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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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CONTENTS

November 11, 1965 No. 330

PUBLISHED BY **THE TIMES PUBLISHING CO. LTD.**

Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

PUBLISHED ON BEHALF OF OPERA MUNDI BY THE TIMES PUBLISHING CO. LTD.
PRINTING HOUSE SQUARE LONDON E.C.4 *TEL: Central 2000*

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e
TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

PUBLISHER & EDITOR . . **PAUL WINKLER**
EXECUTIVE EDITOR . . **CHARLES RONSAC**
EDITOR IN CHIEF . . . . **ANDRE GIRAUD**

SWITZERLAND

54 Rue Vermont GENEVA
TEL: 33 7693

ITALY

72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX

4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

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U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS

U.S.A. AND CANADA $250 ONE YEAR $135 SIX MONTHS INCLUDING AIRMAIL

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Printed and Published by THE TIMES PUBLISHING COMPANY LTD., at Printing House Square, in the Parish of St. Andrew-by-the-Wardrobe with St. Ann, Blackfriars, in the City of London, E.C.4, England.

THE WEEK IN THE COMMUNITY
November 1 - 7, 1965
From our Correspondents in Brussels and Luxembourg

Life with De Gaulle

The General's decision to run for president again caused no more surprise in Brussels than elsewhere. The few allusions which he made in his speech to European and international problems were too vague and too predictable to arouse much comment. Neither is there any interest in the result of the election, which it is taken for granted he will win. With the possible exception of M. Debre, no other candidate for the French presidency would have been likely to make many changes in the General's European policy anyway, and all the questions arising from the French walk-out on June 30 and its real purpose remain unanswered. The Community knows now that it will have to try and live with De Gaulle but it is still wondering just what that means.

His speech of November 4 gave no direct indication. Speaking of "the union of Western Europe", he expressed the wish that "it should organize itself in a fair and and reasonable way", which in itself is nothing to worry about. He also hoped "that France would remain in it herself", which seems only natural, and "that our continent may reach agreement as quickly as possible to go forward together towards peace and progress", which sounds like another way of dressing up the old dream of Europe" stretching from the Atlantic to the Urals". His remark can, however, be read a good deal less comfortably: fairness and reason sometimes tend to be subjective concepts. The General might wish to demote the European Community to a vague organization for economic co-operation, in order that France should not lose her identity. Again, would a "greater Europe" in the near future be compatible with the Atlantic alliance? Some pessimists have noted gloomily that one of the warmest welcomes for De Gaulle's decision seems to have come from the Soviet Union.

When plain statements are lacking, attitudes become significant. One of these which is causing speculation is the French decision to wait until December 5, at the earliest, to take up talks with the other Five again. If the French had responded immediately to the invitation of October 26 (see No. 329, p.7), they would probably have been able to chalk up by polling day an agreement on agriculture which would have served their national interests well. They might also have gained some political points; in that way, the French farmers' bad temper would have evaporated and a good many other voters would have been inclined to recognize the advantages of having "a strong government". General de Gaulle may be unwilling to stand as "a candidate like the others" (although his speech on November 4 was not free of electioneering), but is his own psychology sufficient explanation of the delay?

There might be other reasons which have moved the General to run the risk of losing many thousands, or perhaps even millions, of farmers' votes on December 5. One of these reasons might be that the crisis in the Community is one means by which France can carry on her much wider campaign for independence of USA: by threatening her partners with bringing the Common Market to an end, or at any rate with condemning it to a long "freeze", she might try to get her partners to fall into line beside her. Perhaps what the French really want before they will agree on reconciliation is this alignment, rather than satisfaction of their demands about the Commission's power or majority voting in the Council (see No. 325 p.5); besides, the General must know that he has no chance of getting serious concessions on either of those subjects.

Independence of the Americans is a well known objective of Gaullist diplomacy, and the dispute over the agricultural finance regulation has perhaps obscured further argument over political union between the Six; three years ago discussions on union ran into trouble, as much because of the wide range of choice which it offered as because of its constitution. Obsession with the Americans might cause a far more serious crisis than the one which the Community is facing now, and which is becoming more acute with each month, for Paris will not be able to go on flouting her partners indefinitely. Faced with the need to choose between a Gaullist verison of the European Community on one hand and the United States on the other, West Germany would not hesitate for an instant to grasp the powerful hand of the USA.

Those who are watching the French attitude (including some who hold important political positions) point out that West Germany has undergone a profound sociological change: a larger and larger proportion of its population is too young to feel any responsibility for the Hitler regime, and the period of rehabilitation under Adenauer has ended. German opinion is increasingly impatient of being what Herr Willy Brandt has called "a political dwarf in the skin of an economic giant". It is particularly sensitive to rumours that General de Gaulle would like to keep Germany a second-class power indefinitely, strictly denied nuclear weapons. In short, Herr Schröder, the German Foreign Minister, should not be expected to lean over backwards to satisfy French claims in Europe. The Benelux countries and Italy, too, realize that unless the Rome Treaty is revised, there is very little scope for manoeuvre in reaching an agreement with France. The fact is that the Five refuse to revise the Treaty, and at the Ostend meeting last week the Christian Democrat group in the European Parliament (the representatives of the government majority in all these countries) asked them to stick to their guns. On November 3 M. Spaak made a speech on Belgian television in which he contemplated the possibility that the Five might carry on the Community without France "if there is no way of finding a reasonable compromise" or "if France for some extraordinary and unhappy reason were to withdraw". M. Spaak went on to say that it would be "a desperate remedy" and that the Five would probably seek other partners. Such remarks are significant when they come from the lips of "the number one conciliator" and a member of the government of Belgium, which is generally considered to be the country which would get the sharpest shock if France left the Community.

The optimists say that nothing irrevocable has been said and that General de Gaulle is a realist; he would not use his prestige, enhanced as it has been and may be by the loyalty of his countrymen, to unmake the Community. In the first place, his remaining in power will prevent France from experiencing a period of instability, which would certainly have been the result of his departure at the moment. Again, he has always had a preference, when he found that resistance was determined, for going round it rather than launching a frontal attack. Several of his ministers, including the most influential, would not be at all in favour of wrecking the Common Market, so much may depend on the attitude which the Five adopt in the first few months after the General's re-election.

De Gaulle cannot fail to realize that it is not only the Five who are attached to the Common Market: the French economy depends heavily on it, especially French agriculture. On the last point, great interest has been shown in the "white paper" which the French agricultural organizations have combined to endorse: the farmers are asking "insistently" that talks with the Five should be resumed "without any condition contrary to the Rome Treaty", which France has signed and "cannot repudiate". The farming organizations do not limit themselves to the purely economic aspects, and what they say may be summed up as follows: "It is not only the European economy which is at stake in the present crisis, but Europe's political future as well". In support of the "supra-national" point of view, they add: "The achievement of the Common Market requires that eventually a politically united Europe should be set up, as this remains the ambition of the peoples of Europe". Nobody can say that the French farmers are taking merely a breeches pocket view of the crisis, and if they maintain their attitude on December 5, their vote may influence the General considerably in his eventual discussions with the Five.

* * *

Cut and Thrust in the "Orange War"

Is Italy too, about to embark on an "empty chair" policy? She would have every right to do so since the Agricultural Management Committee for "Fruit and Vegetables" has rejected the Commission's proposals on the reference price (the protected Common Market prices) for organes (see No. 324 p. 11). These proposals were in keeping with the undertakings made unanimously by the Six on the occasion of the famous "package deal" of December 15, 1964 (see No. 283 p.6). Italy then obtained protection for her citrus fruits by a system similar to that of the agricultural levies and the method for calculating reference prices was clearly laid down. The only way the Commission could satisfy angry consumers inside the Common Market and producers outside it was to juggle with the different qualities of oranges. However this concession, which the Italian delegation found over-generous, was considered paltry by the other Five (France included), who rejected the Commission's proposals.

Italy pointed out - and was legally entitled to do so - that her demands were based on a regulation approved by the Council of Ministers and that this approval was itself based on the wish of all Six member-countries to maintain the balance of the common agricultural policy. Italy asked how confidence could be maintained if prior agreements were to be questioned in this way by her partners, including France, which is making such a song and dance about the Five's failure to observe the agricultural finance regulation. The Five (no longer the same - now Italy is the odd one out) replied that in the case of citrus fruits, strict application of the ruling on fruit and vegetables would have erratic consequences; that without giving any better guarantee of protection to Italian producers, it would damage consumers' interests by causing a considerable increase in prices, and that it would also discriminate unfairly against "foreign" producers (Spain has just sent another note to the Commission, saying that the Common Market is endangering its "moral authority" in the "orange war"). As a matter of fact Italian oranges form a very small proportion of the Community's consumption.

So, in order to protect Italy's producers without raising prices the "New Five" have now suggested a system of direct aid to Italian producers similar to the British system of "deficiency payments", which caused such a stir during the negotiations for Britain's entry into the Common Market and which nobody would hear of last December, for all the Commission's suggestions. From an economic point of view this is the obvious solution, but it would involve a rather ridiculous change of attitude. What can the Commission do? Put forward a fresh plan to the Management Committee? Given the stipulations of the Regulation on Fruit and Vegetables, nothing much can be altered. Should it stick to its first proposals to the Council of Ministers? Then, unless the Council re-acts within thirty days, the proposals will automatically come into force, but the Commission obviously does not want to take advantage of the situation caused by the French "empty chair".

The orange problem ought really to be completely re-considered. But a new investigation can only be set on foot by the Six. The worst of this "orange war" is that it must be settled quickly, since the winter months are the main selling season, so things cannot just drift peacefully until France decides to return to Brussels. If no reference price is fixed, Italy will suffer and could report to the Court of Justice this legally serious failure to comply with undertakings. If on the other hand a reference price is fixed according to the ruling of December 1964, it will harm Italy's five partners. The moral of the story is that everyone's interests can only be protected by working the Common Market's machinery properly; which by Reductio ad Absurdum, proves the usefulness of the European Community.

* * *

The Five Take Kindly to EFTA's Advances

With the French government still refusing to have anything to do with the Common Market Commission, the quarterly meeting of the Council of Ministers of West European Union on November 4 was shorn of the economic exchange of views in which Prof. Hallstein and some of his colleagues usually take part (Paris had indicated that

that the French representative M. Deloncle would not attend if the Commission were present at the debates). Nevertheless Mr. Michael Stewart, the British Foreign Secretary, outlined the approach which the EFTA Council made to the Common Market after the recent meeting at Copenhagen. He emphasized that EFTA was prepared to open "constructive negotiations" with the Six on a number of practical subjects; that this would not prejudice, in the case of Britain, the possibility of wider co-operation with the Common Market, and that the EFTA countries had no wish to meddle in the Common Market crisis. EFTA made its approach through the usual diplomatic channels so that the Six need not make an immediate response.

Although M. Deloncle, faithful to his instructions not to discuss European integration at the moment, abstained from replying to Mr. Stewart, the Five gave him a favourable reception. They agreed that EFTA's approach was a definite step in the right direction, which should be carefully studied, and they also wanted regular and fruitful discussions between the two European groups.

* * *

ECSC

Steel Protection in 1966

Senior government officials of the Six met at Luxembourg on November 3 to consider the measures to protect steel which the High Authority took at the end of 1963 and the beginning of 1964 (see No 246, p.5). Some of the measures are due to expire on December 31, 1965; to extend them needs agreement between the High Authority on the one hand and the governments of the member countries or the Special Council of Ministers on the other.

The first question is the importation of iron and steel from the state-trading countries. The Six agreed to free these imports; that is, to consider the steel products import quota figures stated in the bilateral trade agreements with the Eastern European countries as being maximum figures. Subject to special exceptions, the agreement has been scrupulously observed. Last year, neither the quotas nor the special quantities allowed were fully taken up, so there was a noticeable fall in the volume of steel imports from the state-trading countries.

These imports had, however, a harmful influence on prices and the High Authority prohibited the sale of steel at prices aligned on those offered by the state-trading countries. This prohibition was made in accordance with Article 95, 1 of the Paris Treaty, which requires that it should be referred to the Consultative Committee and that unanimous agreement of the Council of Ministers should be obtained. It remains in force until December 31, 1965 and probably both forms of protection will be extended beyond January 1, 1966, for there has been no fundamental change in the situation which brought them into being. Today, as two years ago, the steel imports in question (that is to say, imports whose price is not based upon the laws of a free market) may cause serious difficulties in the common market for steel both on quality and price. Freeing imports from quantitative control and prohibiting price alignments cannot be separated one from the other: the latter alone would mean depriving the Community's producers of the chance to compete in their own market with East European exporters. Some limit on the quantity of steel imported from the East must therefore be imposed, and it is almost a foregone conclusion that both of the measures mentioned will be extended in their entirety.

The Council will probably take the necessary action by using the written procedure, so that if France is absent, no difficulty will arise. Last year the High Authority also strengthened the general tariff protection of the common steel market by issuingRecommendations Nos 1 & 2/64.

The purpose of Recommendation No 1/64 was to unify the common steel market's external tariffs at the level of the Italian duty (about 9% on average). Such unification foreshadows the setting up of a Common External Tariff for steel, similar to the Common Market's. The High Authority will certainly not revoke this "recommendation" (no time limit was fixed), for the Community has arranged to enter the Kennedy Round negotiations at GATT with a negotiating tariff appreciably higher than that at present in force (as a result of Recommendation No 1/64). No special action is needed to achieve this, and the measure will be taken as read in the talks which began on November 3.

Recommendation No 2/64 is a very different matter. It applies a special duty of seven dollars a ton on cast iron imported from countries outside the Community and is an exceptional safeguard in the terms of Article XIX of GATT. It expires on December 31 this year: its extension beyond that would require a special resolution and approval by the other members of GATT.

In 1964, the special protection granted to producers of cast iron in the Community became an absolute necessity. The High Authority only applied it on the condition that the ironmasters should rationalize and modernize and thus become competitive within the Community Market. While this operation is still in progress and competition from low-price imports remains strong, adapting the cast iron industry to new world market conditions is a lengthy business. But to drop the seven dollars a ton special duty would put everything accomplished up to now in jeopardy. Returning to a common market completely open to the rest of the world would have disastrous consequences for many ECSC cast iron manufacturers, and nobody in the High Authority seems to be seriously considering such a step. If repercussions in GATT are strong, the High Authority may revise the text of Recommendation No 2/64 either by allowing more exceptions than at present, or by reducing the rate of special duty, or by introducing a plan for graded reductions.

* * *

Plans for a Third Steel Congress

The conference on steel processing held last month at Luxembourg was a great success (see No 328 p 14). More than 1,200 delegates from 40 countries took part. The discussions should greatly benefit and strengthen the steel industry of the Community.

In his winding up speech President Del Bo said that if Europe wanted to continue in the path of political cooperation, it must again become a leader in the scientific and technical research which is essential to keeping industry competitive and expanding. He emphasized that organizing conferences such as those on steel was one of the tasks which the Treaty lays on the HighAuthority, which far from being discouraged by the present crisis in the Common Market, was determined to put the Treaty of Rome into effect, both in the spirit and the letter. It was essential for the economic integration and political unification of Europe that the Executives should persevere in their efforts.

The next congress will also be held at Luxembourg, which bids fair to become the European steel capital. The theme is likely to be the use of steel in the expanding industries, such as chemicals and petrochemicals.

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 There are no pages 11 and 12 in this issue.

considerable investment and makes it very difficult, if not impossible, to locate production rationally. There is also the possibility that such investment may prove to be ill-considered, if the tariff gulf between the Common Market and EFTA disappears.

It is interesting to note the growth of co-operation between companies affected by tariff discrimination, both in manufacturing and in sales; it includes the exchange of information and actual association, and also agreements on advertising, purchasing and sales. Association is playing an increasingly important part in the textile industry, either at national or international level, but always with the intention of closer co-operation, especially in the design of high quality cloths, publicity and distribution; it has shown that it can overcome, or at least diminish, the difficulties caused by tariff discrimination.

The efforts already made to adjust to the present tariff situation shows how keen business men are to maintain trade between Switzerland and West Germany, and if possible to increase it. There is a certain optimism on this score, because these traditional ties are very strong and have developed through personal contact, enthusiasm and mutual confidence; otherwise there would be no optimism.

The changes in the trade figures (caused mainly by the splitting of Europe into two economic blocs) can be appreciated from the following tables.

EXTERNAL TRADE FIGURES FOR THE SIX

Table A

	thousand million DM		%
	1959	1964	increase
Trade within the Common Market	64.8	145.6	24.7
Trade with the EFTA countries	37.2	61.6	65.6
Trade with other countries	120.4	204.0	69.4
Imports from the EFTA countries	15.6	26.4	69.2
Exports to the EFTA countries	21.6	35.2	62.9

Table A shows that trade between the Six has developed appreciably quicker than trade with other countries, particularly those in EFTA.

Table B EXTERNAL TRADE OF THE EFTA COUNTRIES

Thousand million DM

	1959	1964	%
Trade within the EFTA countries	28.4	50.8	78.8
Trade with the Common Market	39.6	65.2	64.6
Trade with other countries	125.6	176.8	40.8
Imports from the Common Market countries	23.2	38.0	63.8
Exports to the Common Market countries	16.4	27.2	65.9

Table B Shows that trade between the EFTA countries has developed more quickly than their trade either with the Common Market countries or with other countries, but the increase is not so marked as in the case of the Common Market countries.

Tables A and B show that both trading blocs are tending to shut themselves off from the world outside: the Common Market countries more than EFTA.

Table C

SWITZERLAND'S EXTERNAL TRADE

	Imports		Exports	
	1959	1964	1959	1964
1. Value in thousand million DM:				
Total	7.5	14.1	6.6	10.0
Common Market	4.5	8.7	2.6	4.2
EFTA (*)	1.0	2.1	1.1	2.0
West Germany	2.1	4.3	1.1	1.7
2. Percentages				
Total	100	100	100	100
Common Market	60	62	40	40
EFTA (*)	13	15	16	22
West Germany	28	30	19	16
3. Rate of growth				
Total	88%		57%	
Common Market	97%		59%	
EFTA (*)	118%		87%	
West Germany	104%		50%	

(*) including Finland

Table C shows that the rate of growth of Swiss imports from the EFTA countries is distinctly higher than that for imports from the Common Market countries, but the latter's volume is still four times as large. While imports from Western Germany have grown more rapidly than those from the Common Market as a whole, the handicap which West German exporters must overcome inmaintaining trade with Switzerland remains considerable, compared with the EFTA countries.

Swiss exports to West Germany have fallen by 3% compared with exports to the Common Market countries as a whole, which have remained steady. On the other hand, West German exports to the EFTA countries show an increase of 6% for the period. The general picture is that while West German exports to Switzerland have not been noticeably affected, Swiss exports to Germany have become increasingly difficult

Table D

WEST GERMAN'S EXTERNAL TRADE

	Imports		Exports	
	1959	1964	1959	1964
1 Value in thousand million DM				
Total	35.8	58.8	41.2	64.9
Common Market	10.3	20.4	11.4	23.6
EFTA	7.4	10.7	11.1	17.7
Switzerland	1.4	1.8	2.4	4.6
2 Percentages				
Total	100	100	100	100
Common Market	29.5	34.7	27.6	36.3
EFTA	20.6	18.2	26.9	27.2
Switzerland	3.9	3.0	5.9	7.1
3 Rate of growth				
Total	64.2%		57.5%	
Common Market	98%		107%	
EFTA	44.6%		59.5%	
Switzerland	28.5%		91.6%	

Table D shows that Germany has switched orders towards the Common Market and away from EFTA, especially Switzerland. On the other hand, West German exports to Switzerland have remained more or less the same, while the Common Market's share and its rate of growth have both substantially increased.

(mining equipment etc) merge to form MECANIQUE MODERNE, Pas de Calais. Two French boiler-makers "PROCEDES BROLA", Le Pre, St Gervais, Seine and BOUELLAT, Paris join their technical and sales organizations. The Danish firm NIRO ATOMIZER doubles capital of its French subsidiary. BNCI backs the formation of STE D'ETUDES & DE PROSPECTION DE MARCHES, Paris (financial and industrial projects). AMSTERDAMSE MACHINE-& APPARATEFABRIEK, Alkmaar forms Paris subsidiary. MECANIQUE RBV, Paris takes over EUROMECA, Vitry, Seine (foundry etc). HEURTEY, Paris to manufacture equipment for food processing etc. under licence from PENNSALT CHEMICALS, Pennsylvania. Germany: HUETTEN- & BERGWERKE RHEINHAUSEN, Rheinhausen (Krupp group) increases capital after taking over its 75.4% Bochum subsidiary. Italy: The Zurich group OERLIKON, BUEHRLE winds up two Italian associates. Netherlands: VAN DER HORST, Zwelle forms Dutch subsidiary with two British chrome-plating and piston-repair firms LOCKWOOD & CARLISLE, Sheffield and TORDAY, North Shields. Rotterdam subsidiary of the US group CHICAGO BRIDGE & IRON forms HORTON, NV, the Hague (engineering).

K FINANCE

France: PRICEL, Paris takes over TEXTIL, Paris and its indirect subsidiary GELIOT, Paris (cotton textiles). The merchant bank UNION BANCAIRE & INDUSTRIELLE (SAPE), Paris and the deposit bank EDILITE CREDIT, Paris (both PONT-A-MOUSSON group) merge to form new merchant bank. Como banking subsidiary of CHATILLON, Milan (EDISON, Milan group) will absorb three property companies. CREDITO LOMBARDO, Milan takes over BANCA MASSONE, Genoa. Switzerland: BANK FOR INVESTMENT & FINANCE CORP, Zurich (DOW CHEMICAL, Michigan group) changes name to DOW BANK AG.

L FOOD & DRINK

France: Eight French food firms have 12.5% each in new Paris firm SINTEC. SOPAD, Courbevoie, Seine (NESTLE group) forms property subsidiary SADEG, St Ouen, Seine. Two French business-women and a Norwegian associate form Paris frozen food firm GROUPEMENT DU SURGELE. The German cheese-maker THOMAS NIEDERREUTHER, Frankfurt forms Paris sales subsidiary NIDECO. Italy: THE Dutch dairy products firm NUTRICIA backs formation of Milan subsidiary. Netherlands: Two poultry subsidiaries of the holding company "EPU"- EUROPESE PLUIMVEE UNIE form subsidiary SILOMATIC NV.

M INSURANCE

France: Paris subsidiary of PREVOYANCE & PROSPERITE, Mons, Belgium is compulsorily liquidated.

M	OIL, GAS & PETRO-CHEMICALS	Belgium: STANDARD OIL CO OF NEW JERSEY and BATAAFSE PETROLEUM take minority share in DISTRIGAZ, Brussels, former subsidiary of IMPERIAL CONTINENTAL GAS ASSOCIATION, London. France: GRANDS TRAVAUX DE MARSEILLE and ENTREPOSE, Paris form pipe-laying subsidiary ENTREPOSE GTM, Paris.
N	PAPER & PACKAGING	Belgium: FINNCELL HELSINKI and SIVERS & NEAME, Belgium form joint sales and promotion subsidiary FINNCELL NV, Ixelles, Brussels.
N	PHARMACEUTICALS	Italy: The London pharmaceutical group SMITH & NEPHEW forms WALLACE CAMERON (ITALIA), Milan to import medical and hygienic goods. The American group SHULTON (cosmetics, toiletries etc) forms Milan subsidiary.
O	PLASTICS	Belgium: The American group UNION CARBIDE joins UCB, Brussels in plastics subsidiary EVIPAK, St-Gilles, Brussels. Germany: The German plastics processing firm ALKOR-WERK KARL DISSMANN joins Swedish interests in backing plastic lining company ALKOR VULCAN, Munich.
O	RUBBER	Germany: ALLIANCE TYRE & RUBBER, Hadera, Israel forms Cologne subsidiary.
O	TEXTILES	Germany: The Augsburg spinning firm AUGSBURGER KAMMGARNSPINNEREI now has 100% in BOHRINGER & REUSS, Winterlingen (artificial thread). LEJABY, Bellegarde, Ain (ladies underwear) forms Cologne subsidiary.
P	VARIOUS	France: ANCIENNE MAISON ARTHUR CERF, Brussels has 81.25% in new timber-yard JEAN VAN MINDEN, Paris. Germany: BOOZ, ALLEN & HAMILTON, Chicago (management and industrial consultants) closes Zurich agency and forms Düsseldorf subsidiary. SILLY PUTTY INTERNATIONAL, Frankfurt will sell American toys under the brand name "Silly Putty" in Germany. Italy: The Zurich management consultants WEGENSTEIN MANAGEMENT winds up its Florence subsidiary.

ADVERTISING

Mr. Hubert A.W. Oughton, Sutton, Surrey has been appointed president of CRAWFORD ITALIANA SpA (see No. 282), which has now been set up in Milan by the London advertising agency and market research firm W.S. CRAWFORD LTD. The London firm owns nearly all the lire 1 million capital of the Milan firm, which will be directed by Mr. Norman R.B. Paine.

The New York agency GREY ADVERTISING INC, (see No. 282) has formed INTERNATIONAL PARTNERS SA in Brussels, to co-ordinate its world-widebusiness. Besides the American company, the first shareholders include several of its associates: DORLAND & GRAY SA, Brussels and Amsterdam, GRAMM GREY & INTERNATIONAL PARTNERS GmbH, Düsseldorf (formerly WERBE GRAMM), MILANO & GREY SpA, Milan (formerly MILANO PUBLICITA SpA), DORLAND & GREY SA, Paris, RASCO GREY SA, Madrid (formerly EMPRESA DE PUBLICIDAD RASGO), GREY DAIKO ADVERTISING LTD, Tokyo, C. HOBSON & GREY LTD, London, GREY ADVERTISING LTD, Montreal, BRUCE & GREY PTY, Melbourne, KITTAY GREY ADVERTISING CA, Caracas (formerly PUBLICIDAD CONCURSOS CA).

The New York group includes among its clients some of the largest firms in the USA, H.J. HEINZ CO, REVLON INC, THE MENNEN CO, PROCTER & GAMBLE CO, RADIO CORP OF AMERICA, P. LORILLARD CO, GREYHOUND LINES, BRISTOL MYERS CO, WESTINGHOUSE ELECTRIC CORP, KNORMARK INC, TIDEWATER OIL CO, HAMILTON WATCH CO, IDEAL TOY CORP, R.H. MACY & CO etc. It recently followed the example of four other advertising agencies (PAPERT, KOENIG, LOIS INC in 1962, FOOTE, CONE & BELDING INC in 1963, DOYLE DANE BERNBACH in 1964, GRANT ADVERTISING INTERNATIONAL INC in May this year, in placing its shares on the stock exchange. It is owned 48% by its founders and among others by Mr. Arthur C. Fatt, chairman, Mr. A. Valenstein, Mr. H.D. Strauss and Mr. A.L. Hollender.

The Munich advertising agency BUSSKAMP & KOCH GmbH & Co KG has joined local firms to extend its business into Austria and Switzerland, where it has arranged for BUSSKAMP & KOCH, SCHLEICHELBAUER GmbH to be formed in Vienna, and BUSSKAMP & KOCH, DR RUPERTI AG (in which its partner is WERBEAGENTUR RUBERTI) in Zurich.

The agreement reached in Paris between AGENCE HAVAS SA (see No. 325) and PUBLICIS SA (see No. 324) to finance PUBLICITE INTER-PLANS SA (capital Ff 650,000 - president M. Robert Maury) has resulted in setting up STE IMMOBILIERE DU PONT DE NEUILLY SA, Neuilly, Seine. The new company (capital Ff 151,000 divided equally between HAVAS, PUBLICIS and M. Maury) will itself form an advertising company (the same shareholders in the same proportions) at the end of 1965; the name of this company will be INTER-PLANS SA.

With M. Maury as president, the company will take over the assets of PUBLICITE INTER-PLANS; of PROMOTEC SA, Paris, a management consultancy firm controlled by PUBLICIS, and of DAMOUR-PUBLICITE SA, Paris, 50.38% of whose capital (Ff 600,000) is held directly by HAVAS, with another 5% held by AVENIR PUBLICITE SA, Paris (a 63.64% subsidiary of Havas).

AIRCRAFT & SPACE

SNECMA - STE NATIONALE D'ETUDES & DE CONSTRUCTION DE MOTEURS D'AVION, Paris is already associated with BRISTOL-SIDDELEY ENGINES, London (owned 50-50 by BRISTOL AEROPLANE CO LTD and HAWKER SIDDELEY GROUP LTD - see No. 324) in the manufacture of "Olympus 593" jet engines which will power the supersonic France-British airliner "Concord" (see No. 293) as well as in a new jet engine of the "M 45" family (used in the VFW 614 short-haul transport aircraft made by VER. FLUGTECHNISCHE WERKE-V.F.M. GmbH, Bremen - formerly WESER FLUGZEUGBAU-FOCKE-WULF - see No. 281). The Paris company will now collaborate with the same group in the design and construction of double-flow jet engines of advanced design, intended to form the power units of a very large medium-haul transport aircraft of the "aerobus" type.

Also taking part in this joint undertaking will be PRATT & WHITNEY AIRCRAFT of the group UNITED AIRCRAFT CORP, East Hartford, Connecticut (see No. 281) which is a minority shareholder in SNECMA. The French company is licensed by the "Federal Aviation Agency" to overhaul "JT" jet engines installed in the Boeing 727 and 737, DOUGLAS "DC 9" and Sud Aviation Super-Caravelle aircraft, and is linked with United Aircraft in the development of jet engines for the "Mirage III-V", vertical take-off aircraft made by G.A.M.D DASSAULT (see No. 310).

AUTOMOBILES

CHRYSLER NV, Antwerp, a subsidiary of the group CHRYSLER CORP, Detroit (see No. 323), will take over the sales in Belgium and Luxembourg of the whole range of vehicles made by ROOTES (BELGIQUE) SA, Brussels (subsidiary of ROOTES MOTOR LTD, London - see No. 311) from 1966 onwards.

Last year, control of the British group passed into the hands of the American group, which acquired 46% of the voting shares and 65% of the non-voting shares. CHRYSLER, also holds 68.9% in SIMCA AUTOMOBILES SA, Paris, and thus has, in the Common Market countries and the rest of the world, an international sales organization, CHRYSLER/ROOTES/SIMCA, with a sales network for each of the three makes of vehicle.

The automobile manufacturer AUTO BIANCHI SpA, Milan (capital lire 6,500 million - chairman Sig. G. Nasi) which is owned equally by FIAT SpA, Turin and PIRELLI SpA, Milan has made a reciprocal sales agreement with BMW - BAYERISCHE MOTOREN WERKE AG, Munich (see No.315), which for several months has been represented in Italy by a completely independent company B.M.W. ITALIA SpA, Sona, Verona (controlled by Mr. A. Fleischmann and Sig. L. Sodi of Milan and Sig. M.A. Paolini of Rome, owner of the PAOLINI firm which has assembled "BMW 700" automobiles for several years - see No. 294).

From next year Auto Bianchi will put its sales organization and plant in Italy at the disposal of the German firm, while its own sales in West Germany will be looked after exclusively by DEUTSCHE FIAT AG, Heilbronn (see No. 303), one of the Turin group's subsidiaries.

BUILDING & CIVIL ENGINEERING

Continuing a co-operation which has existed for several years, the Belgian group BELREF-STE BELGE DES PRODUITS REFRACTAIRES SA, Andenne (president M.S. Lambert, director of STE GENERALE DE BELGIQUE SA, Brussels), has made an agreement with GENERAL REFRACTORIES LTD, Sheffield (see No. 163) which gives it control of USINES BELGES DE LA GENERAL REFRACTORIES SA, Seilles. The last was formed in 1935 (gross capital assets at the end of 1964, Bf 100.48 million) and owns factories near BELREF's Andenne headquarters. The Sheffield group shared control of these with ASSOCIATED SILICAS LTD, Summerbridge, Yorks, PORTHGAIN VILLAGE INDUSTRIES LTD, Sheffield, BRITISH INDUSTRIAL SAND (SCOTLAND) LTD, Glasgow, M. GLOVER & CO LTD, Leeds, THE GLENBOIG UNION FIRECLAY CO LTD, Coatbridge, Lanarkshire and H. ALEXANDER & CO LTD, Leeds.

BELREF was formed by the amalgamation of the Belref company at Andenne (three factories) with the refractory products division of the former UNION CHIMIQUE BELGE-U.C.B., Saint-Ghislain (one factory) and with STE AMAND, Baudour (three factories). Today Belref includes the factory at Naninne, Namur (controlled from Andenne), which manufactures fireclay products for the steel industry, and the factory at St-Ghislain (aluminium, silicone, basics, calorifics and acid-proof products). Its main shareholders are COCKERILL-OUGREE SA, Seraing, U.C.B.-UNION CHIMIQUE SA, Brussels, GLAVERBEL SA, Brussels, METALLURGIE HOBOKEN SA, Brussels, MINES & FONDERIES DE ZINC DE LA VIEILLE MONTAGNE SA, Angleur, FOURS A CHAUX DE LA MEUSE SA, Seilles, CIE DES METAUX D'OVERPELT-LOMMEL, Overpelt, etc.

Mr. Thomas S. Witold, Providence, Rhode Island, representing American interests, holds 50% in a new property company WITLAND Srl (capital lire 100,000) which has been formed at Milan.

CHEMICALS

The detergent, cleaning, cosmetic and food manufacturing group, THE PROCTOR & GAMBLE CO, Cincinnati, Ohio (see No. 269) has strengthened its position in West Germany. Since 1963, it has owned a factory producing "Dosh" washing powder and marketed "Fairy" soap through its subsidiary PROCTOR & GAMBLE GmbH, Frankfurt. Now it has obtained from the industrialist Herr Willi Maurer complete control of REI-WERKE AG, Boppard (see No. 247), which makes high quality cleansing products and has about 60% of the German market. Since 1961 this company has distributed the entire range of the American group's products on the German market (see No. 124).

BIRFIELD (NEDERLAND) TRANSMISSIE NV, Amsterdam (see No. 262) a member of the group BIRFIELD LTD, London (see No. 323), has set up a subsidiary PORCE-MASTER SERVICE (AMSTERDAM) to use the "Porce Master" patents for enamelling and revitrifying baths, toilet equipment, walls etc. In Great Britain these patents are exploited by PORCE-MASTER SERVICE (MIDLANDS), which is controlled by another subsidiary in the group BIRFIELD FILTRATION LTD, Birmingham.

L'AIR LIQUIDE SA, Paris (see No 323) has formed LDA-STE LYONNAISE DE DISTILLATION DE L'AIR SA, Paris (capital Ff 300,000) to run a new factory at Lyons. L'Air Liquide is partnered by OXHYDRIQUE FRANCAISE SA, Paris (capital Ff 5.1 million) in which it became a 57% shareholder when Air Liquide transferred to Oxhydrique its holding in BARDOT & CIE SA, Paris (see No 315).

BASF-BADISCHEN ANILIN-& SODA-FABRIK AG, Ludwigshafen, Rhine (see No 327), the large producer of materials for dies and varnishes, has for a long time cooperated with GLASURIT-WERKE M. WINKELMANN AG. Hamburg-Wandsbek, and is now taking it over entirely.

The Hamburg firm produces varnishes and paint which are sold on the international market under the brands "Glasurit", "Glasso", "Glassomax", "Papagei", "Glassurol", "Glassivol" etc. It belongs to the Winkelmann family. In 1964 its turnover exceeded Dm 180 million, and it is the largest German varnish maker; next come DR KURT HERBERTS & CO VORMALS OTTO LOUIS HERBERTS, Wuppertal (Dm 160 million - see No 250), HERMANN WIEDERHOLD LACKFABRIKEN, Hilden (Dm 150 million - see No 274) and HERBOL-WERKE HERBIG-HAARHAUS AG, Cologne (Dm 95 million - see No 282). Its licences are exploited in several countries and are handled by its Hamburg subsidiary INTERNATIONALE GLASSO GmbH. It also has a British subsidiary GLASURIT (GB) LTD, Slough.

The Dutch fertilizer group ENCK-EERSTE NED COOPERATIEVE KUNSTMESTFABRIEK, Vlaardingen and the trading company CENTRAL RESOURCES CORP, New York, have formed two joint companies: NV ADMINISTRATIEKANTOOR EUROFERT-CRC, Amsterdam (capital Fl 25,000; almost entirely owned by the American partner) and NV ADMINISTRATIEKANTOOR EUROFERT-ENCK, Vlaardingen (capital Fl 5,000; almost entirely owned by the Dutch group). The purpose of these two companies is to take care of their parent companies' shareholdings, especially in their 50-50 subsidiary EUROFERT HOLLAND NV, Vlaardingen (see No 325).

Eurofert will sell the ammonia products to be produced at the factory which ESSO NEDERLAND NV, The Hague is now building at Rotterdam.

WILHELM E.H. BIESTERFELD KG, Hamburg, a wholesaler of chemical products, salts, fertilizers, plastics etc. has formed a sales company in Brussels called W. BIESTERFELD & CO (BELGIUM) NV. This firm is directed by Herr Wolf Wiemar and has a capital of Bf 750,000, which is held by the German firm's Netherlands subsidiary W. BIESTERFELD & CO (NEDERLAND) NV, Alphen a/d Rijn.

Biesterfeld has subsidiaries or sister companies in all the main German cities: Berlin, Stuttgart, Hanover, Kiel, Frankfurt, Munich, Augsburg etc. A few months ago the group formed an investment and management firm BIESTERFELD VERMOEGENS VERWALTUNGS-& BETEILIGUNGS GmbH, Hamburg (capital Dm 20,000).

COSMETICS

CERALES INC, New York, represented by two of its directors, Mr Sam Nass and Mr Stanley Markay, has formed a Paris subsidiary, CELARES FRANCE Sarl (capital Ff 50,000), for the distribution of perfumes, beauty products, lotions, cosmetics etc. The manager is M. Rosenthal.

ENGINEERING & METAL

MECANIQUE RBV SA, Paris, formed in March 1962 under the management of M.A. Lansoy, will increase its capital from Ff 200,000 to Ff 7,017,000 after taking over CIE EUROPEENNE DE MECANIQUE-EUROMECA SA (capital Ff 2,525,000) which is a metal-foundry at Vitry, Seine also involved in laminating, screw-cutting and stamping metals. RBV was originally concerned only with sales and maintenance of machinery.

RBV is part of the group headed by M. Louis Tible of Paris, which also includes STE NOUVELLE DE METALLURGIE UNIVACIER SA, Pantin, Seine (see No. 266) - an equal partner of TEROSON-WERKE GMBH CHEMISCHE FABRIK HEIDELBERG, Heidelberg (see No. 314) in TEROSON ET PROTECTION CHIMIQUE Sarl, Pantin. At the beginning of this year W.R. GRACE & CO, New York gained control of Univacier. The group also includes RBV-UNIVACIER SA, Pantin (capital 2.5 million) which resulted from the merger in January 1965 of UNIVACIER INDUSTRIE SA, Pantin and STE RBV SA, Paris; ETS RBV-STAR UNIVACIER "RSU" SA, Pantin (formerly MANUFACTURE FRANCAISE D'OUTILS POUR ENGRENAGES MANOPESA); SISEBA-STE INDUSTRIELLE SEBASTOPOL-BARBES SA, Courbevoie; RBV-VARINELLI Sarl, Paris, formed in October 1962 (capital Ff 200,000: 55.8% held by M. Louis Tible); RBV-VARINELLI SPA, Turin, formed in December 1963 (see No. 243) with a capital of lire 1 million (in which the 57% French interests are represented by M. Raymond Prevost, St. Mande, Seine who also has a share in the previous firm).

Having taken over its 75.04% subsidiary BOCHUMER VEREIN FUER GUSSTAHLFABRIKATION AG, Bochum (see No. 311) entirely, HUETTEN - & BERGWERKE RHEINHAUSEN AG, Rheinhausen (see No. 314 - wholly owned by Alfried Krupp) is raising its capital from Dm 320 million to Dm 573 million. It has about 52,000 employees or say half the Krupp group total. Its annual production capacity will be 5.6 million tons of coal and 3.9 million tons of steel, representing an annual turnover of about Dm 2,000 million.

The agreement reached in May 1965 between HEURTEY SA, Paris, and PENNSALT CHEMICALS CORP., Philadelphia, covering engineering, and the manufacture and sale of equipment for the lyophilisation of food products, and which was implemented in November 1964 (see No. 281) by the formation of a 50-50 subsidiary, HEURTEY-STOKES, S.A. HEURTEY & PENNSALT CHEMICAL CORP. Snc (capital Ff 10,000), is going to continue. The new company is being wound up, but the metallurgical department of the HEURTEY group will exploit a licence under contract.

The Dutch group INGENIEURSBUREAU LEMET CHROMIUM H. VAN DER HORST NV, Zwelle (electro-metallurgy) has signed an agreement with two British firms who are specialists in the chrome-plating and repair of pistons. They are LOCKWOOD & CARLISLE LTD., Sheffield (the Spanish company TALLERES BARBERA SA, Tortosa, Tarragona is a licensee) and TORDAY LTD, North Shields. The three undertakings have agreed to set up a joint subsidiary DIESEL CHROME ENGINEERING NV, for the maintenance and repair of marine diesel engines and the re-chroming of pistons.

VAN DER HORST is well known through its brand names "Porus" and "Chrome". It has many agents and subsidiaries abroad; for example, VAN DER HORST PORUS CHROME LTD, London, VAN DER HORST GmbH, Hamburg, VAN DER HORST ENTERPRISES AG, Zug, etc.

L. T. FREDMAN SA, Paris (capital Ff 4.2 million), managed by M. Lars T. Fredman, Paris, is going to divide its business activities and form two companies each with a capital of Ff 10,000; SA L.T. FREDMAN (import and sale of manufactured and unfinished goods in iron, cast iron, steel and light metal alloys) amd G. E. P. FREDMAN (management and shareholding).

The French firm has for a long time represented various metal and engineering firms; these are mainly Swedish and include SODERFORS BRUK, Soderfors, RAMMAS BRUKS A/B, Rammås, A/B KANTHAL, Hallstahammar, A/B KRONSAGAR, Lidköping, FOSERUM BRUK, Foserum, STALGRAVYK A/B, Alnesta, A/B STALEX, Stockholm and STAL ULLFABRIKEN A/B, Täby, etc.

The group WERKZEUGMASCHINENFABRIK OERLIKON, BUEHRLE & CO, Zurich (see No 322) has decided to wind up two of its Italian associates: OERLIKON AGHI SpA, Ispra and MASERATI MACCHINE UTENSILI SpA, Milan. The first (see No 90 - tools and equipment for textile manufacture) met with strong competition abroad, mainly from Germany, Belgium and Japan. Maserati (established at Mantua in 1959) reduced its capital in 1963 from lire 500 million to lire 300 million and in 1964 reduced it again to lire 120 million. The chairman is Sig Mario Marconi and the firm specializes in machine tools: it has been taken over by the automobile company OFFICINE AFLIERI MASERATI SpA, Bologna (factory at Modena).

The machine manufacturing company HEINZ SCHUERMANN & CO GmbH KG, Bielefeld and Frankfurt, has obtained 62.5% in FUCHS sarl, Auffargis, Seine & Oise (see No 255) whose capital has been increased to Ff 80,000 and its name changed to SCHUCO Sarl. The French company was established last year by OTTO FUCHS GmbH & CO KG, Meinerzhagen, Westphalia (which now has a minority shareholding of 37.5%) to make and process semi-finished light alloy products.

LA MECANIQUE MODERNE SA, Arras, Pas de Calais (capital Ff 1,666,000) has been formed as a result of the merger between two French engineering firms. They are ETS BOSQUET SA, Arras (capital Ff 275,000: oil equipment) and ETS FLINOIS & CIE SA, Douai, Nord (capital Ff 420,500: mining equipment, wheels, pneumatic and hydraulic pushers, dust measuring apparatus and high frequency heat treatment components.

Two French boiler makers STE GENERALE THERMIQUE "PROCEDES BROLA" SA, Le Pre, St Gervais, Seine and CHAUDIERES BOUELLAT Sarl, Paris are negotiating to combine their technical services and their sales organizations. The former specializes in steam boilers and hot water and steam generators. The latter makes boilers with steam tubes, boilers using water under pressure, and plant for heat treatment of concrete.

The Danish firm NIRO ATOMIZER A/S, Copenhagen has doubled the capital of STE FRANCAISE NIRO ATOMIZER SA, Rueil-Malmaison, Seine & Oise, making it Ff 1 million. This has been arranged through its Luxembourg holding company NIRO ATOMIZER FINANCIAL SA (capital Lux F 400,000).

Cooperation between two members of the STE GENERALE DE BELGIQUE group, COCKERILL-OUGREE SA, Seraing, and MERCANTILE MARINE ENGINEERING & GRAVING DOCKS SA, Antwerp (see No. 273), specialists in naval repairs and various types of industrial work, has been strengthened by an agreement with the Danish group A/S BURMEISTER & WAIN'S MASKIN- & SKIBSBYGGERI, Copenhagen (see No. 248). The latter has authorized the Seraing group (who have been its licencees for over 50 years) to grant the Antwerp yards a concession for the repair and maintenance of large and auxiliary marine engines whether manufactured in Belgium or not.

At the beginning of last year, Cockerill-Ougree built under licence from Burmeister & Wain, the first long-stroke marine engine. This was a seven-cylinder engine, weighing 560 tons, supercharged by two RATEAU turbo-blowers, which was the propulsion unit for a 38,500 ton petrol tanker. The company took a majority shareholding (96%) in COCKERILL YARDS HOBOKEN NV, which was formed at the end of 1964. The remainder (Bf 17,980,000) is held by MERCANTILE MARINE ENGINEERING. The Dutch company, BURMEISTER & WAIN NV, Rotterdam, established in 1963 with a fully paid-up capital of Fl 120,000 (see No. 209), is the sales representative of the Danish group in the Benelux countries. It has sales subsidiaries in Paris, London, Oslo, New York, Madrid, etc.

HORTON NV, an engineering company, has been formed at The Hague (capital Fl 8,000) by CHICAGO BRIDGE (NEDERLAND) NV of Rotterdam, which has 87.5% control; 12.5% belongs to Mr. Victor Lawrence Moravek of Schiedam. The founder company belongs to the Chicago group CHICAGO BRIDGE & IRON CO (president Mr. Arthur Horton).

This group employs nearly 5,000 people in the construction of tanks for the petroleum and chemical industries: its main factories are at Chicago; Birmingham, Alabama; Greenville, Pennsylvania; Houston, Texas; New Castle, Delaware; Salt Lake City, Utah, etc. It also has complete control of CHICAGO BRIDGE (DEUTSCHLAND) GmbH, Frankfurt (see No. 89), CHICAGO BRIDGE ITALIANA MONTAGGI SpA, Rome (see No. 176), and CHICAGO BRIDGE LTD, Wembley, Middlesex.

SEPM - STE D'ETUDES & DE PROSPECTION DE MARCHES Sarl (capital Ff 15,153,000) has been formed in Paris with the backing of BNCI - BANQUE NATIONALE POUR LE COMMERCE & L'INDUSTRIE (see No. 327). This firm will be responsible for research into and the execution of financial and industrial projects especially abroad. It will be managed by M. Daniel Guerin and comes under the direct and absolute control of ORGEPRO - STE D'ORGANISATION & DE PROMOTION SA, Paris - formed in July 1965 (see No. 315) by BACI - BANQUE AUXILIAIRE POUR LE COMMERCE & L'INDUSTRIE SA, Paris, also one of BNCI's subsidiaries.

AMSTERDAMSE MACHINE- & APPARATEFABRIEK NV, Alkmaar, has formed a Paris subsidiary, AMA-FRANCE Sarl (capital Ff 150,000). For the time being it will be managed by M. H. Korner, Villemomble, Seine, and it will import, sell and later manufacture machinery and equipment for the food, chemical and allied industries. The parent company is directed by Mr. Lucas Benjamins de Santpoort, who controls it through ADMINISTRATIEKANTOOR AMA NV, Alkmaar.

FINANCE

STE COTONNIERE H. GELIOT SA, Paris (formerly at St Etienne Les Remiremont, Vosges; capital Ff 10,638,000) had a plant for the production of cotton, cotton-waste and rayon (factory employing about 1,000 workers at St Etienne Les Remiremont) which was taken over by TEXUNION SA, Paris (formerly SIPARTEX SA-STE D'INDUSTRIE & DE PARTICIPATION TEXTILES, Paris) in January 1964 (see No. 327). Texunion is controlled by TEXTIL SA, Paris and now both Geliot and Textil are to be taken over by PRICEL SA, Paris (see No. 326) whose capital will be raised to Ff 109,275,000.

In December 1963 Geliot formed LA COTONNIERE H. GELIOT Sarl, Paris (capital Ff 225,000) and transferred to it assets: various items of property (including 17 dwelling-houses at St Etienne Les Remiremont). SATT-STE D'ACHATS ET DE TRANSFORMATIONS TEXTILES Sarl, Paris also had a 1.1% share. Recently Geliot gained control of a baby-food manufacturer ("Bledine" brands) ETS JACQUEMAIRE SA, Villefranche sur Saone, Rhone, (capital Ff 16.8 million - see No. 325). This firm will also be taken over by SA DES EAUX MINERALES D'EVIAN LES BAINS, Paris in which Pricel will be the main shareholder with about 25%; VERRERIE SOUCHON - NEUVESEL SA, Lyons will be the second biggest shareholder.

Evian lately (see No. 319) gained control of CHASSAING, LECOQ ET CIE, a similar firm at Asnieres, Seine. Chassaing makes "Phosphatine Faliere" and "Repas Falli".

BANCO LARIANO SpA, Como, a 73% subsidiary of CHATILLON-SOC AN ITALIANA PER LE FIBRE TESSILI ARTIFICIALI SpA, Milan (see No. 275) which belongs to the group EDISON SpA, Milan and operates mainly in the Milan and Como areas where the artificial fibres and silk industries are concentrated, is going to absorb three property companies. They are IMMOBILIARE PINO Srl, Como (capital lire 50 million), IMMOBILIARE LENNO Srl and IMMOBILIARE GHISALLO Srl, both located at Milan and each with a capital of lire 1 million.

A merger has taken place in the group CIE DE PONT-A-MOUSSON SA, Nancy, Meurthe-et-Moselle, between the merchant bank UNION BANCAIRE & INDUSTRIELLE (S.A.P.E.) SA, Paris (capital Ff 150 million - see No. 305) and a deposit bank EDILITE CREDIT SA, Paris (capital Ff 1 million) which are 90.8% and 54.3% subsidiaries respectively.

A new merchant bank, UNION BANCAIRE & INDUSTRIELLE, whose capital will be held by SAPE, will be formed. SAPE will be changed into an investment company named SA DE PARTICIPATIONS D'ETUDES SAPE SA and will hold the majority of the merchant bank's securities (at the end of 1964, their value was assessed at Ff 316.5 million, with Ff 11.5 million income) and therefore of the PONT-A-MOUSSON group's investments.

CREDITO LOMBARDO SpA, Milan is absorbing BANCA MASSONE & CO SpA, Genoa. The former (whose capital was increased last year to lire 2,000 million) has links with an insurance group CIA DI ASSICURAZIONE DI MILANO SpA (see No. 232) whose president Sig. Rinaldo Majno, also presides over Credito Lombardo SpA. Banca Massone (president Sig. Adolfo Massone) has a capital of lire 200 million. It took over AURELIANA SpA, Milan, last year.

The BANK FOR INVESTMENT & FINANCE CORP, Zurich (see No 310), established last June by DOW CHEMICAL CO of Midland, Michigan (see No 328), has changed its name to DOW BANK AG, which is more in keeping with its business affiliation. At the same time, it has increased its capital threefold to Sf 75 million.

FOOD & DRINK

The Dutch dairy, cheese and food product firm NUTRICIA NV, Zoetermeer (see No 245), which is directed by Mr Hubert H. van der Velden, the Hague, is backing NUTRICIA Srl, which has been formed at Milan to make and sell food products: baby foods, special diets, medicinal products, vitamins, condensed milk etc. Mr Jan W. Wouk, Rosmalen, Netherlands and Sig Marius J. J. Gelauff, St Lazzaro di Savona, Bologna, are the founders and hold 92% and 8% respectively of its lire 50 million capital; it will be directed by Mr Cornelis Schepper, Voorburg.

Nutricia is well known in Benelux for its complete homogenized "Olvarit" meals for nursing babies, its "Cecemel" and "Nutroma" chocolate breakfasts, its "Nutrix" instant soups, its "Ceciro" fruit syrups, and its "Protifar", "Almiron", "Bebiron", "Nutrimel", "Disparon" and other special foods.

Since 1959 it has had a subsidiary called NUTRICIA BELGIQUE SA, Aartselaar, and it has interests in the Netherlands including the food groups ZOETERMEERSE INDUSTRIEBELANGEN NV, Zoetermeer and PARTICULIERE COMBINATIE VOOR MELKINKOOP NV, Barneveld; the latter is linked with KON HOLLANDIA, Vlaardingen, a member of the NESTLE ALIMENTANA SA, Vevey group, and with VERENIGDE VELUWSCHE MELKPRODUCTENFABRIEKEN, Nunspeet, a member of the URSINA AG, Berne group.

The poultry firm, NV EUROPEES PLUIMVEEFOKBEDRIJF "HAMERSVELD" NV, Hamersveld which, like its sister firm NV EUROPEES VERMEERDERINGSBEDRIJF "DE BRINK", Hamersveld, is controlled by the holding company "EPU-EUROPESE PLUIMVEE UNIE NV (see No 291), has formed an almost wholly owned subsidiary NOORD KUNSTSTOFFENINDUSTRIE SILOMATIC NV (capital Fl 1 million), for the manufacture of plastic articles used in the poultry industry.

The founding company (since 1963 it has had a subsidiary at Nijkerk, WELP LIJN INTERNATIONAL NV), is aldo an equal shareholder with COBB'S PEDIGREE CHICKS INC. INTERNATIONAL, Delaware, in another poultry firm at Hamersveld, COBB'S HAMERSVELD, CENTRUM VOOR ONTWIKKELING & RESEARCH VAN PLUIMVEE NV (see No 195). Abroad, it owns three subsidiaries of an identical type (rearing and sale of chickens, egg incubation, egg distribution): two at Murten, Switzerland, HAMERSVELD AG and WELP-LINE AG and one in France, HAMERSVELD-FRANCE Sarl, Eaux-de-Breteuil, Eure.

Eight French firms in the food industry have joined to form SINTEC SA-STE INTERPROFESSIONNELLE D'EXPLOITATION & DE COMMERCE (capital Ff 54,500) at Paris. The firms hold 12.5% each and are: HEUDEBERT SA, Nanterre, Seine, 20% owned by GENERAL MILLS INC, Minneapolis, Minnesota (see No 310): STE DES PRODUITS DU MAIS SA, Paris, a subsidiary of CORN PRODUCTS REFINING CO, New York (see No 75); CLAUDEL SA, Paris (see No 274); FROMAGERIES ROUSTANG SA, Paris (see No 261); FROMAGERIES GERARD Sarl, Le Tholy, Vosges; ETS JULES HUTIN SA, Blaize-sous-Arzillieres, Marne (see No 305); P. COSSE, A. LOTZ & CIE, BISCUITERIE NANTAISE BN SA, Nantes, Loire Atlantique (see No 312) and BISCUITERIE ALSACIENNE SA, Maisons Alfort, Seine.

SOPAD - STE DE PRODUITS ALIMENTAIRES & DIETITIQUES SA, Courbevoie, Seine (see No. 291), member of the Swiss group NESTLE ALIMENTANA SA, Vevey (see No. 310), has formed a property subsidiary (purchasing, management, renting and building) called SADEG - STE D'ADMINISTRATION, D'ETUDES & DE GESTIONS SA, St. Ouen, Seine (capital Ff 5.7 million). In January SOPAD's capital was raised to Ff 170.1 million.

A wholesale frozen food firm, LE GROUPEMENT DU SURGELE Sarl (capital Ff 15,000) has been set up in Paris. The main shareholders are Mlles. Monique and Ginette Monnier with 45% and 25% respectively. Mr. Jean Heide of Kristiansund, Norway, holds 5%.

The German cheese-maker THOMAS NIEDERREUTHER GmbH, Frankfurt, has formed a Paris sales subsidiary, NIDECO Sarl and holds 60% of its Ff 10,000 capital. The other 40% is held by M. J. Reiner, who will manage it. It will import and later perhaps manufacture food products (especially dairy products) and chemical goods.

INSURANCE

The health insurance firm PREVOYANCE & PROSPERITE SA (capital Ff 5 million), which was formed at the beginning of 1964 (see No. 232) in Paris by the Belgian company PREVOYANCE & PROSPERITE, Mons, has been compulsorily liquidated by the authorities for lack of assets. The Belgian parent company was formed in 1898 and for many years it has conducted insurance business in France under the direction of M. Rene Debarge.

The French firm is also directed by M. Debarge, its president being M. H. Mourral, who is honorary president of BANQUE DES INTERESTS FRANCAIS SA (an indirect shareholder through SOGEFI - STE DE GESTION & DE FINANCEMENT POUR LA FRANCE & LES PAYS D'OUTREMER, which is controlled by SOFFO - STE FINANCIERE POUR LA FRANCE & LES PAYS D'OUTREMER SA - see No. 246). STE AUXILIAIRE DE PARTICIPATION & DE GESTION SA, Noumea, which like SOFFO belongs to BANQUE DE L'INDOCHINE SA, Paris, is also a founder shareholder. SOGEFI controls SOGEFI ASSURANCES Sarl, which was formed at the end of 1963 to take over its insurance investments (see No. 228).

OIL, GAS & PETROCHEMICALS

STE ENTREPOSE GTM Sarl (capital Ff 5 million) has been formed in Paris to lay oil pipelines under the sea. It has been founded jointly by STE DES GRANDS TRAVAUX DE MARSEILLE SA, Paris (capital Ff 35.39 million - see No. 272) and ENTREPOSE - STE D'ENTREPRISE & DE POSE POUR TOUS PRODUITS TUBULAIRES SA, Paris (capital Ff 15 million), whose main shareholders are VALLOUREC SA, Paris (50% - see No. 319) and LORRAINE-ESCAUT SA, Paris (45% - see No. 312).

STANDARD OIL CO OF NEW JERSEY and BATAAFSE PETROLEUM MIJ NV (co-founders with 50% in NAM - NED AARDOLITE MIJ NV, which is extracting natural gas at Groningen in the Netherlands) will take the expected minority shareholding (see No. 282) in DISTRIGAZ - STE DE DISTRIBUTION DU GAZ SA, Brussels (formerly subsidiary of IMPERIAL CONTINENTAL GAS ASSOCIATION LTD, London - see No. 316).

This is one result of SAVGAZ - SA POUR L'ACHAT, LA VENTE & LA DISTRIBUTION DU GAZ SA, Liege (affiliated to COCKERILL-OUGREE SA, Seraing) being taken over by DISTRIGAZ (affiliated to INTERCOM - STE INTERCOMMUNALE BELGE DE GAZ & D'ELECTRICITE SA, Brussels, and TRACTION & ELECTRICITE SA - belonging to the group STE GENERALE DE BELGIQUE). Distrigaz will increase its capital, first to Bf 464 million and then to Bf 1,415.3 million. The Belgian government will thus control about one third (its holding amounts to Bf 547.96 million) and will give Distrigaz sole transport rights in Belgium for natural gas coming from the Netherlands.

PAPER & PACKAGING

The Finnish firm FINNCELL HELSINKI has signed an agreement with the Belgian-Swedish company SIVERS & NEAME SA (capital recently raised to Bf 14 million), represented by Mr. Sten Peter de Sivers, for promotion and sales in Belgium of cellulose and chemical wood pulp. The result is a common subsidiary, FINNCELL NV, Ixelles, Brussels (capital Bf 2 million, of which 52% is held directly by HOLY A/B, Helsinki. The new subsidiary is jointly directed by Mr. James E.R. Salvesen and Mr. S.P. de Sivers.

The Finnish group, directed by Mr. Sven Hagerström, has had a management and sales firm in Switzerland since June 1963, FINNCELL AG, Berne (capital Sf 50,000) and another in Italy, FINNCELL SpA, Milan, directed by Sig. Matti Vasari.

PHARMACEUTICALS

The London pharmaceutical group SMITH & NEPHEW ASSOCIATED COS LTD (see No. 275) is forming WALLACE CAMERON (ITALIA) Srl in Milan to import and sell bandages, dressings and hygienic products. Mr. G. Wallace, Glasgow, is president of the new company; nearly all its lire 900,000 capital has been subscribed by Mr. Robert Thompson Challis, Varese.

Smith & Nephew is already represented in Italy by a sales subsidiary, SMITH & NEPHEW (ITALY) SpA, and it has links with PRODOTTI PERFECTA SpA (see No. 182). Another of its subsidiaries, WALLACE CAMERON & CO LTD, Glasgow (which controls CROMESSOL CO LTD, Glasgow) sells elastoplast and other first aid dressings. Last year WALLACE CAMERON (BENELUX) NV was formed in Brussels by Mr. Thomas L. Whittaker and Mr. G. Wallace to sell the group's first aid and hygienic products in Benelux.

The American group SHULTON INC of Clifton, New Jersey, has started a subsidiary at Milan, SHULTON ITALIANA SpA, which it controls completely and directly, and has thus finished setting up its sales organization in the Common Market (see No. 213). The group makes soaps, toiletries, cosmetics, deodorants, etc; brand names are

Tecnique, Old Spice, Desert Flower, York Town.

The group has a factory at Leyden in the Netherlands to supply the Common Market and owns SHULTON NV there. It has a subsidiary in London (SHULTON LTD), while in the French, German and Belgian markets it operates through SHULTON FRANCE SA, Bois-Colombes, SHULTON GmbH, Cologne, and SHULTON (EUROPA) SA at St-Josse-ten-Noode, whose director, Mr. Frederick Hayns, is president of the new Italian subsidiary. It also controls WESLEY ASSOCIATES INC and thus controls its dependent advertising agency, MANN-WESLEY ADVERTISING SA, Geneva (see No. 159).

PLASTICS

The plastic (including polyethylene) processing firm ALKOR-WERK KARL DISSMANN KG, München-Soll (see No. 311) is backing a plastic lining company ALKOR VULCAN KUNSTSTOFFVERARBEITUNGS GmbH, Munich, jointly with Swedish interests. The new company's capital is Dm 20,000 and it will be managed by Herr Erich Ernst, Munich, and Mr. Ingvar Carlson, Smalands Anneberg, Sweden. Alkor recently formed a sales subsidiary in Milan, ALKOR ITALIANA Srl. It has more than 1,200 employees and a Munich sales company, ALKOR GmbH. It also shares with the Swiss group, WERKZEUGMASCHINEN OERLIKON, BUEHRLE & CO, Zurich, a joint subsidiary, ALKOR OERLIKON PLASTIC GmbH, Munich.

The American group UNION CARBIDE CORP, New York (see No. 326) is expanding its interests in Belgium in plastics (see No. 323) and has entered into 50-50 partnership with UCB - UNION CHIMIQUE SA, Brussels (see No. 327) for the manufacture of plastic goods. They have set up EVIPAK SA (capital Bf 25 million) at St-Gilles-Brussels, in which the American holding is divided between COBENAM NV, Antwerp (completely owned by New York, which bought the 50% share belonging to PETROCHIM SA), UPAR SA, Geneva (see No. 303), UNION CARBIDE EUROPA SA, Geneva, and UNION CARBIDE EUROPEAN HEADQUARTERS SA, Lausanne.

RUBBER

ALLIANCE TYRE & RUBBER CO LTD, Hadera, Israel, which makes automobile tyres and industrial rubber goods, has set up a sales subsidiary at Cologne. It is called ALLIANCE AUTOREIFEN GmbH and it will be managed by Mr. Joseph Teicher, Haifa, Mr. Zui Reiss, Haifa, Mr. Joseph Raanan, Tel Aviv, Mr. Jakob Hermon, Haifa, and Mr. Benjamin Judin, Cologne.

TEXTILES

The spinning firm AUGSBURGER KAMMGARN-SPINNEREI AG, Augsburg, has purchased from Madame Marthe Fisser SA her 50% holding in BOHRINGER & REUSS GmbH, which now becomes its 100% subsidiary. In its factories at Winterlingen and Woldkirch, Baden, the Winterlingen firm makes artificial thread, especially for the stocking industry. The parent company is the largest cotton manufacturer in West Germany and it is now making a special effort to develop synthetic and semi-synthetic threads.

The French manufacturer of ladies' underwear, LEJABY SA, Bellegarde, Ain, has set up a Cologne sales subsidiary, LEJABY COLOGNE BUESTENHAELTER, MIEDER, WAESCHE GmbH (capital Dm 20,000). The manager will be the group's own president, M. Maurice Bugnon. A sales subsidiary in Belgium is also planned.

VARIOUS

ANCIENNE MAISON ARTHUR CERF SA, Brussels (president M. Georges Cerf) holds 81.25% in a new timber yard, JEAN VAN MINDEN Sarl, Paris (capital Ff 200,000; president M. Yves Avot of Paris).

The Belgian firm, which took over CERCOUGE SA, Brussels, in September 1962, is a subsidiary of TASIAUX & CO SA, Brussels. Tasiaux has a 7.6% share in the new firm, which has a capital of Bf 5 million and belongs to the Tasiaux family, two members of which, M. Jacques and M. Philippe Tasiaux, have 47.5% each in CONTINENTAL CELLULOSE SA, Brussels (capital Bf 17.5 million).

The management consultancy firm WEGENSTEIN MANAGEMENT AG, Zurich (see No. 311) has wound up its Florence subsidiary, WEGENSTEIN MANAGEMENT Srl (capital lire 3 million). The liquidator is Mr. Willy O. Wegenstein, founder of the Zurich firm.

The Swiss company (which also controls WEGENSTEIN MANAGEMENT AG FUER AUTOMATION and WEGENSTEIN MANAGEMENT AG FUER UNTERNEHMENSFUEHRUNG, set up at the beginning of 1964 - see No. 241) is partnered by KNIGHT & WEGENSTEIN AG (established several months ago at Zurich with American capital) and has been represented in Italy since last August by KNIGHT WEGENSTEIN Srl (capital lire 900,000), set up at Milan with Mr. M. Willy O. Wegenstein as manager.

The management and industrial consultants BOOZ, ALLEN & HAMILTON, Chicago, having closed down the Zurich agency (see No. 328), have now formed a Düsseldorf branch for the subsidiary of the group's Panama holding company (BOOZ, ALLEN & HAMILTON INTERNATIONAL INC) which was formed in Amsterdam in September 1964, BOOZ, ALLEN & HAMILTON INTERNATIONAAL NV (see No. 275).

SILLY PUTTY INTERNATIONAL GmbH, Frankfurt, has been formed (capital Dm 80,000) to market in Germany American toys under the brand name "Silly Putty". The manager will be Mr. Stephen G. Gessner of New Haven, Connecticut.