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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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TALKING AT CROSS PURPOSES

A. "So you want a full and frank explanation of the French ideas how to overcome the present crisis in the European Community? Since Couve de Murville's speech in Parliament on October 20, that is rather a tall order."

B. "Tall? I should say it was in orbit! We had been hoping that France would agree to the ministerial meeting without the Commission, which Spaak proposed; that she would fall in with a reasonable timetable; that she would in any case end up by regarding the agricultural finance regulation as an essential stage in itself, regardless of the political problems which arise about the Commission's prerogatives and the Council of Ministers' voting procedure. And now the Minister tells us that the trouble lies much deeper than the finance regulation; that the Commission's memorandum on the subject, even if it does follow ' the line of former French suggestions', comes too late; that the Commission's pretensions have created an entirely new situation; in short, that France will not take her place in the Community again until after 'a thorough-going revision which would make it possible to lay down normal conditions for cooperation between the Six, with France, of course, having her essential and especially agricultural interests fully protected.'"

A. "As you know, it is the Commission which is the real bone of contention. As Couve de Murville said, The right which the Treaty of Rome gives it to make any proposal short of altering its text is not contested' - provided that it only does so wittingly. It wished to become a 'really political authority, less and less subject to control by the responsible governments'. It was essential to limit its aspirations and recall it to its main duty, which is to reconcile conflicting points of view so as to bring about a compromise. Over the finance regulation the Commission had 'kept silence' and adopted 'a passive attitude'; on the other hand, it had fairly let itself go at the meeting of the European Parliament, when it wanted to face the Council of Ministers with proposals exceeding its mandate."

B. "Is it really fair to say that the Commission took up a passive attitude over the finance regulation? Surely it played its usual part of referee and conciliator. It may have 'kept silence' on the night of June 30, but this was probably for two reasons. In the first place, it can hardly have imagined that the French delegation was going to halt everything at midnight and declare a breakdown, so it must have thought there was time for it to step in at the most favourable moment. In the second place, it was waiting to see how the various delegations would react to its proposals for a Community budget with Parliamentary control, which to its mind were bound up with the finance regulation. I grant you, though, that it went too far when it bundled together such a revolutionary collection of proposals, without previous consultation, and then unwrapped the package in the European Parliament a week before submitting it to the governments."

A. "France is not the only country which does not care for these proposals. Couve de Murville tells us that 'From the very first discussion it was evident that no government agreed with them. They all objected to the idea of appropriating funds greater than were needed. Some certainly wished to give the European Parliament budgetary powers, but nobody approved of the machinery suggested, because under it those powers would only have gone to the Commission.'

B. "Well, maybe none of the Six approved this Hallstein Plan', but while the other Five regarded the break-down on June 30 as a mere hold-up in the traffic, so to speak - and the first of any consequence for eight years - France alone had to go and dramatize it. The others thought that all that was needed was a quiet, friendly warning, followed by a frank talk, but France seems to have forgotten all the Commission had done since 1958 and to have taken this opportunity to march out of the Community institutions, bringing the whole works grinding to a halt. If France's one idea in leaving the Common Market was to condemn it to rot slowly away, she would have behaved just as she did."

A. "How can you possibly say that? I thought Couve de Murville has cleared up all possible misunderstanding on that point: 'We are not looking for a way out of the Common Market. If we had wanted to leave it, we should not have made the efforts which we have made to bring about a common agricultural policy. The French government has had to use the whole weight of its authority in Europe to that end.'"

B. "That is what I find so surprising. Just when all her efforts were about to meet with success and a finance regulation favourable to French agriculture looked like putting the finishing touches to a common agricultural policy, France suddenly said 'I won't play any more', as if agriculture was of no consequence beside the institutional problems. Couve de Murville was right to say that 'once an essential measure like the financing of the agricultural policy failed to be adopted, it was inconceivable that there could be further development in any direction'; what I don't understand is that he should have added that agreement on the finance regulation would not be enough, because there had to be 'political agreement first'. That seems to show that the finance regulation was only a pretext for trying to diminish the Commission's basic role and to start a feud against those in the Commission itself and among the Five who did not believe that the Community can confine itself to intergovernmental means of cooperation alone."

A. "Excuse me, but Couve de Murville certainly did not try to diminish the Commission's role. He said 'It should above all seek how to reconcile different views. Each time it has done that, we have congratulated it and reached a conclusion.' But he added: 'It is not for the Commission to try to impose its own views, especially when these are of a political nature and when it goes outside its own sphere.' You talk about a feud, but quite seriously, now: General de Gaulle and the members of his government know perfectly well that not a single country in the world of today can aspire to absolute sovereignty, unless it ignores all international organizations and adopts a policy of complete isolation. When he questioned the working of the institutions in Brussels, Couve de Murville did not seek to deny that 'like any other international agreement, the Rome Treaty and the arrangements made to implement it involve a restriction on France's sovereignty.'"

B. "Bravo! But please read a little further. He went on to make a very nice distinction between 'freely and knowingly consented' restrictions on the one hand and 'supranationality' on the other. He remarked that 'In Community jargon' supranationality 'is a completely different idea. Its essence is that it allows decisions affecting a country to be taken by authorities other than those of the country concerned. This is the case when such a decision is taken by an international organization or by foreign governments. This is the case, in other words, if you leave any verdicts on France to be delivered by a Commission in Brussels, or by a majority of governments of which the French is not one.' This is the nub of the matter. France is all in favour of a Common Market whose decisions she can always approve, but she will not accept that any organization - including the Commission - or any majority of which she does not form a part shall have the right to take decisions for her. To hear her, you would think that France was the only one of the Six countries which has vital interests to protect, but it is of course the first principle of a Community like the Common Market never to harm the vital interests of a member country, and that is one of the things the Commission watches most carefully. Since the Common Market came into being, no important decision has been taken against the wishes or the major interests of France. Germany and Italy, however, also have vital interests, and so have the Benelux countries. What would become of the Common Market if all its members held forth in France's tones, and if none of them relied on anybody except their own governments to take care of their national interests? This is what is really disturbing. This part of the minister's speech naturally made a great impact: 'I say that the conclusion we are drawing, after the lamentable experience we have had recently, is that French interests have no protectors other than the French government.' An expression like that is the very negation of the Common Market and of a European Community of any sort, for if France really thinks like that she must wish her partners to share her point of view; and if each of the Six believed that it alone could defend its own interests, the Common Market might just as well lie down and die."

A. "I have to admit, for the evidence shows it, that General de Gaulle and his colleagues have not the same ideas on Europe as other statesmen or as some members of the Commission, but I must put one particular question to you: Is Herr Schröder, the German Foreign Minister, more "European" than his French opposite number when he says that the objectives of German foreign policy are in line with those of the United States? Where does Europe fit into the diplomatic and strategic concept of falling in behind the Star Spangled Banner in any and every circumstance? That is what Couve de Murville was knocking at when he said he was sorry that some people 'prize more highly other links, which are perhaps fully justified, but which should not become dominant...'"

B. "That is really more than one question, but I will stick my neck out and try to give you an answer. Germany's foreign policy is her own affair, and in her present position you cannot really expect her to do anything else but depend on America for her safety. If Europe is to strike out independently of USA, for diplomatic and defence purposes as well as for economic, the Community will have to become strong enough to deal with its American ally as an equal. We shall never reach that stage if each of the Six takes a different attitude, or if one of them - at the moment France - seeks to impose her views on her partners. Couve de Murville said that the economic running of Europe had reached a crisis largely because politics had not kept pace with the Common Market's advances. Now we are getting into a vicious circle, for the reason why political Europe has not kept up with economic Europe is that wide differences did exist and still exist between France and her partners, both on strategy and diplomacy. In particular, nobody can compel the Five to prefer the French deterrent force to the American atomic shield, especially as De Gaulle is opposed to any military integration, whether European or Atlantic."

A. "Things would certainly go better in Europe if the Five, especially Germany, loosened their ties with USA. Still, I grant you that the European independence which De Gaulle envisages implies the existence of a Europe with a single foreign and defence policy. At present, that is a pipe-dream, and the only subjects on which Couve de Murville is asking for agreement now are the role of the Commission and the voting procedure in the Council of Ministers."

B. "You know, it does seem to me that the expression 'complete revision' goes far beyond that, and that the French are using the crisis as a chance to get things off their chest and invite their partners to do the same. In the end this may be no bad thing, but it is hard to imagine how it could be arranged except as a summit meeting, without agenda, as Chancellor Erhard has suggested. Of course, I am not saying that a meeting of foreign ministers to pave the way would be unnecessary, but the question is when?"

A. "Pompidou has already said that there could be no summit meeting before the French presidential election on December 5."

B. "So much the better, because the Five could obviously not make political concessions to De Gaulle for him to boast about before the election, nor insult him by saying nothing to all the French demands. But don't you think it rather striking that the candidates who oppose him - on the left, on the centre, and on the right - are all using Europe as a stick to beat the General with, and that the French agricultural leaders are urging the French farmers to vote for Europe and against the man now in power?"

A. "Please do not get me bogged down in French internal politics; even if the ministerial or summit meeting does not happen until January, it will have to be prepared. After Couve de Murville's speech, one commentator said that France's best weapon is the Five's determination to keep the Common Market going..."

B. "... Unless, of course, it turns out to be a boomerang'. If France asks for too much because she thinks that the Five are frightened of the Common Market collapsing, the risk of collapse will become serious. At Strasbourg for the first time President Hallstein came out of his shell and spoke up: 'The crisis is not due to the Commission, but to the fact that one member of the Council no longer attends its meetings' while 'the Treaty provides every recourse for a government which can not agree with the solution proposed.' The decision of the UNR delegates at Strasbourg to leave the chamber every time the French official policy was discussed hardly helped matters.'"

A. "What do you think will happen next?"

B. "It's hard to say. M. Spaak may have been right when he said on September 29 that 'in matters of great importance, a community like the Common Market must decide things unanimously'. Apart from the qualified majority rule laid down for the third stage everyone, including the governments and the Commission, will agree on this - and in fact they always have agreed on it - provided that a clear distinction is made between the important matters and the others'. Besides, there are so many Frenchmen, both in industry and agriculture, who are fully aware how disastrous a collapse of the Common Market would be that the French government will think twice before burning its boats. It is pretty significant that even the Communist party when it put François Mitterand up as a candidate for the Presidency dared not swim against the European tide."

* * *

All of which points to a strong French feeling for what has already been done towards the integration of Europe. But that in itself does not show the way out of the deadlock. The serious thing is that France has shared in the task all this time; not one of her partners ever thought of questioning the basic premises of the Treaty of Rome, on which the Common Market is built, but now, seven years later, the French leaders find that these premises do not suit them and insist that they must be changed. It is hardly surprising, in the circumstances, that their colleagues in the Community find working together rather difficult.

SWEDEN, THE COMMON MARKET AND EFTA

by Hans Swedberg,
Foreign Director of Skandinaviska Banken (Stockholm)

The most striking feature of the Swedish economic situation is the rapid progress of her foreign trade; over the years it has developed twice as fast as production. Exports represent about a quarter of her gross national product (including services) and in 1964 the value of Swedish exports reached a record level of more than $8,000 million.

The formation of EFTA has obviously been extremely beneficial to the Swedish economy. Statistics show that since 1963 a large proportion of her exports has gone to member countries of EFTA: about 41% in 1964 as against 37% in 1959. This compares with about 32% to the Common Market in 1964. Trade with the three other Scandinavian countries in EFTA has increased considerably. Since EFTA was formed the well-developed markets of the three Scandinavian countries have been integrated; a practice of sub-contracting has grown up between them, which tends to draw their various industries closer together.

The rapid expansion of Germany's economy has made her Sweden's biggest customer in the Common Market; she had long been Sweden's largest supplier. The steady increase in trade between the two countries slowed down in 1962 and 1963, and this was thought to be one of the harmful consequences of splitting Europe into two economic blocs. Fortunately this trend was reversed in 1964 and in the first nine months of 1965. However, German customers are showing an increasing insistence on high-quality goods which, of course, bear the highest rates of duty. Swedish exporters are also perturbed by the fact that aligning the German tariff on the Common External Tariff means raising it, as far as their goods are concerned.

This explains why, although many Swedish firms already have German subsidiaries, many others are at present arranging to put up plants inside the Common Market's tariff wall, or intend to to so at a favourable moment. Lately there has been an increase in the number of firms wanting to set up production or distribution subsidiaries inside the Common Market. Besides, apart from the question of duty - especially in the case of Swedish sales in Germany and Benelux - delays in delivery due to Sweden's geographical remoteness from the Common Market reduce her competitive strength, which is an added incentive for Swedish companies to go into the Common Market.

As long as tariff discrimination on industrial products is maintained between the different economic regions and each region continues to have its own agricultural policy, it seems likely that the Swedish and German markets will tend to drift apart. Swedish high-quality products will no longer be able to enter Germany and the technical cooperation which has been established between so many German and Swedish firms can only decline. Surely this misfortune should not really be expected: the Western world shows an increasing tendency towards large-scale cooperation (especially in its tremendous technical development), which means that wider and wider use must be made of the resources of Europe as a whole. Europe's future as an economic unit, capable of satisfying the future needs of her people, depends more on deciding which countries can not be included in that unit than on the fairly limited number which can.

In its present state, European trade is mainly characterised by the division of the Continent into two blocs and by the growing economic interdependence of the nations of Europe. The Common Market is therefore essential to EFTA, and integration at company level is inevitable, despite the obstacles, since both buyers and sellers are increasing their trade despite the separation of the Six from EFTA, and although the two blocs, as such, are still a long way from joining together.

The Six form an essential market for Sweden, since they supply more than 40% of all Swedish imports, as against EFTA's 30%. In fact, all the members of EFTA - with the exception of Great Britain, which has a favourable trade balance with the Community - buy more from the Common Market than they sell to it. So the countries of Europe are their own best customers and if the Kennedy Round - which Swedes consider of great importance - can lower the customs barriers between the Common Market and EFTA there is every chance of further increases in trade and a growth of general prosperity. The inevitability of international economic cooperation in the long run and the multiplying connections between companies throughout Europe make the present division of the Continent seem senseless.

Trade between the countries of Europe has not yet been seriously distorted, but there has been a considerable increase in trade between the Common Market countries, while the EFTA countries, especially the smaller ones, have been preparing since 1964 for the integration of their markets. There is a risk, therefore, that Sweden's major industrial and commercial organizations may look too much towards EFTA, which in the long run would be undesirable. Swedish firms are now faced with a difficult choice; whether to bank on EFTA remaining in being or to hedge by trying to achieve closer cooperation with the Common Market which should eventually represent a much more hopeful prospect. They must also take into account the various proposals which have multiplied of late for expanding international economic cooperation on a world scale. Even if these proposals come to nothing, they show that the movement towards unification of markets is still growing.

The Common Market is an admirable and unique model of economic integration, both in daily practice and in its effect on international negotiations. EFTA was formed later and its purpose, though worthwhile, is more restricted. Only one of its main objects, the encouragement of economic growth by increasing trade between the member countries, is being achieved. The second, which is the formation of a large European market through closer cooperation with the Common Market, will not be realized quickly.

In its short existence EFTA has already overcome two fairly serious crises of different kinds. The Common Market can be said to have benefited from its crises, but EFTA has survived in spite of them. The first of these was in May 1963, when the negotiations for the entry of Great Britain into the Common Market collapsed under the French veto. All the EFTA countries, in a joint declaration of solidarity, had previously demanded entry into the Common Market: they were, therefore, unprepared for being thrown back upon their free trade organization, because Britain's negotiations had failed. After this failure, EFTA had to begin all over again. In Lisbon, in May 1963, its members recognized that EFTA should pursue its own original aims, which could be readily achieved. The new timetable was adopted for reducing tariffs on industrial goods and will turn EFTA into a united market of more than 100 million consumers by the end of 1966, three years sooner than originally planned.

The second crisis was strictly internal. This was Britain's notorious unilateral action when she decided to put a special tax on all imports, even those from EFTA. This decision was directly contrary to the Stockholm Convention, and it shook EFTA to the foundations. Now, six months later and following a reduction of one-third in the tax (through pressure from EFTA) the Association begins a new stage in its development.

With the Common Market and EFTA each going their separate ways, thanks are due to those in both organizations who are trying, day in and day out, to develop cooperation between them. The industrial federations of Western Europe ignore frontiers and are strongly supported by their central secretariat in Paris; the engineering industries have ORGALIM in Brussels; the chemical industry has CEFIC in Zurich and the textile industry has various organizations; permanent contact is also maintained between the Chambers of Commerce in the various Common Market and EFTA countries. Continued efforts to extend contacts between heads of firms should be sustained. The longer the present economic separation lasts the greater the danger of destroying what has been a major source of strength for many concerns at times of economic change, namely their readiness to adopt anything which stimulates production; this includes sales organization, research and inventions, and technical progress, all of which promote economic growth. Any obstacle to the necessary spreading of these advances - and the greatest obstacle is the gulf between the Common Market and EFTA - can only have ill effects which it may take years to correct.

President Kennedy's proposal for a cut of 50% in customs barriers within GATT raised great hopes in Sweden. The Kennedy Round gives an opportunity of lowering tariffs in Europe even further, and thus of lessening the danger of a wider gulf between the two economic blocs; this danger would undoubtedly become greater if customs barriers were raised. Now, however, the Common Market's attitude and the whole timetable for tariff reductions are in doubt: can the division between the Common Market and EFTA be ended soon, or will it continue indefinitely?

In short, it is apparent that the European nations are so essential to each other that the present division of the Continental market must soon have grave consequences for the economy of Europe. Since the Common Market and EFTA have already begun their separate existences, Sweden is hoping for consultations between officials of the two blocs in order, not only to prevent the widening gap between them jeopardizing the future for decades to come, but also to find a way of repairing the damage already done.

THE WEEK IN THE COMMUNITY
October 18 - October 24, 1965

From our Correspondents in Brussels and Luxembourg

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The Crisis: France Still One Jump Ahead

After the speech made to the French National Assembly on October 20 by the French Foreign Minister, M. Couve de Murville, European observers feel that France has deliberately tried to steal a march on her Five partners in the Common Market. M. Couve de Murville confirmed that the crisis goes much deeper than the agricultural finance regulation and that France is now insisting on a political agreement and thorough revision of co-operation between the Six before she will end her boycott of the Community's institutions.

His speech came five days before the Council of Ministers was due to meet; and the Permanent Representatives of the Five had drafted (on the basis of the Commission's memorandum of July 22) an amended agricultural regulation which went a long way towards meeting France's demands. The ministers were expected to adopt this draft,apart from a few Germany and Italian demands which would only have confused the situation still further. France would then have been invited to begin the negotiations again where they had left off on June 30, since the official source of disagreement was the agricultural finance regulation. It is even possible that the Five would finally have adopted the procedure suggested by M. Spaak (a meeting of Ministers without the Commission) to ensure the return of the missing member.

It would have been difficult for France openly to rebuff these approaches. M. Couve de Murville could have followed M. Pompidou's lead and used the French Presidential election as a pretext for postponing the Brussels meeting until after December 5, but to reject outright these gestures of goodwill would have rekindled French industrial and agricultural hostility towards de Gaulle's European policies. Instead, the French Foreign Minister has taken the initiative and, by relegating the agricultural financial regulation to a position of secondary importance, anticipated his opponent's next move. General de Gaulle had hinted as much at his press conference on September 9, but the change in emphasis had never been so clear - nor so well timed from the French point of view.

Once more Paris has been allowed to take the initiative while the Five sat idly by. The misfortunes of the "Spaak Plan" are yet another example of this. After De Gaulle's press conference, M. Spaak had realized that speed was the key to success. The Five should have taken advantage of the wave of anti-Gaullist feeling, not only in the "pro-European" organizations but also in the Community's powerful industrial, agricultural and trade-union federations. This should have been done before the end of the

French electoral campaign and especially before the criticisms of the General's attitude turned into appeals to the Five to save the Common Market at all costs.

It was a clever move by the French to welcome the Spaak plan as showing a proper spirit of agreement, but to suggest that its application would be premature before December 5. This lulled the suspicions roused by M. Spaak's ideas among some of the supranational element (the most recent being M. Mansholt at Strasbourg on October 17); at any rate it encouraged the Five not to take any hasty decisions. This may not have been necessary. The Five had taken from July 22 to October 22 to reach agreement - more or less - on the Commission's memorandum although everyone, including the French farmers, had from the start considered it to be the best compromise on the agricultural finance regulation. Again, it took more than a month, up to the date of M. Couve de Murville's speech to the French National Assembly, before M. Spaak could be sure of his partners' complete support. Last week neither the Netherlands nor Luxembourg had formally accepted his plan for re-opening of negotiations in the Community's Council of Ministers. But nobody has suggested any other solution.

So now the Five go into the meeting of October 25, three months after they last met, knowing that (1) it would be altogether "too easy", according to M. Couve de Murville, to try to win France over by merely offering a financial regulation according to her wishes (that is, adopting the Commission's July 22 proposals, which are so close to France's thinking last June) and (2) that France would agree to continue negotiations, but only on condition that these were between governments only, well prepared and "at an appropriate time and place and in an appropriate setting". This seems to rule out holding the meeting immediately, in Brussels and in the Council of Ministers, as M. Spaak had hoped. Regarded as a means of gaining time for France (necessary for the re-election of General de Gaulle and for France's partners to resign themselves to some of his demands) this was a tactical success, for the Five have been pinned down in their positions just when they were planning to launch a counter-offensive.

However, France's tactics were only successful because her opponents were so inert. The French leaders also took advantage of the Five's keen anxiety to prevent the Common Market from collapsing. Did they go too far, and will they find that the spirit of conciliation has suddenly changed into open hostility towards France? Recent debates in the European Parliament are not entirely reassuring on this point.

Of course, Strasbourg debates take place in a rather unreal atmosphere. The speeches made and the resolutions voted do not necessarily affect the way the governments behave. Nevertheless, the temperature rose sharply at the last session. Since the crisis the Parliament had been extremely cautious but this time it applauded the political report of M. Charpentier (MRP, France) which was deemed a "passionately European appeal" by its supporters and a "real indictment of the French government" by its critic, M. de Lipkowsky (UNR, France). The session might not have been so stormy if Gaullist delegates had not put everbody's back up by using a variation of the "empty chair" technique when it was time to vote and twice walked out, and specially if M. Couve de Murville had not made his speech to the National Assembly. When this text was published in Strasbourg, while the political debate was going on, it provoked strong reactions.

Although the European Parliament's appeal for the negotiations to be restarted is unlikely to be heard by all the governments, the dispute in Strasbourg did produce one significant pointer - the attitude taken by Prof. Hallstein, President of the Common Market Commission. In his previous appearance, Prof. Hallstein had remained strictly neutral and constitutional when he set out to justify the Executive's attitude during the crisis. He had carefully refrained from criticism of any particular government. Now, however, after M. Lipkowsky emphasized the undue responsibilities which the Commission had taken on, and accused it of exceeding its powers under the Treaty of Rome, Prof. Hallstein changed both his tone and his argument. He said, in effect: "The crisis is not due to the Commission but to the absence of a member of the Council, contrary to the Treaty. Even if the Commission had been wrong from beginning to end of the matter no member of the Six has the right to boycott the Community". For the first time, in fact, Prof. Hallstein accused France of deliberately ignoring her obligations.

All this happened after Prof. Hallstein knew of M. Couve de Murville's speech. It may be said that the French Foreign Minister was only confirming what General de Gaulle had made known on September 9, so there could be no question, either politically or legally speaking, of "escalation". Also M. Couve de Murville left a good deal of room for interpretation, especially on the meaning of "revision" which could refer to the merger of the three Communities, already agreed by the Six, as well as to a basic modification of the Treaties. However, from a psychological point of view, nobody can be in doubt that the speech did amount to escalation.

This, at any rate was the opinion expressed by M. Fayat, the Belgian Assistant Minister for Foreign Affairs, the day after M. Couve de Murville's speech. He implicitly deplored too much public diplomacy, but he also pointed out that M. Couve de Murville had only re-stated the French government's known anxieties. He therefore considered that the "Spaak Plan" was still extremely useful, since it responds to France's procedural demands and aims at re-establishing contact on a purely political level, after careful preparation, before discussions of concrete problems begin again in the normal way; that is, in the presence of the Commission.

M. Fayat is perhaps being a trifle over-optimistic. M. Couve de Murville seems to think that the Common Market Council and Brussels are not the right places for a reconciliation: there has already been talk of an inter-governmental meeting in Venice or on one of the Italian lakes. The French minister's speech has not exactly strengthened M. Spaak's position as mediator. During the past weeks, the Belgian Foreign Minister has been accused of being too moderate and now his critics must be tempted to rub it in that moderation does not pay.

The Dutch Prime Minister, M. Cals, recently defined the Dutch government's position; he said that it was not opposed to reopening negotiations according to the Spaak Plan, but wondered how long the Community could continue to function without one of its members? A return to the Europe of before the Treaties is unthinkable, both from a political and economic point of view, so the Five must be wondering whether valid decisions can be taken, committing the Community as a whole, without France.

The European socialists agree with the Dutch view. It was defended quite aggressively by Mr. Kapteyn (a Dutch Socialist) before the European Parliament, and it may soon cease to be a hypothetical one. Until now the Five had assumed that after the presidential elections, France would return to her place in the Community. So, in order to avoid over-dramatizing the situation they had thought it wise to "hasten slowly" with certain problems, which would otherwise have been solved by the autumn. Now that M. Couve de Murville has more or less prevented the implementation of the Spaak Plan, it seems rather optimistic to expect to see the French back in Brussels before the end of the year. In the meantime, can they afford to risk complete disintegration of the Common Market by letting matters drift along, merely to score tactical points for their diplomats?

Decisions will be needed shortly on certain questions. First of all there is the agricultural finance regulation, without which the European Agricultural Fund will not only lack funds, but will not know on what basis the common agricultural policy should be financed. Then there are the Community budgets, which fortunately can be regulated by making twelve temporary budgets - one a month. Next the Kennedy Round tariff negotiations have been more or less suspended by the paralysis of the Common Market; failture here would have a very bad effect on relations between U.S.A. and the Common Market. Finally, the next 10% cut in tariffs inside the Community, which should be made on January 1, 1966 at the same time as the second adjustment of national tariffs towards Common External Tariff is due (in 1963 Germany and Benelux were authorized to limit their adjustment to 80% because of the acceleration in tariff disarmament and the prospects opened by the Kennedy Round).

* * *

A Warning to Germany and the Netherlands

The Commission's third quarterly survey of 1965 on the economic situation in the Community contains few surprises. Broadly, movements recorded at the beginning of the year are confirmed during the second quarter and the summer months. On one hand there has been a slowing down in the growth of external demand (still 11% above that of 1964): on the other hand, the growth of internal demand has shown a slight increase.

Industrial production has increased by 1% between the first and second quarters: the smallness of this increase is partly explained by the great shortage of labour in Germany and the Netherlands; agricultural production has been hit by bad weather and imports show a rise of 3% over 1964.

The Community's trade balance is worse than in the first quarter of 1965. The deficit recorded is equivalent to $487 million. Net capital receipts have diminished and thus the Common Market's total surplus has in all probability gone down. In any case, its total gold and currency reserves have fallen by $390 million in the second quarter. The rise in prices has continued despite the faster pace of growth in intra-community trade (11% up compared with 1964), and this has produced a better balance between the member countries. This increase, however, has been caused in large measure by abnormal factors such as the rise in the price of potatoes, fruit and vegetables because of the bad weather. The "normal" increase has been small, except in Germany and the Netherlands.

The economic outlook for the remaining months of 1965 should not change to any great extent, though there is the possibility of a slightly faster rate of growth. On the whole, the forecast for 1965 has been proved correct; the gross national product in real terms rose about 4% compared with 1964 (industrial production 4.5%). In 1966, "a noticeable economic expansion can be expected", says the report. External demand will probably slacken, but the growth in internal demand will probably be quicker than in 1965, because West Germany's slow-down should be more than offset by the speed-up expected in France and Italy. The production outlook is similar: a slackening is expected in Germany and to some extent in the Netherlands.

But a good increase is likely in France and Italy. In brief, the Common Market's gross national product in real terms may rise by between $4\frac{1}{2}$ and 5%.

However, the Commission's report makes this forecast dependent on certain conditions:

1. Investment by private companies must pick up in Italy, and in France it must increase more rapidly. The report states that because business has been slack such investment has been weak for some time. The rapid inflation previously experienced, and the energetic stabilization policy adopted to cope with it, have also affected investment, but an effective and lasting recovery depends not only on the political situation, but also on viewing the long-term outlook for the Common Market's future development.

2. The internal balance of the Community is not yet achieved. Booming business in Germany and the Netherlands may drive prices up again. Even in those countries where there has been a steady trend towards stability (France and Italy) higher costs may lead in the same direction.

In conclusion, the report considers that economic policy requires:

(1) that the growth of internal demand in Germany and the Netherlands should be contained.

(2) that in the other countries renewal of economic activity should be encouraged, mainly by stimulating investment.

It warns Germany and the Netherlands to modify the present public expansionist budget policy, so as "to avoid the risk of contagion with which excessive imports into these two countries might threaten other countries as soon as they regained a higher level of business.

Both Germany and the Netherlands should observe the rule that public expenses must not increase by more than 5% a year. Few will expect that this will be completely achieved, at least in Germany, but the report requests both governments, if they exceed 5%, to cover any excess expenditure raising by extra revenue, especially by taxes, by raising public service tariffs, by increased contributions to social security schemes, etc... In short, the Commission is still preoccupied with the dangers of inflation, rather than the risk of a trade recession.

* * *

British Industry Interest in the Community

Little publicity has been given to a decision taken last week by the Confederation of British Industries - an increasingly active body. Although it recognized that British entry into the Common Market cannot be just around the corner, it set up a committee to consider the past and future development of the European Community, and what a closer relationship might mean to British industry.

The committee's main spheres of interest will be economic and fiscal, labour and social, legal, trade, transport and agriculture. Its work is expected to take a year, and when the CBI has considered its report it may for the first time feel able to conclude, either that the difficulties of British membership are insuperable or that it can advocate certain changes which would make it a practical possibility.

* * *

ECSC

Progress in Steel Processing

More than twelve hundred technicians, engineers, experts and industrialists from the Six and many other countries took part in the Second Steel Congress. The High Authority held it at Luxembourg from October 26 to 29, on the theme "Progress in Steel Processing." The First Steel Congress a year ago discussed progress in steel construction. The conference this year, held at a very high technical level, is intended to encourage improvements in the steel industries of the Community by making them aware of new problems in technology in a market which, after being a sellers' market for many years, has now become a buyers'. To-day the producer must attempt to stimulate demand and not only in the time-honoured business way. He must study the different needs which arise and create new needs, something which can only be done by research and constant exchanges of ideas. In this way, the Congress complements what the High Authority does in the realm of technical research.

Herr Etzel (formerly West German Minister of Finance, who was at one time Vice-President of the High Authority), Chairman of the present Congress, recalled this in his inaugural speech, saying that by developing new types of steel metallurgists have always kept on improving its engineering and technological properties. The greatest advance in the practical use of steel had come from the improvement in strength, seen particularly in the increase in the elastic limit obtained, and to improvement in "workability", shown in better welding qualities, for instance. Steel metallurgy has scored a great success by perfecting weldable martensite steel with a strength of up to 200 kg/mm^2 and an elastic limit of as much as 185 Kg/mm^2. Other properties have also been improved, especially resistance to corrosion, mechanical properties, strength and resistance to change at low temperatures. On the other hand, complex steel alloys and metallo-ceramic derivatives of steel are used to-day in the manufacture of jet engines and gas turbines, and for turning tools as well as in high temperature techniques. For use in neuclear reactors, steel has an additional advantage - its natural insensitivity to radiation, which can be improved by suitable treatment. The artificial satellites circling the earth are one of the most obvious results of this development.

Research in progress enables us to count upon other improvements in the high-temperatures properties of these "superalloys" but results have not yet been adequate, for the technical development of supersonic aircraft is still limited by the behaviour of metals when exposed to high temperatures. We are a very long way from exhausting all the possibilities of improving the strength of steels. Physicists recently have said that the theoretical strength of metal which is possible was several times that now being obtained.

Parallel to the development of new types of steel more uses must be developed. Steel fibre can now be made as fine as silk thread with a diameter of only a few thousandths of a millimetre, and it is possible to manufacture extra-thin sheet steel of no more than a few hundredths of a millimetre thick. There are other less spectacular ways of using steel which are nevertheless extremely useful and efficient, for example, the employment of cold and extruded sections, standard European sections, galvanized and laminated strips. Such successes should not make us rest on our laurels. Rather must we attempt the apparently impossible - to produce steel of the traditional type but which has properties that at first glance seem opposed to this: for example, steel that is at the same time tough and easy to work, wear-resistant without being brittle, and steel which is at the same time coloured, transparent, non-resonant, "un-metallic", warm, elegant, pleasing to look at, and as if this were not enough, cheap as well.

This task is of such magnitude and its objectives are so different that steel undertakings will not be able to solve all the problems on their own. Close collaboration and wide exchange of information with the processing industries will be required and will be all the more urgent because the ratio of research costs to cost of materials will rise, or, to put it another way, the technical nature of capital goods will be accentuated.

The discussions which have taken place during the Congress have for the most part been carried on in technical study groups. The leading role here has been played by those groups considering "industrial design", that is to say, the creation of new and more suitable forms for the use of steel by industry.

Page		
D	ADVERTISING	Belgium: MARSTELLER INC, New York increases its share in its subsidiary MARSTELLER-BELGIUM SA, Brussels.
D	BUILDING & CIVIL ENGINEERING	Belgium: SOFICO, Madrid (construction of flats) forms Brussels sales and promotion subsidiary. France: The Paris firm MORILLON CORVOL (dredging, transport etc) takes over shipyard ATELIERS CHANTIERS DE LA HAUTE SEINE. Italy: OFIC, Paris forms Florence subsidiary OFIC ITALIANA (building materials). Netherlands: DE RUITER, Amsterdam forms departments into 100% subsidiaries. Switzerland: QUADRO CURZIO, Milan forms Swiss branch.
E	CHEMICALS	Belgium: DOW CHEMICAL, Midland, Michigan forms Brussels branch of its Zurich sales company into 100% subsidiary DOW CHEMICAL, BELGIUM. France: CHIMIQUES D'AUBY, Neuilly, Seine (fertilizers) completes takeover of FRANCAISE D'ENGRAIS, Paris. PIERREFITTE, Paris, CIE BORDELAISE DES PRODUITS CHIMIQUES, Bordeaux, ALSACIENNE DE COTE D'IVOIRE, Abidjan and CIE FRANCAISE POUR LE DEVELOPPEMENT DES FIBRES TEXTILES etc form research subsidiary (agriculture) CEV, Paris. Germany: DAREX, Hamburg (silica gel) forms Hamburg subsidiary PILLNAY LACKE DAREX. VEDAG, Frankfurt takes over CELLER ISOLIERWERK, Celle (cork insulation), subsidiary of KIRA, Celle.
F	ELECTRICAL ENGINEERING	Belgium: PERLES, Berne (motors and tools) forms Brussels sales subsidiary. France: VACTRIC, Surrey, England signs agency agreement with PRECILEC, Paris. The German firm STAFF & SCHWARZ (lamps) forms French subsidiary VERLUDE, Duttlenheim, Bas Rhin. Germany: ELBAG, Zurich (holdings) forms German manufacturing and sales subsidiary. MELIOR, Lausanne forms German sales company. Switzerland: Swiss sales of MAGNETI MARELLI, Milan will be handled by new Zurich subsidiary.
G	ELECTRONICS	Belgium: The French firm GENERALE DE RADIOLOGIE takes over DE MAN, Antwerp and signs technical and sales agreement in Italy. American subsidiary of AMPEX, Redwood City, California forms Brussels firm MANDREL SA. Italy: FRANCAISE DE TELEVISION joins Division of RAYTHEON, Waltham, Massachusetts to run factory at Palermo (television tubes). OTTICA MECCANICA, Rome has 50% in sales firm AGENZIA COMMERCIALE INTERNAZIONALE, Rome. Netherlands: THOMAS ORGAN, Los Angeles (electronic organs) intends to form Netherlands and German subsidiaries.
H	ENGINEERING & METAL	Belgium: The American firm KENNAMETAL (tools) signs agreement for use of processes patented by ETS L'EMPEREUR,

Grivegnee, Belgium; ALEUROPE, Brussels increases capital on acquiring new machinery. Two subsidiaries of BETI-BUREAU D'ETUDES TECHNIQUES & INDUSTRIELLES, Brussels form representative company at Uccle. France: The French industrial letting firm PREPARATION INDUSTRIELLE DES COMBUSTIBLES transfers assets to ETS VENOT, Onnaing, Nord (mining equipment). WERNER & PFLEIDERER, Stuttgart forms Paris sales subsidiary. USINES SAINT-JACQUES, Paris transfers its factory to FONDERIES DE MONTLUCON, Paris. Germany: ELEKTRISCHE LICHT- & KRAFTANLAGEN, Cologne buys 15% in GUNTHER & KLEINMOND, Frankfurt (precision tools). ARBED, Luxembourg (mining and metal)takes over WAGGONFABRIK GEBR. LUETTGENS, Saarbrucken (railway wagons). Italy: BERKELS PATENT, Rotterdam forms branch of its Italian subsidiary at Chiavenna, Sondrio into subsidiary FONDERIE DELLA VAL CHIAVENNA. Netherlands: SPIN & CO, Bussum forms subsidiary RADIATOREN INDUSTRIE SPIN (central heating). GEORG FISCHER, Schaffhausen, Switzerland (tubes and piping) takes over WAGA, Ede (underground pipes).

K	FINANCE	Belgium; CHASE MANHATTAN BANK, New York is buying large holding in BANQUE DE COMMERCE, Brussels. Canada: The EMPAIN, HALLET and RIVAUD groups buy FONCIERE DE MANITOBA, Winnipeg (holdings). Germany: The German trade union bank BFG, Frankfurt forms subsidiary KREDITBANK HAGEN, Hagen into savings bank. The stockbrokers BACHE & CO, New York open third German branch. Luxembourg: BANQUE COMMERCIALE, Luxembourg forms investment company INHOLD INVESTMENTS, Luxembourg. Netherlands: ROBECO, Rotterdam (investments) forms new Fund.
N	INSURANCE	Germany: ADLER FEUERVERSICHERUNG, Berlin (mutual insurance) forms Berlin subsidiary ADLER LEBENSVERSICHERUNGS (life).
N	MINING	France: STE MINIERE & METALLURGIQUE DE PENARROYA, Paris buys further share in LE NICKEL, Paris from ROTHSCHILD FRERES and others. DE BEERS, Kimberley and London form French advisory and promotion subsidiary (industrial diamonds).
N	OIL, GAS & PETROCHEMICALS	Britain: ESSO, London buys British distributing subsidiary of AGIP, Milan. France: The state-owned oil industry is being reorganized. SHELL BERRE, Paris forms GEOSTOCK, Courbevoie, Seine 50-50 with FRANCAISE DES PETROLES BP, Courbevoie. Gabon: BRP, Paris and CFP, Paris together form refining subsidiary in Gabon. Netherlands: ALLIED CHEMICAL

		New York forms subsidiary in the Hague.
P	OPTICAL & PHOTOGRAPHIC	France: AIRES INTERNATIONAL JAPAN, Tokyo forms Paris sales company
P	PAPER & PACKAGING	Belgium: The Swedish paper group LILLA EDETS forms Brussels sales subsidiary. France: F. BEGHIN, Thumeries, Nord (paper and sugar) forms Paris sales subsidiary. Switzerland: METALLFABRIK H. BENKERT, Herne, Westphalia forms Swiss sales subsidiary.
P	PLASTICS	Austria: Two German firms DEUTSCHE AMPHIBOLIN and DISBON, both of Ober Ramstadt form Vienna sales subsidiary. Germany: The Dutch industrialist Mr Veenendahl of Rhenen forms German plastics firm RECTICEL DEUTSCHLAND, Kevelaer.
Q	TEXTILES	France: SODIS, Paris (subsidiary of the American firm TREND INDUSTRIES) changes its name to TREND MILLS FRANCE. Italy: ETS ROSY, Paris is forming Florence and Brussels subsidiaries.
Q	TRADE	Belgium: FIREC SA, Lausanne, takes 25% in REFAMI, Brussels in settlement of debt. Germany: SORICE, Paris forms Munich branch for its Frankfurt subsidiary.

ADVERTISING

328/D The New York group MARSTELLER INC, having bought from AGENCE DE PUBLICITE DENIS BODDEN & DECHY SA, Brussels, its minority shareholding in MARSTELLER-BELGIUM SA, Brussels (see No. 215) - which Marsteller Inc controls - has now given it the name of MARSTELLER INTERNATIONAL SA and increased its capital to Bf 1 million. Marsteller International will have a new board composed of Mr. Robert S. Leaf (the Brussels director), Mr. Harold Burson and Mr. Robert March (both of New York).

BUILDING & CIVIL ENGINEERING

328/D M. Robert Schmitz, Neuilly, Seine and Sig. Leone Luparini, of Florence are president and managing director of ORGANIZZAZZIONE FRANCO-ITALIANA COMMERCIALE-OFIC ITALIANA, Florence, which has been formed by OFIC-OMNIUM FRANCAIS INDUSTRIEL & COMMERCIAL SA, Paris (see No. 301) to sell building materials.

The French firm runs two factories, at Pithiviers, Loiret and Petit Quevilly, Seine Maritime, making "Onduline" corrugat ed roofing sheets and plywood ("Panero" and "Marvelot"). Earlier this year it formed a sales subsidiary in Germany: DEUTSCHE OFIC GmbH, Frankfurt.

328/D The civil engineering firm AANNEMINGSMIJ v/h FIRMAC. DE RUITER, Amsterdam has formed its various departments into 100% subsidiaries. The new companies, all in Amsterdam, and all with a capital of Fl 200,000, are NV BUISLEIDINGEN DE RUITER, (pipe-laying), NV WATERWERKEN DE FUITER (hydraulic engineering), NV BORINGEN EN DRAINERINGEN DE RUITER (drilling and dredging) NV KABELWERKEN de RUITER (laying cables and electric wires) and NV BETRIEBSMATERIEEL DE RUITER (engineering maintenance).

328/D MORILLON CORVOL SA, Paris, the dredging, water-borne transport and civil engineering firm, which recently increased its capital from Ff 14 to Ff 15 million after taking over SABLIERES FISMOISES SA, Paris (capital Ff 50,000), is now going to take over the shipyard of ATELIERS CHANTIERS DE LA HAUTE SEINE SA, Villeneuve-le-Roi, Seine & Oise (capital Ff 3.9 million).

328/D The Milan civil engineering firm QUADRO CURZIO-IMPRESA DI COSTRUZIONI PER OPERE DI INGEGNERIA SpA (capital lire 100 million) has formed a Swiss branch in Lugano under Sig. Helios Jermini, Breganzona.

328/D HISPANO BENELUX-STE FINANCIERE INTERNATIONALE DE CONSTRUCTIONS BENELUX Sprl (capital Bf 100,000) has been formed in Brussels to publicize, advertise and promote, in Belgium and the Netherlands, the sale of flats built in Spain by SOC. FINANCIERA INTERNACIONAL DE CONSTRUCCIONES SA-SOFICO, Madrid. M. Andre de Faestraets, the manager with 10%, is the only Belgian shareholder, the others being Sen. L.N. Antunez, Sen. A.G. Goya and Sen. E.P. Salmeron, all of Madrid, with 30% each.

CHEMICALS

328/E DOW CHEMICAL CO, Midland, Michigan (see No 310) has expanded its organization in Europe. Its central sales office is at Zurich, DOW CHEMICAL INTERNATIONAL SA, and the Brussels branch of this office has been changed to a subsidiary company named DOW CHEMICAL BELGIUM SA. The President is Mr Z. Merszei of Zurich, who is managing director for Europe, and the manager is M. Luc Hinnekens of Antwerp. The new company has a capital of Bf 250,000, owned entirely by the Swiss subsidiary. It will make and sell chemicals, pharmaceuticals, plastics and similar products.

The American group transferred a part of the sales organization of its Caracas, Venezuela subsidiary from Brussels to Rotterdam in July 1964 (see No 261) when it set up a Plastic Technical Services department there to provide technical assistance to the European plastics industry. Dow has subsidiary or associated plants in Rotterdam, Terneuzen, Ribecourt, Leghorn, Karlsruhe, Bilbao, Milan, Lavrion, Windsor, King's Lynn, etc (see No 278). Its sales offices, controlled from Zurich, are at Frankfurt, Paris, Rotterdam, Turin, Milan, Oslo, London, Manchester, Copenhagen, Athens, Stockholm, etc. The Vienna office (manager Herr A. Grossau of Zurich) was changed several months ago into a subsidiary, DOW CHEMICAL GmbH (capital Sch 150,000).

328/E M. Arnold Bastuck of BASTUCK & CIE, Paris, (agents in France for three West German companies supplying machinery and equipment to the chemical industry, namely GUSTAV SCHLIK KG-DUESEN-FILTER-APPARATEBAU, Cobourg, SMR, Mulheim, and JOST SAARTEX, Klarental) has been appointed managing director of CIE DES ENGRAIS VEGETAUX-CEV SA (capital Ff 50,000) set up in Paris for research into and application of all processes for improving agricultural productivity, particularly in Africa. The shareholders are PIERREFITTE-STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 325), CIE BORDELAISE DES PRODUITS CHIMIQUES SA, Bordeaux (recently set up by ETS KUHLMANN SA, Paris - see No 317), STE ALSACIENNE DE COTE D'IVOIRE, Abidjan (see No 266) - each of these first three has a 20% holding - the diversified company CIE FRANCAISE POUR LE DEVELOPPEMENT DES FIBRES TEXTILES (a 4% holding) and various private individuals amongst whom is M. Jean Lannes of Paris with a holding of 20%.

328/E DAREX GmbH, Hamburg (see No 291 - a member of the New York group W.R. GRACE & CO) which is mainly concerned with managing the silica gel producer DAREX GmbH CHEMISCHE WERKE SILICA GEL, Bad Homburg, has formed a subsidiary called PILLNAY LACKE DAREX GmbH & CO KG, Hamburg, to exploit "Pillnay" varnish for metal containers. The American group has also recently taken over TEROSON WERKE GmbH CHEMISCHE FABRIK HEIDELBERG, Heidelberg (see No 291)

328/E KIRA INDUSTRIE-VERWALTUNGS GmbH, Celle which manages the Göttker's family interests, has sold its 100% subsidiary CELLER ISOLIERWERK AG, Eschede, Celle, which makes insulating materials from cork, to VEDAG-VER. DACHPAPPEN-FABRIKEN AG, Frankfurt, which will make it into a department under the name of "Dömmstoffwerk Eschede".

VEDAG is a wholly-owned subsidiary of RUETGERSWERKE & TEERVERWERTUNG AG, Frankfurt (see No 292) and specializes in bituminous and tarred products for coverings.

328/F STE DE PRODUITS CHIMIQUES D'AUBY SA, Neuilly, Seine (see No. 219), mainly engaged in the production of compound fertilizers (with factories at Auby, Nord; Feuchy, Pas de Calais; Baupe, Manche; Penmarch, Finistere; and Sete, Herault) is taking over UNION FRANCAISE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (capital Ff 10.47 million), of which it has had 66% control since May 1961. Francaise d'Engrais has an annual turnover of about Ff 100 million and will transfer to Auby five compound fertilizer factories at La Pallice, Charente Maritime; Mondeville, Calvados; Voves, Eure-&-Loire; Issoudun, Indre; and Lorcy, Loiret. Auby will thus increase its capital from Ff 62.98 to Ff 68.62 million.

Abroad, Auby is linked with the Brussels group CARBOCHIMIQUE SA, Brussels (see No. 298) by licensing agreements and through a common subsidiary, TERTRE-AUBY SA, Brussels, formed in 1952.

ELECTRICAL ENGINEERING

328/F VACTRIC CONTROL EQUIPMENT LTD, Morden, Surrey (of the London group THE NEWS OF THE WORLD ORGANIZATION LTD), makers of electrical equipment and apparatus, has signed a reciprocal agency agreement in Paris with PRECILEC SA (capital Ff 2 million). In 1964 Vactric formed ROTRON VACTRIC EUROPE LTD 60-40 with ROTRON MANUFACTURING CO INC, Woodstock, New York (see No. 258).

Precilec makes electrical equipment and small electric precision motors; it is a 20% subsidiary of UNITED AIRCRAFT CORP, East Hartford, Connecticut (see No. 281). In 1963 it took over SOMALEC - STE D'ETUDES DES APPLICATIONS DE LA MACHINE ELECTRIQUE SA and COMPTOIR COMMERCIAL D'USINES SA (see No. 205).

328/F The well-known manufacturer of "Melior" household equipment (coffee-percolators, roasters, barbecues, etc), MELIOR SA, Renens, Lausanne (capital Sf 200,000), president Sig. Faliero Bondanini, has formed a German sales company, MELIOR GmbH, Fribourg. The new firm has a capital of Dm 20,000, and will be managed by Sig. Faliero and Sig. Mario Bondanini.

328/F PERLES ELECKTROWERKZEUGE & MOTOREN AG (see No. 268), manufacturer of tools and electric motors at Pieterlen, Berne (drills, pneumatic tools, etc) has formed a sales company, PERLES BELGIUM Sprl, Anderlecht, Brussels. This company is directed by M. C.A. Bouchat, who represents the Swiss firm and holds 40% of the Fl 500,000 capital, the other 60% being held by Herr Willy Hangartner, director of the parent firm.

The Berne company, which has numerous foreign agents or distributors, set up a sales subsidiary in July last year called MAPO-UTENSILI ELETTRICI SpA, Sesto S. Giovanni, Milan, directed by Herr W. Hangartner.

328/F FABBRICA ITALIANA MAGNETI MARELLI SpA of Milan (see No. 239), which is owned 50-50 by FIAT SpA, Turin, and ERCOLE MARELLI & CO SpA, Milan, have handed over their sales of electrical equipment in Switzerland to HAEMMIG AG VERTRIEBSGES. FUER MAGNETI-MARELLI ERZEUGNISSE IN DER SCHWEIZ. This was formed recently at Zurich (capital Sf 50,000), with Herr Theodor Hämmig as sole managing director.

328/G The German standard lamp manufacturer STAFF & SCHWARZ GmbH LEUCHTENWERK, Lemgo, has set up in France an assembly plant (destined later for manufacture) at Duttlenheim, Bas Rhin. This will be controlled by a company named VERLUDE, now being formed.

328/G The holding company ELBAG - ELEKTRONIK BETEILIGUNGS AG (capital Sf 50,000), formed in Zurich in November 1964, has set up a subsidiary in Germany for the production, assembly and distribution of electro-technical apparatus, ELFEIN - ELEKTROFEINGERAETEBAU GmbH, Obertrubach (capital Dm 20,000). The new firm will be managed by Herr Erich Sommer, Frankfurt, and Herr Siegfried Struller, Frankfurt.

ELECTRONICS

328/G Early in 1965, M. Maurice Ponte, president of CIE FRANCAISE DE TELEVISION SA of Levallois-Perret, Seine (see No. 301), signed an agreement with Prof. Carlo Carlosi, European vice-president of the group RAYTHEON CO of Waltham, Massachusetts (see No. 315). In furtherance of this agreement, the French firm is now going to join SELIT (a division of RAYTHEON ELSI SpA, Palermo, which is a member of the American group) to run a lire 8,000 million factory which is to be built near Palermo. It will make new tubes for TV sets, both in black and white and in colour, produced in laboratories belonging to Cie Francaise de Television (capital recently trebled to Ff 30 million). The new factory should start in 1968, when three tube factories will be working on the Continent (the other two are now being built by PHILIPS in the Netherlands and TELEFUNKEN in West Germany).

Cie Francaise de Television is a 50-50 subsidiary of CSF - CIE GENERALE DE TSF SA, Paris, and CIE DE SAINT-GOBAIN SA, Neuilly, Seine. It has worked out the principles of a colour television system called "SECAM" (Sequential & Memory), in which the use of frequency modulation makes it possible to provide good pictures and still make TV transmitting economic.

Raytheon Elsi raised its capital to lire 4,300 million when it took over Selit, which was formerly the joint subsidiary of LA CENTRALE FINANZIARIA GENERALE, Milan, and THOMAS ELECTRONICS, Passaic, New Jersey, of which it had previously gained control. It has five divisions: tubes, x-rays, fluorescent lamps, semi-conductors and TV tubes (Selit division).

328/G MANDREL INDUSTRIES INC, Houston, Texas (see No. 226), a member of the AMPEX CORP group of Redwood City, California (see No. 92) since 1963, has formed a new Common Market subsidiary, MANDREL SA, Brussels. Mandrel Industries makes geophysical apparatus and instruments, colour sorting machines, etc. The new subsidiary (president Mr. Robert H. Ray and director Mr. Thomas C. Gilbert) has a capital of Bf 1.25 million, and will produce and sell drill-coring equipment, electronic sorting machines, etc. Its parent firm already has a French subsidiary, MANDREL S.A.F., Annecy (formerly ELECTRO TECH FRANCE). The Ampex group has a central Common Market organization in Frankfurt, AMPEX EUROPA GmbH, and subsidiaries in Brussels (AMPEX SA), Paris (AMPEX Sarl), Bollingen (AMPEX GmbH), etc. It also has two Swiss subsidiaries at Fribourg and two others in Britain, at Reading.

328/H OTTICA MECCANICA ITALIANA OMI SpA, Rome (see No. 174), which makes optical and scientific instruments, has formed a subsidiary, AGENZIA COMMERCIALE INTERNAZIONALE SpA, Rome, and holds half its lire 200 million capital; the other half is held by NIPARA HOLDING SA, Lugano.

The new company's president is Sig. Paolo E. Nistri, and it represents foreign firms in all kinds of trading and financial transactions. Its parent company is linked by manufacturing agreements with BENDIX CORP, Detroit, FAIRCHILD CAMERA & INSTRUMENT CORP, Syosset, New Jersey, DEVICES LTD, Ottawa, etc.

328/H The electronic organ manufacturers, THOMAS ORGAN CO, Los Angeles, a member of the WARWICK ELECTRONICS INC, Chicago, group of companies, which is 64.5% owned by SEARS, ROEBUCK & CO, is negotiating in the Netherlands and West Germany with the intention of manufacturing its products on the spot. These are already assembled from imported components and sold on the Continent under the brand name "Thomas".

328/H In order to expand in the European market, CIE GENERALE DE RADIOLOGIE - CGR SA, Paris and Issy-les-Moulineaux (see No. 316), has obtained control in Belgium of ETS DE MAN NV, Antwerp, a firm manufacturing electronic, electric, scientific and medical equipment. It has also made an agreement with the Italian company GENERAY - GENERALE RADIOLOGICA SpA-FABBRICHE RIUNITE BARAZZETTI, FARNUMED, RANGONI & PURICELL SpA, Monza, Milan (see No. 320), which is part of the group LA CENTRALE-FINANZIARIA GENERALE. This agreement concerns technical and industrial rationalization and sales cooperation abroad.

CGR (sales in in 1964 were Ff 84.6 million) has more than 1,000 employees and is owned by the group CFTH - CIE FRANCAISE THOMSON-HOUSTON (see No. 319), which has a direct minority interest in it, and controls it indirectly through its subsidiary STE FINANCIERE ELECTRIQUE SA (see No. 305). Two years ago, it gained control of the German company KOCH & STERZEL KG, Essen (see No. 278), and it also owns CHENAILLE SA, Saint-Cloud, Seine & Oise. Its other holdings, which support its leading position in the X-ray equipment market (in front of MASSIOT PHILIPS-MATERIEL MEDICAL SA, Paris), include THOMSON MEDICAL Sarl (established several months ago jointly with COTELEC and SEMS - see No. 305), FIRADEC SA, manufacturing X-ray screens in Paris (controlled by the group ROUSSEL UCLAF SA) and, in a related market, SOGEN - STE GENERALE DU VIDE SA, Paris (associated with CFTH and CIE FINANCIERE DE SUEZ - see No. 316).

ENGINEERING & METAL

328/H The Dutch firm SPIN & CO CONSTRUCTIEWERKPLAATS NV, Bussum, has put its central heating equipment department into a new subsidiary called RADIATOREN INDUSTRIE SPIN NV. This firm (capital Fl 2 million) is directed by M.H.W.H. Spin, and will run a factory at De Blesse.

328/I The holding company ELEKTRISCHE LICHT- & KRAFTANLAGEN AG, Cologne has acquired from the Berlin machine tool makers R. STOCK & CO, SPIRALBOHRER-, WERKZEUG- & MASCHINENFABRIK AG, Berlin (subsidiary of UNION TWIST DRILL CO, Atholl, Massachusetts) its 15% holding in FRANKFURTER PRAEZISIONS-WERKZEUGE-FABRIK GUENTHER & KLEINMOND GmbH, Frankfurt (capital Dm 1 million) which specializes in precision tools and now becomes the 100% subsidiary of the Cologne firm. Elektrische is more than 50% owned by the Munich group BUBIAGBRAUNKOHLEN - & BRIKETT-INDUSTRIE AG.

The Cologne holding company is the head of a group of German and foreign companies. In Germany it has full control of AG VULKAN, Cologne (lighting equipment) and has about 60% of C. J. VOGEL DRAHT- & KABELWERKE AG, Berlin (cables); more than 50% in NEW YORK HAMBURGER GUMMI-WAAREN COMPAGNIE, Hamburg(technical rubber goods); and 26% in WAGGONFABRIK UERDINGEN AG, Krefeld-Uerdingen (heavy machinery). Abroad it owns 100% of the Swiss holding company GES. FUER ELEKTRIZITAETS- & INDUSTRIEWERKE AG, Glarus and the Canadian firm LIKRA LTD, Montreal, and it has a holding of about 42% in the holding company ELICAN DEVELOPMENT CO LTD, Montreal.

328/I MIJ VAN BERKELS PATENT NV, Rotterdam (see No 314), one of the leading European firms making meat-cutting machines, scales and measuring instruments, has increased its Italian holdings through its subsidiary BRENETTI VAN BERKEL SpA, Prato Comportaccio, Sondrio. This firm has formed its own branch at Chiavenna, Sondrio into a subsidiary called FONDERIE DELLA VAL CHIAVENNA SpA (capital lire 1 million). The new company (president M. P. R. Zwart, director-general of the parent firm) is a metal foundry and makes all kinds of metal products.

The Dutch firm has subsidiaries and agents throughout the world as well as other holdings in Italy: OREM-OFFICINE RIUNITE ELETTROMECCANICHE, Chiavenna (see No 89) and AUTO-SCALE & SLICING MACHINE CO, Milan (see No 237)

328/I The Luxembourg mining and metal group ARBED SA-ACIERIES REUNIES DE BURBACH-EICH-DUDELANGE (see No 314) has taken over WAGGONFABRIK GEBR. LUETTGENS GmbH, Saarbrucken, a firm which builds and repairs railway wagons near the Luxembourg group's steel works at Burbach, Saar.

ARBED has a second steel works in Germany at Hostenbach, Saar and other large holdings, especially in ESCHWEILER BERGWERKS-VEREIN, Kohlscheid, Aix-la-Chapelle and its subsidiary BERGBAU AG LOTHRINGEN, Bochum, Gerthe; also in FELTEN & GUILLEAUME CARLSWERK AG, Cologne, Mülheim (67%), ARTEWERK HANDELSGES. FUER BERG- & HUETTEN-ERZEUGNISSE mbH, Cologne (50%), "BROHLTAL" AG FUER STEIN & TONINDUSTRIE, Burgbrohl (33.3%) and FAN. F & G - ARBED NATIONAL STANDARD GUMMIGEWEHRUNGS GmbH, Cologne (30%).

328/I KENNAMETAL INC, Latrobe, Pennsylvania (see No 260), specializing in carbon steel tools and other components, has signed an agreement with ETS L'EMPEREUR-ACIERS SPECIAUX-MACHINES OUTILS-OUTILLAGES SA, Grivegnee, Belgium, enabling it to use the latter's patented processes for the manufacture of special steels.

The American firm has several subsidiary and associated companies in Europe, including KENNAMETAL GmbH, Frankfurt, CA.ME.S.-CARBURI METALLICI SINTERIZZATI SpA, Milan (capital lire 260 million: president Mr Alexander G. McKenna who is also the group's president), KENNAMETAL(GREAT BRITAIN)LTD, Birmingham (44% owned), etc.

328/J PIC - PREPARATION INDUSTRIELLE DES COMBUSTIBLES SA, Fontainebleau-Avon, Seine & Marne (with branches at Ales, Gard; Forbach, Moselle; and Lens, Nord - see No. 258), which specializes in letting factories with vacant possession for the enrichment of coal and the production of building materials, fertilizers, pulp for paper, etc., is to transfer its industrial assets and some of its property assets, to the mining equipment firm, ETS VENOT & CIE SA, Onnaing, Nord (see No. 305). The remainder of the properties will be transferred to a new firm called SAGITA.

Ets Venot (annual turnover about Ff 60 million) has holdings in SOPERI - STE PARISIENNE D'ETUDES & DE REPRESENTATIONS INDUSTRIELLES SA (see No. 261), INTRAFOR - INJECTIONS, TRAVAUX PUBLICS & MINIERS & FORAGES SA, Paris (see No. 282) and COGEPA - CIE GENERALE DES PARKINGS AUTOMATIQUES SA, Paris (see No. 324). It will now take over PIC's technical agreements with ARTHUR G. McKEE & CO, Cleveland, Ohio (see No. 147) and PIC's British subsidiary, SIMON ACCO LTD (jointly owned with SIMON ENGINEERING LTD of Stockport - see No. 182) as well as agents in about 20 countries, including STE BELGE DE MECANISATION, Liege; AKA, Recklinghausen, and ADEMSA, Madrid. In 1964 (see No. 258) PIC also joined J.A. GOLDSCHMIDT SA, Paris, to form GOLDPIC SA, Paris, which builds factories for the processing of household refuse.

328/J The Swiss metal and mechanical engineering group (mainly fittings for tubes and flexible and rigid piping) GEORG FISCHER AG, Schaffhausen (see No. 276) has now taken over WAGA NV, Ede, Netherlands, specializing in underground pipes for gas and water. The group already has two sales subsidiaries (in Paris and Milan) and a manufacturing subsidiary (at Mettmann, Rhineland) in the Common Market; also a holding company in London, GEORG FISCHER LTD, which controls BRITANNIA IRON & STEEL WORKS LTD, Bedford, and LE BAS TUBE CO LTD.

The Swiss group has also formed GEORG FISCHER PLASTICS LTD, Bedford, in which it has 51% control, the rest being held by STEWARTS & LLOYDS PLASTICS LTD (subsidiary of STEWARTS & LLOYDS LTD, Glasgow), which makes plastic tubes. This new firm (capital £250,000) will produce plastic fittings in a new plant to be built at Huntingdon, near Cambridge.

328/J WERNER & PFLEIDERER KG MASCHINENFABRIK, Stuttgart, which builds machinery and equipment for the chemical industry, ovens for the baking and biscuit industry, etc., and employs about 3,500 workers at Stuttgart and Dinkelsbühl) has formed a manufacturing and sales company in Paris, WERNER & PFLEIDERER-FRANCE Sarl (capital Ff 0.5 million). 98% control is held by the holding company WERNER & PFLEIDERER GmbH, Zug, in which the capital of Sf 2 million is shared between VERTRIEB & VERKAUF AG, Arlerheim, Basle (49.7%); Herr Michael and Herr Johannes Werner (20.65% each), Herr Gunther and Herr Otto Fahr (7.9% and 1.1% respectively), heads of the parent firm. The latter has sales offices in Berlin, Frankfurt, Hamburg, Cologne and Nuremberg and agencies throughout the world. In Italy its products are distributed by WERNER & PFLEIDERER Sas, Stoccarda (capital lire 16 million) which has had a branch in Milan since September 1963 (see No. 221).

328/J STE DES USINES SAINT-JACQUES SA, Paris (capital Ff 12.4 million) owned 82% by CIE DES FORGES DE CHATILLON-COMMENTRY & NEUVES-MAISONS SA (see No. 290) and 16.6% by STE GENERALE DE CONSTRUCTIONS ELECTRIQUES &

MECANIQUES ALSTHOM SA (see No. 320), is transferring its factory at Montlucon, Allier, to STE DES FONDERIES DE MONTLUCON SA, Paris, which was formed recently with a capital of Ff 10,000.

328/K The Belgian physical and chemical research organization SERAI - STE D'ETUDES, DE RECHERCHES & D'APPLICATIONS POUR L'INDUSTRIE, Uccle (founded in 1955 by COCKERILL-OUGREE SA, COFININDUS SA, BRUFINA SA, MINIERE & METALLURGIQUE DE RODANGE SA etc) has joined COMASCI - STE COMMERCIALE D'APPLICATIONS SCIENTIFIQUES, Uccle, and another subsidiary of the same group, BETI - BUREAU D'ETUDES TECHNIQUES & INDUSTRIELLES SA, Brussels, to form a company for representation, purchasing, sales and eventually the operation of new techniques, processes and products.

The new firm, called FAVASCI S.C. - STE POUR LA FABRICATION & LA VENTE D'APPLICATIONS SCIENTIFIQUES, Uccle, has unlimited capital; it is starting with Bf 10 million, of which 90.9% belongs to SERAI, 9% to COMASCI, 0.05% to BETI. The main shareholders in BETI, which was formed in 1951 by BUREAU D'ETUDES & DE CONTROLE TECHNIQUES S.C., Liege, are COCKERILL-OUGREE, Seraing, MINIERE & METALLURGIQUE DE RODANGE SA, Rodange, Luxembourg, and COFININDUS SA, Brussels, which controls it.

328/K ALUMINIUM EUROPE-ALEUROPE SA, Brussels (see No. 275) has increased its capital to Bf 150 million, through four of its seven shareholders contributing INNOCENTI extruding machines, furnaces, coiling-machines, saws, etc. The equal proportion of Belgian and American holdings has not been changed. However, REYNOLDS INTERNATIONAL INC, Richmond, Virginia, has increased its direct shareholding from 20% to 30% and STE DE TRACTION & D'ELECTRICITE SA, Brussels, has increased its share from 12.5 to 16.6%; STE GENERALE DE BELGIQUE SA, Brussels, and COBEAL - CIE BELGE POUR L'INDUSTRIE DE L'ALUMINIUM, Brussels, have maintained their shares at 12.5% each, but UNION FINANCIERE & INDUSTRIELLE LIEGEOISE SA, Liege, has decreased its share to 8.33%.

FINANCE

328/K CHASE MANHATTAN BANK, New York, is negotiating, on behalf of CHASE MANHATTAN OVERSEAS BANKING CORP (see No. 319) the purchase of a large holding in BANQUE DE COMMERCE HANDELSBANK SA, Antwerp. The Belgian bank (formerly a joint subsidiary of BARCLAYS BANK LTD, London, and HANDELMIJ H. ALBERT DE BARY & CO, Amsterdam) was taken over three years ago by BANQUE DE BRUXELLES SA; it has about 20 branches in Belgium (where the American bank is not represented) with about fifteen in or around Antwerp. Its bills totalled Bf 1,790 million in 1964.

Banque de Bruxelles (whose principal shareholders are BRUFINA - STE DE BRUXELLES POUR L'INDUSTRIE & LA FINANCE SA, COFININDUS - CIE FINANCIERE & INDUSTRIELLE SA, BARCLAYS BANK, CREDIT MUTUEL HYPOTHECAIRE SA, Brussels, etc) has recently increased its cooperation with BANQUE DE COMMERCE through BARCLAYS BANK; its other banking interests include 25% in INSTITUT DE REESCOMPTE & DE GARANTIE (capital Bf 1,000 million); also, BANQUE DIAMANTAIRE ANVERSOISE SA (of the BUNGE SA group, see No. 297), UNION BELGE DES BANQUES SA, Brussels; BANCO ESPANOL EN BRUSELAS SA, Brussels (of the BANCO EXTERIOR DE ESPANA group - see No. 154); BANQUE BELGE D'AFRIQUE Sarl - see No. 173; BANQUE INTERNATIONALE A LUXEMBOURG SA, etc.

328/L The German trade-union bank BfG-BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt (see No 324) which is hoping to stimulate saving among workers under the new German legislation on popular capitalism, in liaison with the building industries' union IG BAU-STEINE-ERDE, has turned its 100% subsidiary KREDITBANK HAGEN GmbH, Hagen into BSV-BANK FUER SPARANLAGEN & VERMOEGENSBILDUNG AG with the sole purpose of attracting these savings for use in the building industry. The new savings bank expects to open several hundred thousand accounts and it will share its profits with long-term depositors, who will also have the majority - eight seats out of fifteen - on the Supervising Committee.

Bfg and Ig-Bau-Steine-Erden are already closely linked through a building company BERLINER BAUHUETTE GmbH, Frankfurt which recently formed (in association with CONSTRUCTIONS EDMOND COIGNET, Paris) the Berlin company DEUTSCHE FERTIGBAU GmbH SYSTEM COIGNET, which prefabricates buildings.

328/L BANQUE COMMERCIALE SA. Luxembourg (see No 302) has formed - and taken a 10% share in - the Luxembourg investment company INHOLD INVESTMENTS HOLDINGS CORP SA. The president of the new firm is M. Moshe Mayer of Geneva, who is also president of CENTRADE MAYER CORP, Geneva (trade between Israel and Europe - see No 249).

The other founders of the new holding company (capital $2 million) are: MAFIT TRUST CORP LTD SA, Geneva (20%) and GEFIRENDUS SA, Luxembourg (15%); these two were co-founders of IDICO-INTERCONTINENTAL DEVELOPMENT & INVESTMENT CORP SA, Luxembourg, present capital $5 million - see No 288; also the holding companies PRIAMOS AG, Glarus and PHALANX AG, Chur with 10% each; also M. Moshe Mayer (the president of IDICO) and Mr Salvatore Schimenti, New York, with 20% and 15% respectively. Mr Schimenti has been appointed managing director; his colleagues are Mr C. Dukers, New York; M. R. Carmes, Luxembourg; Mr Y. Wiesenberg, London; M. E. Aufseesser, Geneva; M. H. Yavor, Luxembourg and Mr B. Meyerhof, Liberia, Monrovia.

328/L The stockbroking firm BACHE & CO INC, New York (see No 291) is opening its third branch in West Germany. The other two are at Frankfurt (manager Mr Peter von Muehlen) and Munich (only recently set up). The American company specializes in investment analysis. It will now have 20 branches abroad, apart from its subsidiaries at Paris, BACHE & CO (FRANCE) SA, (President M. P de Neufville); Rome, BACHE & CO (ITALIA) SpA (manager Mr C. Ajo); there is a branch at Milan; Madrid, BACHE & CIA SA (set up towards the end of 1964), and in London, BACHE & CO (manager Ernest J. Smith), etc.

328/L The EMPAIN group (see No 323) through the holding company CANADIAN INTERNATIONAL INVESTMENT TRUST LTD will partner the HALLET (see No 314) and RIVAUD groups in the Canadian holding company CIE FONCIERE DE MANITOBA LTD, Winnipeg which BANQUE DE L'INDOCHINE SA, Paris (see No 321) has sold it.

This holding company, in which STE FINANCIERE DES CAOUTCHOUCS SA-SOCFIN, Brussels also has a share, controls MANIFUND LTD and MANIPED LTD in Canada and has interests in ST LAWRENCE COLUMBIUM & METAL CORP LTD, Montreal which produces rare non-ferrous metals. It has a wide range of direct or indirect investments in banking, chemicals, mining, cement, transport, food and drink, etc.

328/ M ROBECO-ROTTERDAMSCHE BELEGGINGS CONSORTIUM NV, Rotterdam, a large management investment company in the Netherlands, has constituted under the name of "Rolinco" a new Fund made up of mainly North American shares, chosen for capital growth rather than dividend yield. This Fund will be managed by a specially formed subsidiary ROLINCO NV, Rotterdam (capital Fl 4 million).

FOOD & DRINK

328/M UFIMA-UNION FRANCAISE D'INDUSTRIES & DE MARQUES ALIMENTAIRES SA, Paris, which is linked with UNION FINANCIERE DE PARIS (see No. 322), is now going to take over STE DES CAFES BIEC-ETS BIEDERMANN & CIE SA, Toulouse, Haute Garonne (capital Ff 1.26 million). This is a family firm with an annual turnover of about Ff 30 million. Ufima will now increase its capital from Ff 12.5 to Ff 16.128 million. In December 1964 it took over the major French coffee-roasting firm SA DES CAFES MOKALUX, Vincennes, Seine (annual capacity by 1966, 10,000 tons - see No. 282)

328/M PET MILK CO, the dairy-produce group of St Louis, Missouri, will sell the majority holding it bought in 1963 in the confectionery firm PEL HOLLAND NV of Leyden (formerly CV FABRIEK VAN SUIKERWERKEN GEBROEDERS PEL).

The American company has recently joined LUIS MATUTANO SA, Barcelona, to form MATUTANO & PETMILK SA, which will manufacture potato crisps and "snack foods". Having recently joined the Swedish group A/B MARABOU, Sundyberg in acquiring control of A/B ESTRELLA, Gothenberg, it also shares control of the GENERAL MILK CO of Los Angeles with the CARNATION CO, Los Angeles (which holds 65% interest). General Milk has holdings in a number of European countries, for example; LAIT GLORIA SA, Paris; CARNATION SA, Louvain; GLUECKSKLEE MILCH GmbH, Hamburg; GENERAL MILK PRODUCTS LTD, London; LECHE EVAPORADA GLORIA SA, Barcelona; etc.

328/M Two companies of the UNILEVER group (see No. 325) specializing in animal feed-stuffs KON MIJ "DE BETUWE" NV, Tiel and NV MIJ TOT EXPLOITATIE DER OLIEFABRIEKEN CALVE-DELFT, Delft (see No. 217) have formed a 50-50 sales company CALVE-DE BETUWE NV, Delft (capital Fl 1 million). The board of the new firm will include Mr. G. van der Gaag, Mr. A. Ruoff, Mr. J. van Zoelen and Mr. A. Dekker.

328/M The large shareholding held by BAYERISCHE VEREINSBANK, Munich (see No. 325) in the brewery AKTIENGESELLSCHAFT HACKERBRAU, Munich has encouraged it to take a shareholding in a similar firm nearby, PSCHORRBRAEU AG. Bayerische has therefore taken a 25% holding in this firm, capital Dm 5.52 million, belonging to the Pschorr family. Maximum co-operation and rationalization will be arranged between the two firms especially in their purchasing and sales policies.

328/M The Belgian group BRASSERIE PIEDBOEUF SA, Jupille, Liege (see No. 294) has now gained control of another French firm, BRASSERIE ALPHONSE DALLE SA, Wervick-Sud, Nord (capital now increased to Ff 7.54 million). The Dalle group will still run the Wervick brewery and also includes BRASSERIE FONTAINE SA, Bertry, Nord and BRASSERIES NORD-EUROPE SA, Armentieres (see No. 244).

INSURANCE

328/N The mutual insurance company ADLER FEUERVERSICHERUNG a.G. VORMALS DEUTSCHE BEAMTEN-FEUERVERSICHERUNG a.G. Berlin, which has up to now specialized in accident insurance of all types, is expanding to take in life assurance. It has established a subsidiary ADLER LEBENSVERSICHERUNGS AG, Berlin of which it owns 55% (capital Dm 4 million). The other 45% is held by KOELNISCHE RUECKVERSICHERUNGS-GES, Cologne, whose main shareholders are NATIONAL ALLG. VERSICHERUNGS AG, Lübeck (see No. 321) and its affiliated company COLONIA-KOELNISCHE VERSICHERUNGS AG, Cologne.

MINING

328/N MM DE ROTHSCHILD FRERES SA, Paris (see No. 324) has reorganized its mining interests. The three firms CIE DU CHEMIN DE FER DU NORD SA (see No. 322), STE D'INVESTISSEMENT DU NORD SA (see No. 254) and STE FRANCO-BRITANNIQUE DE PARTICIPATIONS SA (see No. 283) will transfer their holdings in LE NICKEL SA, Paris (see No. 322) to STE MINIERE & METALLURGIQUE DE PENARROYA SA, Paris (see No. 302) whose shareholding will be raised from 0.65% to 10.62%.

Penarroya, whose capital will be raised from Ff 139.69 to Ff 155.19 million will now form a subsidiary in Paris, STE FRANCAISE DE DEVELOPPEMENT INDUSTRIEL SA (capital Ff 50,000) which will sell and lease mining and quarrying concessions.

328/N The South African group DE BEERS CONSOLIDATED MINES LTD, Kimberley and London, the largest world producer of diamonds (see No. 320) is forming a French subsidiary to develop the industrial diamonds market. A German subsidiary was set up a short time ago. The new French subsidiary will be responsible for advising and giving technical assistance to buyers and users and will conduct advertising campaigns designed to attract new customers. The new firm DIAMANTS INDUSTRIELS DE BEERS SA, Paris will have a capital of Ff 50,000.

OIL, GAS & PETROCHEMICALS

328/N The Italian company, AGIP SpA, Milan (see No. 326) is 79.8% controlled by E.N.I.-ENTE NAZIONALE IDROCARBURI; I.N.A. and I.N.P.S. hold 10% each. It has sold its British distributing subsidiary AGIP (GREAT BRITAIN) LTD, London (chairman Mr. C. Forte) to ESSO PETROLEUM CO LTD, London, which belongs to the STANDARD OIL CO OF NEW JERSEY group (see No. 325). Selling the Italian group's investments in the United Kingdom, (110 outlets, of which 73 are in operation) will allow it to deploy its resources in the direction of Africa or other European countries where there are possibilities of using a supply pipe-line. About a year ago, E.N.I. had an application to build a refinery with a capacity of 20 million tons at Canvey Island, near Southend, (see No. 260) turned down by the Essex County authorities.

328/O ALLIED CHEMICAL CORP, New York (see No 234) produces a wide range of chemical products, from sodium and ammonium products to acids, dyes and insecticides from natural gas and crude oil. It has formed a wholly-owned subsidiary in the Hague ALLIED CHEMICAL NEDERLAND NV (capital Fl 10,000), which will engage in research and production in oil, natural gas and their derivatives.

The American group already has holdings in the Netherlands, including a 50% holding in NV CHEMISCHE INDUSTRIE SYNRES, Hook-of-Holland, producing resinous, plastic and phtalic anhydride coatings. Two years ago it also set up a complex in Southern Italy to make about 35,000 tons a year of raw materials for polyurethane foams for use in the packing, insulating and coating industries. This was done jointly with an Italian group consisting of PREALPINA MONTEFLUORO SpA, INDUSTRIALE & FINANZIARIA, Milan and MANIFATTURA CERAMICA POZZI SpA; a joint and equally-owned subsidiary will shortly be formed. Allied Chemical also has a Spanish interest - a 50% share in ALQUIDA QUIMICA SA, a producer of aluminium sulphate, in equal partnership with ALQUIMIA SA, Barcelona.

OIL, GAS & PETROCHEMICALS

328/O For some months past the state-owned oil industry in France has been undergoing reorganization: a new undertaking is now to be set up to pull together all the state's shareholdings except its 35% interest in CFP-CIE FRANCAISE DES PETROLES SA, Paris. M. Pierre Guillaumat will be president and the new holding company will have three branches:

1 Research and production; a single concern, provisionally named BRAP-BUREAU & REGIE ASSOCIEE DE PETROLES (see No 314), will unite the assets of BRP-BUREAU DE RECHERCHES DE PETROLES (see No 314) and RAP-REGIE AUTONOME DES PETROLES (see No 291), whose combined prodiction is at present about 16 million tons.

2 Refining and distribution: UGP-UNION GENERALE DES PETROLES SA (see No 326) will continue its refining (4.2 million tons) as at present, and will also distribute as now about 11.5% of the market.

3 Petrochemicals: these are reserved to SNPA-STE NATIONALE DES PETROLES D'AQUITAINE SA (see No 324), 51.8% subsidiary of BRP, which will retain its present responsibilities for research and production of natural gas and oil.

328/O B.R.P.-BUREAU DE RECHERCHES DE PETROLES, Paris (see No 314) and C.F.P.-CIE FRANCAISE DES PETROLES SA, Paris (see No 323) each have a 37.5% holding in STE EQUATORIALE DE RAFFINAGE SA, Port Gentil, Gabon with a capital of F. CFA 50 million. The company will construct and operate a refinery (cost F CFA 4,000 million) which will supply oil to Gabon, the Central African Republic, Chad, the Congo (Brazzaville) and Cameroon, each of which have 5% holdings. The international petroleum companies who already distribute in these countries, ROYAL DUTCH SHELL and SOCONY MOBIL OIL especially, will participate at a later date.

328/O CIE DE RAFFINAGE SHELL BERRE SA, Paris, a 60/40 subsidiary of SHELL FRANCAISE SA (see No 314) and CIE DE PRODUITS CHIMIQUES & RAFFINERIES DE BERRE SA (controlled by CIE DE SAINT-GOBAIN SA (see No 311), has joined STE FRANCAISE DES PETROLES BP SA, Courbevoie, Seine (see No 297) 50-50 in forming STE FRANCAISE DE STOCKAGE GEOLOGIQUE-GEOSTOCK Sarl, Courbevoie. Geostock has a capital of Ff 100,000 and will be engaged in the research, management and working of underground caves for storing liquid or liquefied fuels.

OPTICAL AND PHOTOGRAPHIC

328/P AIRES INTERNATIONAL JAPAN LTD, Tokyo (recently founded by 17 local companies, including NIPPON ELECTRIC CO LTD, Tokyo) which is principally engaged in the promotion of sales of Japanese optical products abroad, and which already has an agency in Geneva, has formed a sales company in Paris, AIRES INTERNATIONAL (FRANCE) Sarl (capital Ff 20,000). Aires has a 12.5% shareholding (held by Mr Iida Yoshio, Tokyo), the remainder being held by M. Jean Julien, Garches, Seine & Oise (30%) and his wife (7.5%), M. Andre Salmanoff, Paris (37.5%) and Mme Rose Cornaz, Geneva (12.5%). The new firm will deal with France, Italy, Spain, Portugal and French-speaking Africa.

PAPER & PACKAGING

328/P The Swedish paper group LILLA EDETS PAPPERSBRUKS A/B (see No 237), which last year set up a factory in the Netherlands run by EDET INTERNATIONAAL NV, Tilburg (see No 254), has formed a sales subsidiary in Brussels, EDET INTERNATIONAL (BELGIUM) SA. This firm is directed by Mr C.F. Van Calster, Mr G.H. Van Ketwich Verschuur and Mr J.F. Seylhouwer, and has a capital of Bf 0.5 million, which is shared between Edet Internationaal, Edet Nederland (the group's Dutch sales subsidiary) and the directors of the Swedish group.

328/P METALLPAPIERFABRIK H. BENKERT GmbH, Herne, Westphalia the German manufacturer of special papers and aluminium sheets for the printing industry, especially off-set plates, which employs about 250 workers, has formed a Swiss manufacturing and sales subsidiary BENKERT GmbH, Muri (capital Sf 300,000). The new firm is entirely controlled by the heads of the German firm, the manager Herr Horst Benkert holding 65%.

328/P The French sugar and paper group STE F. BEGHIN SA, Thumeries, Nord (see No 299) has formed a company in Paris to sell articles made from cellulose tissue and wadding, SODIBE-STE DE DISTRIBUTION BEGHIN Sarl, Paris (capital Ff 1 million). Beghin has a direct holding of 5% and an indirect one of 52.7% through its subsidiary CARTONNERIE DE KAYSERSBERG SA, Kaysersberg, Haut Rhin (see No 185), whose joint managing director M. Marcel Kilfiger will manage the new firm.

PLASTICS

328/P The Dutch industrialist Mr Hendrik Jan Veenendaal, Rhenen, who recently established RECTICEL BELGIE NV, Lichtaart, Belgium - see No 305 - (88% control) has now set up another company for the production and the processing of plastics, RECTICEL DEUTSCHLAND KUNSTSTOFFE GmbH, Kevelaer (capital Dm 100,000). He will manage the company jointly with M. Siegfried Schreiner, Kevelaer.

328/Q Two German firms headed by Herr Robert Murjahn, DEUTSCHE AMPHIBOLIN-WERKE VON ROBERT MURJAHN KG (which employs about 400 in the manufacture of plastic dispersions) and DISBON GmbH CHEMISCHE ERZEUGNISSE, both at Ober Ramstadt, über Darmstadt, now have an Austrian sales subsidiary OESTERREICHISCHE DISBON-CHEMISCHE ERZEUGNISSE GmbH, Vienna. The new firm has a capital of Sch 150,000; its manager is Herr Kurt Seidler of Vienna.

The German group also has holdings in France and Switzerland where Herr Murjahn has 80% and 95% respectively in AMPHIBOLIN-FRANCE Sarl, Paris (see No 231) and CAPAROL GmbH, Muttenz, Basle (see No 244).

TEXTILES

328/Q SODIS-STE POUR LA DISTRIBUTION DES TAPIS DE GRAND CONFORT SA, Paris (capital Ff 10,000) has changed its name to TREND MILLS FRANCE. It is responsible for the French distribution of carpets and other textile products made by TREND INDUSTRIES INC, Rome, Georgia, which also has a sales subsidiary at Ronse, Belgium, TREND MILLS NV (see No 281). Mme Henriette Levasseur (Saint Leu La Foret, Seine & Oise) will take over the management of Trend Mills France.

ETS ROSY SA, Paris, manufacturer of girdles, bras, lingerie etc, whose capital has recently been raised to Ff 8.23 million, is going to form two more sales subsidiaries in the Common Market, one in Florence before the end of 1965 and the other in Brussels at the beginning of 1966. The French firm (factories at Bonnetable, Sarthe; Ruitz, Pas-de-Calais; and Chatillon-sur-Saone, Vosges) has had a subsidiary in Düsseldorf since March 1965-ROSY-PARIS GmbH (capital Dm 300,000), managed by Herr Johann G. Loode, Düsseldorf.

TRADE

328/Q SORICE-STE DE REPRESENTATION INDUSTRIELLE & DE COMMERCE POUR L'EUROPE SA, Paris (see No 318), which represents East German firms, has formed a third branch for its Frankfurt subsidiary SORICE-GROSS & AUSSENHANDELS GmbH (see No 313). The new branch will be in Munich, with M. Charles Charrier as director. The other two are in West Berlin and Hamburg.

328/Q The Lausanne holding company FIREC SA (president M. Pierre Goldschmid, a manufacturer of Wauthier-Braine, Belgium) has taken a 25% share in REFAMI-REPRESENTATION & FABRICATION DE MATERIEL INDUSTRIEL SA, Brussels, in settlement of a debt. This firm, president M.J. Hautain of Uccle, has increased its capital to Bf 4 million; nearly 75% control is held by ETUGES-STE D'ETUDES & DE GESTION DE L'UNION DES INDUSTRIES SA (capital Bf 32 million, controlled by GOLBI SA, Brussels) and the few remaining shares by MECANICONGO-ATELIERS MECANIQUES DU CONGO SA, Brussels and PIERRE GOLDSCHMID & CO Scs, Brussels.