSEAS BANKING CORP, New York (see this issue).

** By increasing the capital of its holding company recently formed in Luxembourg to Lux f 30 million the PHILLIPS RYAN industrial and financial group (see No 348) has gained direct control of six companies in Europe: MISTER MINIT SERVICES SA, Brussels; INDUSTRIAL MERCHANDISING SERVICES SA, Schaerbeek, Brussels; SERVICES ASSOCIATES LUXEMBOURG Sarl, Luxembourg; SERVICE BEDRIJF VOOR INDUSTRIE & HANDEL SERVIHA NV, Amsterdam; MERCHANDISING INTERNATIONAL SA, Geneva; and STANA AG, Zurich.

** CHASE MANHATTAN BANK, New York (see No 341) intends to set up a second German subsidiary in Düsseldorf. It has had one in Frankfurt for some years now, directed by Herr O. Schoepler, vice-president.

The New York bank also has branches in London (2) and Paris and agencies in Geneva, Rome and Madrid.

** IFI-ISTITUTO FINANZIARIO INDUSTRIALE SpA, a holding company belonging to the Agnelli family, which controls the FIAT group (see No 239), has, as its second major move in 1966 increased the capital of the Luxembourg investment company INTERNATIONAL HOLDING INVESTMENT CO SA. The latter was formed in September 1964 by BANQUE INTERNATIONALE A LUXEMBOURG SA, with $1000 capital, which was increased last January to $1,200,000 - a figure which has now been raised to $1,600,000 by IFI. Both its heads are from Turin: Dr A. Ferrero and Sig. G.B. Vacca.

IFI recently strengthened its links with S.G. WARBURG & CO (London bankers; see No 344) by buying up a small shareholding in that company formerly held by MERCURY SECURITIES LTD.

** NORDDEUTSCHE HYPOTHEKEN - & WECHSELBANK (VORMALS MECKLENBURGISCHE HYPOTHEKEN - & WECHSELBANK), Hamburg has taken over all the banking business of the State-run institute RITTERSCHAFTLICHES KREDITINSTITUT DES FUERSTENTUMS LUENBURG, Celle and increased its capital from DM4 million to DM 8 million. In return the Celle instute which operates as a holding and property company has taken a 25% share in the Hamburg bank.

** BANQUE DE PARIS ET DES PAYS BAS SA, Paris (see No 349) and ANGLO-AMERICAN CORP SOUTH AFRICA LTD, Johannesburg have strengthened their ties by forming a new 50-50 company CIE FINANCIERE EURAFRICAINE SA, Paris, whose initial capital (Ff 465,000) will shortly be increased to Ff 56 million. Each partner is contributing a portfolio of French and South African shares worth approximately 10 million South African Rands (app $14 millions). The two firms had already formed CIE HOLDING FRANCO-SUD AFRICAINE SA, Luxembourg (capital recently increased from Sf 45,000 to Sf 51.3 million). The association will be further strengthened by reciprocal credits between Banque de Paris et des Pays Bas and the South African group's finance house subsidiary UNION ACCEPTANCE LTD (to finance purchases of French goods by South Africa and to help South African sales in France).

Linked to DE BEERS CONSOLIDATED MINES LTD, Kimberley, South Africa and London, (see No 341), this latter directs and controls sixty or so British and South African companies and has shares in a hundred mining and industrial companies (investments worth 374 million South African Rands - app $560 millions at the beginning of 1965).

** L'UNION DES MINES-LA HENIN SA, Paris (see No 344) and CIE FINANCIERE DE SUEZ SA, Paris (see No 347) are to increase their indirect stakes in the holding company LA PAIX SA (see No 178), whose 1964 total turnover, from its insurance subsidiaries, reached Ff 381 millions. Its capital will be increased from Ff 10,021 to Ff 12,359 millions once it acquires the capital assets of COPARIF-CIE DES PARTICIPATIONS INDUSTRIELLES & FINANCIERES SA, Paris (see No 282), in which La Henin holds 20.7% and Financiere de Suez holds 20.9%. In addition, La Paix will receive the assets of Coparif's 56.6% subsidiary CENTENAIRE-BLANZY SA, Paris (see No 292) and take over INDUSTRIE & FORCE SA, Paris.

Industrie & Force (capital Ff 6 millions) is 49% controlled by Centenaire-Blanzy, whilst COMIPHOS-CIE MINIERE & PHOSPHATIERE SA, Paris (formerly CIE DES PHOSPHATES DE CONSTANTINE) holds 20.5%. Its own chief holdings are in SOTRASOL-STE DE TRANSPORT & DE STOCKAGE RATIONNELS SA, Paris (20%; see No 319); ETS UNGEMACH-STE ALSACIENNE D'ALIMENTATION SA, Schiltigheim, Bas-Rhin (see No 344) and in SODEIX-STE D'EXPANSION COMMERCIALE & INDUSTRIELLE SA, Paris (see No 308).

La Paix (which is linked by crossed shareholdings with Coparif, its main shareholder until now, with 28.9%) has large overseas investments, in particular 50% in ZENITH VERSICHERUNGS AG, Saarbrücken (linked with RECHTSSCHUTZ UNION VERSICHERUNGS AG, Munich; see No 178). It also holds 97.3% in LA PAIX-STE BELGE D'ASSURANCES, Brussels; 71.9% in LA PAIX AFRICAINE, Morocco; 49.3% in LA PAIX-CIE GENERALE D'ASSURANCES DU CANADA, Canada; 72.2% in LA PAZ, Venezuela; 35% in LA RECONQUISTA, Argentine, etc.

** BANQUE DE BRUXELLES SA (see No 341) and its subsidiary, the finance company FIDUCEM-STE FIDUCIAIRE D'EMISSION SA, Brussels, have formed STE DE

GESTION DU RENTA FUND SA, to direct an international fund called "Renta Fund". Currencies will be selected according to exchange value. The founders are to retain two thirds of its (Lux f 5 millions) capital, with the balance held by BANQUE INTERNATIONALE A LUXEMBOURG SA (see No 348).

FOOD & DRINK

** The Swiss group NESTLE ALIMENTANA, Vevey (see No 330) is regrouping some of its interests in the food industry through STA NESTLE SpA, Milan (president Sig V. Forte), which will take over three subsidiaries: PRODOTTI ALIMENTARI MAGGI SpA, Milan (capital Lire 150 million); LA GRAGNANESE SpA, Gragnano Trebbienze, Piacenza (capital Lire 631,800,000) controlled since 1962 by the Vevey group and three of its companies: ITAFA SA, Fribourg, ENTREPRISES MAGGI SA, Kemptal and ASPHALIN, Zug - see No 302); and LA PREALPINA SpA, Milan (capital Lire 840 million - see No 207).

La Prealpina is a minority shareholder in FINDUS SpA, Cisterna, Latina (another member of the Vevey group through its 80% subsidiary FINDUS INTERNATIONAL SA, Lindau, Zurich and Chatel-St-Denis - see No 316) whose capital was recently raised to Lire 1,300 million to partly finance the expansion of its frozen food plant in Rome. The Nestle group's other Italian interests include AMINOVA SpA (55% control - see No 237); LOCATELLI SpA, Milan (whose capital was reduced to Lire 50 million in 1965 and then raised to Lire 4,000 million - see No 154); FINDUS COMMERCIALE SpA, Milan etc.

** The French wine and spirit dealers SA DE LUZE & FILS, Bordeaux, Gironde have formed a sales subsidiary in Brussels, SA DE LUZE BELGE in which they retain 50% of the capital (Bf 1 million). The balance is held on behalf of Belgian interests by BANQUE DE PARIS & DES PAYS BAS SA, Brussels.

** BARTON DISTILLING CO, Chicago and RAFFINERIE TIRLEMONTOISE SA, Brussels (see No 326) have contracted to distil and sell whisky and other imported alcohols within the Common Market. The Belgian group's distillery at Ruisbroek, Brussels will be used by a new company BARTON DISTILLERS (EUROPE) SA. New equipment worth Bf 50 million is going to be installed to expand the distillery and produce Bourbon.

Barton Distilling Co (69% of whose shares are shared between the chairman's family - Gotz - and the president's family - Abelson) is already known in Europe for its Tom Moore, Old Barton and Colonel Lee whiskies. It also has interests in the two Scottish distilleries, LITTLE MILL DISTILLERY CO LTD, Loch Lomond. It has factories in El Secundo, California and Bardstown, Kentucky as well as in Canada. Recently it obtained sole distribution rights in the Caribbean and the USA for Scotch whisky from THE GLENLIVET DISTILLERY CO LTD, Glenlivet, Scotland.

OIL, GAS & PETROCHEMICALS

** The investment company formed in June 1965, STE D'INVESTISSEMENTS PETROLIERES-SIP SA-Chiasso, Ticino, Switzerland (capital Sf 100,000) has opened a branch in Milan managed by M. G. Frullani. The Swill company (manager M. E. Gada) is almost completely owned by the Chiasso branch of FINTER BANK ZURICH AG, Zurich.

** The Milan group SIR-STA ITALIANA RESINE, Milan (see No 348) is organising the management and running of its chemical and petrochemical complex in Sardinia (see No 317) by forming five new subsidiaries (capital lire 1 million each; 10% being held for each one by a SIR subsidiary OFFICINE DI PORTO TORRES SpA, Sassari - see No 346). The new companies are: SIRCIL SpA, GLICOSAR SpA, POLISAR SpA, SIRFIN SpA and VICLOSAR SpA. All are directed by Sig. N. Rovelli and have a sub-head office in Milan.

** PETROFINA SA, Brussels, is trying to expand in the USA and Canada by offering to buy all the minority shareholdings in AMERICAN PETROFINA INC, New York, and 14% in CANADIAN PETROFINA LTD, Montreal (see No 349). A similar move is being made by its investment company PETROFINA FRANCAISE SA, Paris (capital Ff 7,500,000) control of which is shared 50-50 by the Belgian group and BUP-BANQUE DE L'UNION PARISIENNE SA, Paris.

This will mean a sizeable increase in BUP's minority shareholding in Petrofina, about 20% of whose capital is held by foreign interests, 15% by French investors (MM DE ROTHSCHILD FRERES, BNCI-BANQUE NATIONALE POUR LE COMMERCE ET L'INDUSTRIE SA, etc.)

** In addition to embarking on a vast programme of regional decentralization (mainly by forming ESSO EUROPE INC with a head office in London - see No 341) and changing ESSO MEDITERRANEAN INC into ESSO AFRICA INC with a head office in Geneva, the STANDARD OIL CO OF NEW JERSEY, New York (see No 342) is reorganizing its subsidiaries in Europe by giving them greater independence in their chemical business.

Consequently ESSO CHEMIE NV, The Hague has been formed with a capital of Fl 50 million (20% paid-up). This company is almost entirely controlled by ESSO CHEMICAL CO INC, New York, the remainder being held by ESSO-NEDERLAND NV which will continue its refining and sales business. In the same way ESSO CHIMICA SpA has been set up at Genoa (head office in Milan) to take over the chemical business and research laboratories of ESSO STANDARD ITALIANA SpA (see No 340) at Genoa. Esso Chimica (president Sig. Cazzaniga) is controlled by Esso Chemical Co Inc. Its activities and those of its existing or future sister-firms in Germany, Britain etc will be co-ordinated by ESSO CHEMICAL SA, Brussels of which M. L. Chaperon, a former director of the chemical department of ESSO STANDARD SAF, Courbevoie, Seine (where he has been replaced by M. L. Kahn) has recently been made vice-president. Belgium is to be the American group's research centre for Europe (it also has research laboratories at Hamburg; Amiens, Somme and Abingdon, Berkshire) and ESSO RESEARCH SA, controlled by ESSO RESEARCH & ENGINEERING CO (director Mr E. Arundale) will build a new scientific research centre at Diegem, Brussels. It will be in operation by the middle of 1967 and will specialize mainly in rubber and plastic materials.

** The German mining and oil group WINTERSHALL AG, Celle (see No 343) has bought the 49% holding in ERDOEL-RAFFINERIE FRANKEN GmbH, Munich (see No 333) previously owned by TEXACO RAFFINERIE GmbH - a subsidiary of the American group TEXACO INC (see No 343). Erdöl now becomes a wholly-owned subsidiary of Wintershall which will use it to complete the installation of an oil refinery (1,500,000 tons a year) at Eggolsheim, Franken.

The American group will now concentrate on building its own German refinery (2 million tons a year) in South-West Germany to exploit its 3% holding in the pipe-line company DEUTSCHE TRANSALPINE OELLEITUNG (TAL) GmbH, Munich (see No 229). Texaco also intends to increase its sales mainly through REGENT OIL GmbH, Frankfurt which has been recently formed. Finally, the group looks after the activities of its prospecting subsidiary DEUTSCHE TEXACO GmbH.

PHARMACEUTICALS

** M. R. Terral, representative of the minority shareholder (14%) STE INDUSTRIELLE POUR LA FABRICATION DES ANTIBIOTIQUES-SIFA SA, Paris (member of the STE CENTRALE DE DYNAMITE group), has been appointed president of STE COSMETIQUE DE DERMOPHARMACIE SA (see No 345). This company was formed by REVLON INC, Atlanta, Georgia, to make and sell in France cosmetics, not requiring a special licence from the Ministry of Health.

The American group already controls 60% of the new company's capital (Ff 500,000) through two other Paris companies belonging to it, REVLON SA and STE COSMETIC IMMOBILIERE.

** SA LABORATOIRE DE CHIMIE ET DE BIOLOGIE, La Rochelle, Charente Maritime, has taken 30% in the new Rotterdam firm FRANS-NED MIJ VOOR BIOLOGISCHE PRODUCTEN NV, which is to trade in chemical and biological products. Most of its capital (Fl 50,000) is owned 60% and 10% respectively by the Dutch industrialists Messrs L.J. Hoffman and L.E. Hoffman.

** DRESDNER BANK AG, Frankfurt (see No 339) has made over its 25% shareholding in the Munich chemical and pharmaceutical group, CHEMISCHE FABRIK VON HEYDEN AG (see No 331), to OLIN MATHIESON & CHEMICAL CORP, New York through its Panamanian investment company SQUIBB MATHIESON INTERNATIONAL (see No 348). The American company now shares control with RUETGERSWERKE & TEERVERWERTUNG AG, Frankfurt (25% interest -see No 334).

Chemische Fabrik Von Heyden heads a large number of pharmaceutical companies which have close business and industrial ties with Olin Mathieson. These are GEHE & CO AG, Munich (78% interest - see No 312) and several wholly-owned subsidiaries in Munich: ELEKTROCHEMISCHEGES HIRSCHFELDE mbH (see No 282), SUESSTOFF VERTRIEBS and EFRUTI-NAHRUNGSMITTEL GmbH) and UNTERSTUEZUNGSKASSE DER CHEMISCHE FABRIK VON HEYDEN AG MUNCHEN GmbH. Von Heyden also holds 50% in a Spanish firm, MEDICAMENTOS & PRODUCTOS QUIMICOS SA, Barcelona. Since the end of 1964, Olin Mathieson has had a sales subsidiary in Dusseldorf, OLIN MATHIESON CHEMICAL GmbH run by Dr H.G. Waider, in addition to an already existing branch of its London subsidiary.

PLASTICS

** CHEMISCHE WERKE HULS AG, Marl, Recklinghausen (see No 343) and SCHOLVEN CHEMIE AG, Gelsenkirchen-Buer the wholly-owned subsidiary of BERGWERKS GES HIBERNIA AG, Herne (of the Berlin and Bonn group VEBA VER ELEKTRIZITAETS & BERGWERKS AG - see No 332) are buying ALEXANDER SCHOELLER & CO, Göttingen (plastic bottle-racks) from the owner Herr Schoeller. This move will not affect the foreign interests of Herr Schoeller and his firm, which are run by a Munich company formed for this purpose.

The Göttingen firm produces about 20,000 bottle racks daily - 80% of the German market - and has an annual turn-over of DM 30 million. Abroad Herr Schoeller has direct financial interests in three companies: A. SCHOELLER & F. STUCKENBROKER, Zurich and two companies in Denmark and Canada. Under 'Know How' agreements signed with numerous foreign firms more than 50,000 bottle-racks are produced daily throughout the world. These firms which often use the name SCHOELLER are in Argentina, Austria, Brazil, Britain, Finland, France, Ireland, Italy, Japan, Mexico, the Netherlands, Spain and South Africa.

** The Frankfurt chemical and pharmaceutical group FARBWERKE HOECHST AG VORMALS MEISTER LUCIUS & BRUNING is expanding its Indian interests by forming (POLYOLEFIN INDUSTRIES LTD-PIL, Bombay) with NOCIL - NATIONAL ORGANIC CHEMICAL INDUSTRIES LTD - and various other local interests. This company will build and run a factory with a capacity of 24,000 tons a year and represents an investment of DM 65 millions.

The German group already has two wholly-owned subsidiaries in Bombay selling its chemical and pharmaceutical products, HOECHST DUES & CHEMICALS PRIVATE LTD and HOECHST PHARMACEUTICALS PRIVATE LTD. It also has a 16.4% share in COLOUR CHEMICAL LTD, Bombay (15% of whose shares are held by the FARBENFABRIKEN BAYER AG group, Leverkusen) and a 15% interest in PAKDYES AND CHEMICAL LTD, Karachi.

** PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 346) has added a sales company (dealing mainly in synthetic rubber and plastics) to their interests in West Germany. The new company, PHILLIPS PETROLEUM INTERNATIONAL GmbH, Frankfurt (capital DM 150,000) is directed by M. A. Meintjes.

The American group already has two subsidiaries in West Germany: PHILLIPS ERDOL GmbH, Hanover (see No 289) and PHILLIPS FINA FLUSSIGAS GmbH, Duisburg (see No 301) owned jointly with PETROFINA SA, Brussels (see No 331). It recently made an agreement with PREUSSAG AG, Hanover to build a carbon black factory at Anderten, Hanover (see No 344).

PRINTING & PUBLISHING

** Three important moves were recently made in Belgian publishing, two of them by foreign interests; the third,through CIE D'OUTREMER POUR L'INDUSTRIE & LA FINANCE SA (of the group BANQUE LAMBERT Sca) will have international repercussions.

It was this that led to the formation of HATIER SA, Brussels (capital Bf 200,000) almost all of which was provided by HATIER-EDITIONS SA, Geneva, a subsidiary of LIBRAIRIE H. HATIER SA, Paris (see No 311). M. J. Foulon is president of the new company and M. F. Wolf managing director. The second firm LIBRAIRIE EUROPEENNE SA is situated in the EEC building in Brussels, and its capital (Bf 2.1 million) is shared between LIBRAIRIE ARMAND COLINS SA, Paris (see No 320) - 40% - G.B. VAM GOOR ZONEN'S UMNV, The Hague (20%) and DESCLEEDE BROUWER, EDITEURS SA, Brussels (see No 319) - 20%.

The third company CIE INTERNATIONALE D'EDITION & DE LIVRAISON-CIEL SA (capital Bf 9 millions) has president M.J. Thierry and managing director M. M. Brebart (who holds 20% and represents the company publishing the newspaper "La Derniere Heure" which is directed by M. Brebart). Its secretary-general is M. R. de Blieck who represents the majority shareholders Cie d'Outremer, Banque Lambert and several of their subsidiaries (SOGES SA, Brussels, BANQUE EUROPEENNE DE LUXEMBOURG SA and INTEROCEAN SA, Brussels). It has been formed to sell illustrated colour magazines on the continental market and to adapt them to international taste. These magazines will be similar to the supplements sold with daily newspapers in the United States and with the "Observer", the "Daily Telegraph" and the "Sunday Times". These magazines are distributed free with the newspapers whilst part of the takings for the newspapers are apportioned to them. Several moves similar to the one being made by Banque Lambert with CIEL are going to be made abroad starting in the Netherlands and France where negotiations are already under way.

** GROLIER INTERNATIONAL INC, New York (publishing) and its subsidiary THE RICHARDS CO INC are stepping up their West German sales drive in educational books. This recently led to the formation of RICHARDS GmbH, Munich (see No 344), to which they are now going to add GROLIER HANDELS GmbH, Frankfurt (capital DM 40,000; manager Mr J.A. Brown). In Europe the group already has subsidiaries in Milan: GROLIER INTERNATIONAL (ITALY) Srl (see No 297) and in Brussels: GROLIER INTERNATIONAL (BELGIUM) SA (see No 332).

TEXTILES

** MM. Curt, H. Braun, Gunther and W. Spiesshofer, four directors of the international corset group headed by TRIUMPH INTERNATIONAL AG, Munich (see No 343) have formed a joint stock company in Switzerland, SPIESSHOFER & BRAUN, Zurzach. This is on the premises of the associate firms TRIUMPH INTERTRADE AG, TRIUMPH INTERNATIONAL SPEISSHOFER & BRAUN and TRIUMPH INTERNATIONAL VERTRIEBSGES AG. In Switzerland the group also controls TRIUMPH AG, Zurich, TRIUMPH TEXTIL AG, Berne and TRIUMPH UNIVERSA GmbH, Berne.

** COTONIFICIO CANTONI, Milan (president Sig M.G. Soldini), one of the oldest cotton-spinning and weaving firms in Italy, is taking over three Milan investment companies, each with a capital of lire 100 million: EUFIN SpA, EUTEX SpA, and EUPART SpA.

The Milan group (capital lire 8,400 million) has three spinning plants: at Castellanza, Varese; Bellano, Como; and Cordenone, Udine, and four weaving plants: one at Castellanza and three near Milan (Olmina, Legnano and Canegrate). It controls the textile companies STAMPERIA & TINTORIA FRATELLI TRONCONI SpA, Busto Arsizio; TESSITURA DI ROVERETO SpA, Rovereto; ROVERTEX SpA, Rovereto; PEPLOS-NUOVE LAVORAZIONNI TESSILI SpA, Busto Arsizio and has a large interest in TEXTILOSES & TEXTILES SpA. The group also has large property interests managed by several subsidiaries including LA MILANO CENTRALE SpA, INIZIATIVA EDILIZIA SpA and ROMA-ISTITUTO IMMOBILIARE ITALIANO (all in Milan).

** The Dutch textiles firm TER HORST & CO NV, Rijsen which employs about 1,200 people in the manufacture of jute thread for the carpet and linoleum industry has added an almost wholly-owned subsidiary to its interests in Belgium. The new firm TER HORST & CO BELGIE NV, Lokeren (capital Bf 15 millions) is designed mainly for marketing, but will also be equipped to produce the parent company's products.

TRANSPORT

** The transport firm NV WED J. VAN CASTEREN & ZONEN, INTERNATIONAL EXPEDITIE, MEUBELTRANSPORT & VEEMBEDRIJF, Tilburg, Netherlands, the Liechenstein company TRADESHIP ESTABLISHMENT, Vaduz and the Dutch forwarding agent E.R. Flinzer are the joint founders of NV AEROTRACO INTERNATIONAL EXPEDITIEBEDRIJF, Amsterdam. The new company (capital Fl 100,000) will transport all types of goods.

VARIOUS

** SERAI - STE D'ETUDES, DE RECHECHE & D'APPLICATIONS POUR L'INDUSTRIE, Uccle, Brussels (see No 328), which undertakes research programmes in chemistry and physics is merging with two other firms. These are CEGOS - COMMISSION GENERALE D'ORGANISATION SCIENTIFIQUE, Neuilly, Hauts de Seine and IDET-INSTITUT POUR LE DEVELOPPEMENT ECONOMIQUE & TECHNIQUE SA, Neuilly, and these will form CEGOSERAI-INSTITUT POUR LA RECHERCHE SCIENTIFIQUE & TECHNIQUE at Neuilly, (capital Ff 50,000). SERAI was formed in 1958 by, amongst others, COCKERLL-OUGREE SA Seraing; BRUFINA SA, Brussels; COFINIDUS SA, Brussels; MINIERE & METALLURGIQUE DE RODANGE, Rodange, Luxembourg, CEGOS and IDET are the two main shareholders in CEGOS BENELUX SA, Brussels (capital Bf 700,000 formerly SOE CEGOS NV). SERAI already controls the Belgian firm COMASCI-STE COMMERCIALE D'APPLICATIONS SCIENTIFIQUES SC, Uccle, whose capital was increased to Bf 5 million in November 1965. Last October COMASCI and SERAI formed FAVASCI-STE POUR LA FABRICATION ET LA VENTE D'APPAREILS SCIENTIFIQUES, Uccle, which is also linked with BETI-BUREAU D'ETUDES TECHNIQUES & INDUSTRIELLES SA, Brussels.

** Mr N. Woodman of Los Angeles, California is the manager of LANCASTER BOAT GmbH which was recently formed in Frankfurt (capital DM 20,000) to sell pleasure boats.

** LAURENT BOUILLET SA, Rueil, Seine et Oise, (formerly at Nice, Alpes Maritime) and the Hamburg firm SELBSTTAETIGE FEURLOESCHANLAGEN GmbH & CO have formed a joint subsidiary PROTER-FEU Sarl, Rueil (capital Ff 150,000) to assemble and sell their products under the direction of M. A. Le Chevalier. The French group is a contractor and maker of builders' materials (locks, plumbing, central heating, sanitation etc), whilst Selbsttätige makes fire-resistant materials and automatic fire-fighting appliances.

** MELINDA FINANZ ANSTALT, Vaduz, Liechtenstein, (see No 290) overseas holding company of the group INDESIT -INDUSTRIA ELETTRODOMESTICI ITALIANA SA, Orbassano, Turin holds 50% in the newly-formed company HISPANO INDESIT, Barcelona (capital Ptas 2 million). The new company will market the group's electrical appliances (refrigerators, washing machines etc) in Spain.

Although it has arrived in the Spanish market after its rivals IGNIS-IGNIS IBERICA SA, Barcelona-and ZANUSSI, represented by its licensee and distributor-IBELSA SA, Madrid, INDESIT (capital Lire 6 billion) has numerous representatives and agents abroad. These are normally linked with it through MELISA FINANZ ANSTALT; in Paris INDESIT FRANCE SA (capital recently increased to Ff 1 million); INDESIT SA, Geneva; BERKOOPMIJ VOOR INDESIT PRODUKTEN NEDERLAND NV, Amsterdam etc. In Italy its sales side is run by a Turin finance company FINEL SpA, owned 25-75 with KARIB AG, Chur, Switzerland.

** SEPAL Sarl, Paris (publishing) and INTER AFHA HOLDING SA, Zurich (capital Sf 100,000) have formed a company 50-50 in Paris, AFHA FRANCE SA. This firm (capital Ff 200,000), which is to handle correspondence courses, has two token shareholders, S. J.M. Llovet, Barcelona and Sig P. Luccini, Milan.

** The Mexican film export company CIMEX- CINEMATOGRAFICA MEXICANA EXPORTADORA has increased its interest in the Paris film distributing company CIMEX FRANCE, Sarl from 70 to 79% by increasing the latter's capital to Ff 50,000. As a result of this M. T. Urbiztondo and M.M. Durand now control 16% and 5% respectively.