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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT
A Letter from Paris

NO EASY AGREEMENT ON WORLD LIQUIDITY PLANS

The next meeting of the group of Ten who are studying a hypothetical reform of the monetary system - or rather the possibility of creating new forms of liquidity that might be put to good use in case of need - will take place on April 20th in Washington. It would be too much to expect the experts of the Ten to produce some clear-cut formula by that date. Even though they will no doubt have several other discussions before the next assembly of the International Monetary Fund in September, it is not at all certain whether they will even by then be ready to submit a conclusive report, recommending final steps for amplifying the present system of the Gold-Exchange Standard. It would, however be wrong to assume that the Ten's proceedings have mainly slowed down because of a basic disagreement between the French delegation and those of other nations within the Group - an interpretation that could readily be gathered from comments in the daily press following the last meeting of the Group of Ten, at the beginning of March. Even though the members of the Group wish understandably to surround themselves with a wall of secrecy until they are ready to divulge the final results of their work, we nevertheless had a chance to verify this specific aspect of their discussions with delegates of several nations: To a man they regard all inferences that there is a wide schism between the French and other points of view as largely exaggerated.

Studies are as yet all too vague, as the various national points of view have scarcely been evolved, but if the outcome of the work is still uncertain, it is not because of any fundamental disagreement between delegations. The fact is that no sufficiently convincing solution has yet been put forward to draw wholehearted support from the majority of the Ten. Several ingenious, or at least "aesthetically" attractive schemes have been suggested which would make possible the creation of new instruments of liquidity, but they are complex in their ingenuity and it is often hard to imagine how they would operate in practice. Though aware of the imperfections of the Gold-Exchange Standard system, as it functions, the experts nevertheless cannot ignore the fact that it was its very simplicity that enabled it to adapt itself reasonably well to the tremendous economic development of the western world in the post-war period. How can we make sure that the various new, and very subtle "additional liquidity" schemes will not make the international monetary machinery dangerously complicated? It is thoughts like this, arising from all the plans submitted, rather than any basic disagreement among the delegates that prevents their coming to any early conclusions.

In view of the role of "enfant terrible" de Gaulle seems to have assigned to France in matters of Western cooperation in general, it is not surprising that the position of French delegates should often be regarded with some suspicion by other delegations during the monetary discussions. The French were rather offhand at the last meeting (as they certainly will be at the April meeting in

Washington) about the very idea of creating new forms of liquidity in the guise of "units of account", after having themselves put forward the "composite reserve unit" theory (CRU) at previous gatherings. But this in no way indicates any desire on their part to draw red herrings across the path of monetary cooperation.

There are two reasons for this apparent change:

- 1) In the interval Valery Giscard d'Estaing was replaced by Michel Debre as French Finance minister, and Giscard has in fact been more keen on the CRU idea than General de Gaulle himself. This became obvious in February of last year. French delegates had by then clearly explained their CRU concept during meetings of the Ossola study group - including their "refined" alternative version, consisting of "crossed gold deposits" - but this was merely exploratory, and the formula had not yet become an official French proposal. On February 4th, 1965, General de Gaulle held one of his periodical press conferences and stated on this occasion: "We deem it necessary that international exchanges should be established on an indisputable monetary basis that should bear the earmark of no country in particular". This was a direct attack on holding the dollar in monetary reserves and was backed up by the following statement: "The conditions that brought about the Gold-Exchange Standard in the past have since changed". He said nothing directly about the need to create new forms of liquidity to replace the dollar, and secondly sterling, in the reserves. Thus there were two different ways to interpret his words: either he was seeking support for a return to the pure Gold-Standard system, "a la Rueff", with or without the accompanying gold-revaluation measure; or else he was after the creation of some new form of liquidity connected with gold, but not tied either to the dollar or to Sterling, for example the CRU formula. One can still assume that de Gaulle - who anyhow has never shown any particular interest in monetary technicalities - is keeping an open mind on the subject. The one possible exception to this is the gold-revaluation formula, as he must have approved the emphatic statement issued soon after the press conference by the Ministry of Finance to the effect that France is totally opposed to such a solution. But Giscard d'Estaing immediately went one step further: exactly one week after the press conference, on January 11th, 1965, he gave a lecture at the Sorbonne in which he expressed the wish "that central banks should be allowed to hold in their reserves only two types of element: gold, and what goes by the title of "owned reserves that should themselves be tied to gold; no currencies should be held in excess of the normal needs for current transactions". This could only be seen as a proposal for a new sort of reserve unit (or "unit of account") of the CRU type, tied to gold. It is only this definition that may rise to some hesitancy at first, as non-initiates into the most recent monetary terminology may logically interpret it as meaning that its

value is being guaranteed in terms of gold; such a condition is in fact being attached to all proposed new reserve unit plans, and there is no disagreement on this point. "Tied to gold" now means to everyone, including Giscard, - "distributed in proportion to the gold holdings of each country", and most delegations in the group of Ten - but of course not the French - are for several reasons opposed to such a solution. Giscard's statement also specified that the new forms of liquidity to be created would be destined to replace almost completely the currency element in the reserves - a point on which the French delegates had been rather vague during previous monetary discussions. After his lecture, in fact, Giscard d'Estaing came down several times, and at least once during the IMF session in September, in favour of the CRU formula, whereas de Gaulle himself remained silent on the subject. Giscard's replacement by Debre as French Finance Minister certainly has much to do with the French delegation's recent change of tune about any "reserve unit" solution.

- 2) The second reason for the change is more fundamental. The French CRU plan was clearly inspired by a "reserve unit" plan proposed originally by Edward M. Bernstein in 1963. Bernstein's formula did not call for the replacement of the dollar holdings in the reserves, as both elements in them were to co-exist with gold. The French were however attracted to this formula in that it allowed the allocation of such units to be tied to the gold holdings (and not to the gold-plus-currency holdings) of each country. It could be expected that this would induce the various nations to convert their dollars into gold at the Federal Reserve in New York, as, according to this plan, only gold holdings entitled them to benefit from the distribution of the reserve units. The aim of this French approach was not to annoy the U.S. authorities and provoke a strong diminution of the American gold stock, but principally to put severe restraint on American firms' facilities for investing in Europe - a consideration that explains to a large extent all French reactions to the monetary problem. But it became more and more apparent during discussions at various group of Ten meetings that practically all partners of France in the group are opposed to her formula for allocating the new units. This was because such a procedure would undoubtedly lead to the running-down of U.S. gold reserves, and also to such a direct correlation of gold holdings and additional reserves that it might be regarded as a disguised revaluation of the price of gold. This in fact is clearly stated in the May 31st, 1965 report of the Ossola study group. In the meantime, Robert V. Roosa, the American Under-Secretary of the Treasury for Monetary Matters, resigned from his position and published a plan and solution in his own name (see No 324). This was similar to the CRU system, but it tied the attribution of his "units of account" to the extent to which the currency of each nation was being used

(during a set period) by the other nations for drawings on the IMF and as an element included in their own reserves: a pattern that would clearly favour the United States. This plan was to a certain extent blazing a trail for a later official American suggestion submitted to the Group of Ten, but which seems to prefer a link with the IMF quota for each nation - another alternative clearly opposed to what the French were looking for. At first sight one might wonder why the Americans came round to the rather complicated "unit of account" principle, after having been dead set for years against any deviations from the basic Gold-Exchange Standard concept - other than of course, the various temporary "swap" arrangements conceived by Roosa. It seems that the fairly recent trend towards massive conversion of dollars into gold - led by France - that in 1965 converted some \$880 million - had much to do with this decision. It was realized in Washington that some measure of consolidation had indeed become necessary. The Treasury was still reluctant to face the basic solution-guarantees in terms of gold for the value of the dollars in the national reserves. This would have been a powerful inducement for all nations, with the possible exception of France, to stop their dollar conversions into gold, and might even have started a strong current in the opposite direction. But the Treasury compromised by accepting the formula of a gold guarantee for the dollars to be included in the future units of account, while still discarding the idea of dollar-guarantees in favour of the central banks. For the French, the original object of their own CRU plan appeared more and more unattainable. The German delegate, Dr. Emminger, suggested - with the backing of the Dutch and Italian delegations - an intermediate plan adopting certain features of the French plan - the essential settlement of deficits partly in reserve units, partly in gold - but did not tie the original distribution of such units to gold. It thus became more and more apparent that the French "dish" that had been prepared with the chief purpose of harrying U.S. firms in their large-scale investments in Europe, was going to be served on a new platter, with a different sauce, and used to give a new lease of life to world-wide American economic expansion. In addition to this, the fact that Americans have been successful lately in finding much of the capital they need for European investment in the money markets of Europe itself makes nonsense of any attempt to restrict investment by monetary means.

This is the real background to present French diffidence about all new liquidity plans: after having whetted their appetites with their own CRU initiative, they are afraid that they might in the end have to swallow a dish tasting quite different to what they had anticipated as the product of their recipe. In addition to this, one can also sense a quite genuine - and quite justified - fear in Parisian monetary circles that any reserve unit system might become dangerously complicated.

THE WEEK IN THE COMMUNITY

March 27 - April 3, 1966

From our Correspondents in Brussels and Luxembourg

* * *

The Razor's Edge

At the time of going to Press, the Six are back in Brussels in the "Grand" EEC Council, that is at Foreign Minister level. There is little drama in the air, no talk of ultimata, threats or deadlines; but this meeting is still important because the Six have little time left to make up their minds on what political choice they are going to make. It must be made clear whether or not each member really wants to get the Community moving again and without any further delay, (a) because time is running out for the Community and (b) because the overall technical problems can no longer serve as a pretext for putting political decisions on the long finger.

The Six are on the razor's edge. Basically, the problems concerning them are a matter of financial bargaining and the burdens and advantages can always be balanced if necessary by slightly bending a few principles. The factors of the "global compromise" are clear and even deceptively obvious. "Put any permanent representative in a corner for ten minutes", said one well informed diplomat "and he will have the package tied up in no time". Without underestimating all the technical problems inherent in the Six's programme, it could even be said that a positive determination to succeed is no longer essential to get the Common Market under way: all that is required is the absence of a determination to prevent it succeeding.

What might raise a few eyebrows, especially in Bonn, are the extensive political consequences which this almost inevitable compromise may bring to bear on the future of the Common Market. Judging from the extremely cautious attitude of the Germans over the agricultural finance regulation, it looks as if they are afraid of giving in for fear of conceding victory to the French. It would be more accurate, however, to award such a victory to the Community as a whole. Supposing then, that agreement is reached: the results would be free circulation of goods, the agricultural policy in operation and under the pressure of world free-trading opinion increased by the success of the Kennedy Round, an essential speed-up of the common industrial and trade policies. The crisis would be a thing of the past.

In the present international situation, this surprising recovery may cause some comment, especially since France is now doing the pushing. M. Couve de Murville and his colleagues are apparently making a considerable effort to understand their partners' point of view, and if on occasion they are not quite so accommodating they are usually supported by right and logic (especially on the second stage of the Common External Tariff which, according to the gentlemen's agreement already settled, should be finalised on May 1 and not April 1 as we erroneously stated). A measure of this state of mind is that the renewal of Professor Hallstein's mandate as president of the Commission is now almost certain.

This attitude seems to have had some effect on the "former Five". Italy it is true has confirmed her support of America and received President Johnson's warm approval for doing so. But with the Belgian King visiting Italy, President Saragat has emphasised his concern for the progress of the Common Market. Also, the Italian government can now expect considerable satisfaction from the agricultural finance policy. Finally, Mr Wilson's victory in the British elections may also have an effect on Italy's policy as on that of the Netherlands. The leader of the Labour Party has of course indicated his willingness to negotiate with the Six but with a degree of caution which would certainly be shared by Mr Patrick Gordon Walker if he becomes the minister concerned. His approach will undoubtedly be less definite than the one which would have been taken by Mr Heath and which might perhaps be the only one likely to succeed. If the Common Market wagon starts rolling again, it will be difficult to jump on, and even less tempting if the Kennedy Round could offer an alternative solution for improving relations between Britain and the Six.

Belgium is all for a fresh start for the Community. However it is worth taking another look at the part played by the Luxembourg ministers and delegates who are acting presidents until June 30. Rarely in the history of the Common Market have the responsibilities of the presidency been handled with such insight, imagination and even courage. Men like Pierre Werner, the Prime Minister, Jean-Pierre Buechler, the Secretary of State for Agriculture, or Albert Borschette, Luxembourg's permanent representative are full of compromise solutions based essentially on impartiality and concern for the common good. When everything is balanced on a "razor's edge" as at present, an unknown quantity such as that could be enough to swing the "European pendulum" in the right direction.

In the meantime, the last session of the Council of Agricultural Ministers on March 28 and 29 was mainly devoted to fixing the threshold prices for dairy products for the 1966-67 campaign. The larger problems under discussion (common prices, regulations) were not touched on and for this reason the meeting was somewhat negative. On the other hand the Agricultural Ministers decided to hold six sessions between now and June 15. They took it that the deadline of July 1, 1967 for the free circulation of agricultural products would be kept: so perhaps they are capable of working out all the technical aspects involved in realizing this ambition. Also, the six delegations seem to have negotiated in an atmosphere of extreme friendliness. This confirms the general opinion of the experts or the technical ministers that reconciliation is well on the way and that the only remaining decisions are political ones.

* * *

Shipbuilding Troubles

The EEC Commission has just drafted a note containing details of Community measures intended to improve the competitive position of the Common Market shipbuilding industry. In terms of world production the Community's share of

the market has fallen from 40% in 1955 to 20% in 1964 and unless steps are taken there is a likelihood of further deterioration. In April 1965 the Commission recommended that the states concerned should assist the shipyards by subsidising up to 10% of their costs. This is the estimated degree of aid given to the Community's main competitors, Japan and Sweden.

These were only protective measures and Japanese and Swedish yards are not dependent on artificial advantages for their success. Their production has been better and more quickly adapted to market trends and positive measures must be used to encourage similar adaptation of European shipyards. There is a growing swing to special type vessels (combined bulk carriers and tankers, methane carriers etc) of modern design and ever greater capacity (the average size of an oil-tanker has quadrupled and that of dry goods carriers has trebled over ten years). The following figures show that the Common Market is lagging far behind her main competitors in this new market: in 1964 the average tonnage of Japanese-built vessels was 17,000 tons, Swedish-built, 14,000 tons while in the Community the average was only 5,700 tons.

According to the Commission's survey the Japanese and the Swedes have the following natural advantages in this sector:

- (1) They have a technological lead in the following fields: hull design, automation, speed, specialization and profitability;
- (2) Their production is much more highly centralized: while in the Common Market 40 firms are engaged in building ocean-going ships, there are only 15 in Japan (where nine of these cover 80% of production) and 6 in Sweden. This degree of centralization offers among other things the advantage of generally lower cost and cheaper supplies, guaranteed by agreements, of raw materials and various essential commodities, especially of steel plate;
- (3) Hourly wage-rates are lower in Japan, but also in Sweden where due to more productive use of labour, costs per unit of production at the end of 1963 were as much as 20% lower than Japanese costs and 50% below those of France and Germany.

EEC shipyards will have to reduce their costs and put greater emphasis on technical progress if they are to reverse this situation and satisfy customers who are becoming more and more insistent on having ships designed for specific uses and maximum profitability in relation to size, shape, degree of automation etc. The steps taken should therefore include incentives towards the necessary re-organization of production equipment and the building of new types of ships.

On this last point the Commission considers that the governments could indirectly encourage the construction of supertankers, bulk carriers, fast cargo-liners etc by channelling the funds allocated to shipping in most Member States towards the purchase of such vessels. As far as reorganization is concerned the

following lines of action which are already being followed at a national level in France and Italy but without any definite orientation to the needs of the market, could be encouraged by the authorities: mergers or co-operation between shipyards; investments for modernization; a policy on prefabrication; amalgamation between shipyards and various industrial groups; conversion of yards to ship-repairing only or to the building of coastal or inland waterway vessels, or to industrial activities other than ship-building. In the Commission's view a rational Community policy of this kind would, by providing markets for a greater number of yards, have a better chance of reducing the number of those needing to change to other activities and thus fit in better with the regional policies in which some of the six governments are so interested.

Where does the Commission come into all this? The note indicates that it should be employed to co-ordinate, as far as possible, national measures to reorganize and convert shipyards in order to avoid distortion of competition and to clarify the system whenever it is used. Also the Community should play a larger part in financing the operation, mainly through increased intervention on the part of the European Investment Bank and the European Social Fund.

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Who Profits from the Development Fund?

In a reply to a question from an Italian member of the European parliament, the Commission recently published figures, as at December 31, 1965, of the distribution of the European Development Fund's resources between companies, institutions or persons in the Common Market and the associated overseas countries. The contracts given by the Fund have been for civil engineering works, by far the most important item, for supplying equipment, and for technical aid (surveys, tea expert:missions etc...). Even though the Commission has tried to share the latter equally amongst the member states, the overall situation is extremely unbalanced as the following table shows: (in per cent)

Country	Contracts Received	Contributions Paid to EDF	Difference
France	43.83	34.05	+ 9.78
Associated countries	26.41	-	+ 26.41
Italy	15.26	10.68	+ 4.58
Luxembourg	0.09	0.25	- 0.16
Netherlands	4.65	10.37	- 5.72
Belgium	2.98	10.60	- 7.62
W. Germany	6.78	34.05	- 27.27

These figures raise several points:

- (1) France receives the lion's share, and her position is even more advantageous if one takes into account the contracts awarded to firms in the associated countries, in which there are, more often than not, French interests. However this can easily be explained by the facts. Theoretically all firms tender for contracts on an equal basis. But in practice, firms established in the overseas associates or in the countries who colonised them have a considerable advantage, as they specialise in the type of work being tendered for. Firstly, their competitors are put off by the cost of the surveys and inquiries in a distant country which tendering requires. Secondly, any tenders made by their competitors are generally higher because of the distance, and their lack of local knowledge. The statistics of tenders are worth considering: 80% to 90% of all tenders are submitted by local firms, or firms from the former colonial power. Outside the Franc zone, where they are extremely active, French firms have only submitted one tender out of a total of nearly two hundred. This situation could be changed if firms from countries other than the former colonial power became established in the associated states, but the advantages of freedom of establishment, which other member countries were given by the Association Agreements do not seem to have tempted them to do so.
- (2) West German firms, who are renowned for their vigorous activities in under-developed countries seem to tread much more warily in the associated states. Thus, out of a total of nearly 1,700 tenders for public works financed by the EDF, only 31 were from solely West German firms and only two were accepted.
- (3) West German restraint contrasts strongly with the Italians' attitude: they can only count on tiny Somalia as a private preserve, yet have achieved a remarkable breakthrough in the Franc zone, and in the ex-Belgian territories. In the latter they have won contracts against locally established Belgian firms. Italy is the only exception to the rule mentioned above, although it is true to say that she does have an African tradition, which West Germany does not.
- (4) Belgium is the complete reverse of Italy: she had, after France, the largest 'zone of influence', yet the balance between her payments to the EDF and the contracts she has received from it is worse than that of the Dutch, who have lost New Guinea, although Belgium's position does improve if one considers the few contracts won by firms established in the Congo (Leopoldville). On the other hand despite all her overseas experience, Belgium has been unable to win any tenders outside her own privileged area and such tenders have been very limited in number.

ECSC

Dutch and German Steel Plants Rationalise

Luxembourg: The High Authority has authorised an important rationalisation scheme between three steel plants within the Community. These are the two West German plants Hoesch AG and Dortmund-Hoerder-Huettenunion and the Dutch company Hoogovens, IJmuiden. Hoesch will buy 43% of the share capital of Dortmund Hoerder, at present held by Hoogovens. This move will be achieved by an increase in Hoesch's share capital, which will then give Hoogovens 15% of its new share capital in return for the Dutch's company's shares in Dortmund-Hoerder.

With the exception of the coastal steel plant Sidmar, where steel companies from four Community countries are cooperating, this rationalisation move is the first of its type between two member-countries. Under the agreement the two Dortmund factories will cease to develop production of cast iron, crude steel and other basic products, in order to concentrate their investments in the sector of finished rolled steel. Hoogovens, on the other hand, will concentrate on producing all the basic forms of steel, as it has considerable cost advantages stemming from its location on the coast.

The new group will be amongst the four largest steel groups within the Community, ranking after Thyssen, Italsider and the other new group Arbed-Hadir. With an annual output of 8 million tons, it represents about 10% of the Community's production.

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West Germany: The State buys an Oil Company

Luxembourg: The High Authority has authorised the acquisition of the West German oil company Frisia, Emden by a State company, the Saar Coalfields, ("Saarbergwerke"). Frisia was about to go bankrupt as it lacked a petrol distribution network and was unable to bear the losses resulting from a fall in the price of heavy oil.

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Italy: Retraining Aid for the Val D'Aosta

Luxembourg: An industrial retraining grant has been made to the Italian company Nazionale Cogne which owns an iron mine and steel plant in the Val D'Aosta. Of the total Lire 4,700 millions, Lire 3,000 millions will be lent at a reduced rate of interest, kept down to 4.5% for the first five years. Nazionale Cogne, which is experiencing financial difficulties, employs 1,200 workers. The loan has been made on condition that the Italian government makes an effort to facilitate the setting-

up of small and medium-sized industries in the Val d'Aosta.

* * *

The High Authority's Fourteenth Report

Luxembourg: The fourteenth report of the High Authority has just been laid before the European Parliament. In the policy section, the High Authority states that it will do all that it can to pass on its experience, drafts and machinery to the Single Commission, when this is formed by the fusion of the three executives. The new Commission will thus be able to continue, uninterrupted, the work assigned to the High Authority by the Treaty of Paris. As it has told the European Parliament, the High Authority will, in good time, put forward suggestions based on its own experience, for the drafting of the single treaty.

The High Authority is well aware of the inadequacies of a document, which must meet the economic requirements of fifteen years ago, and which today is generally admitted to be in need of some changes. It is also aware that the Treaty of Paris had some distinctive and positive features, and even today these could be used to find concrete solutions for problems. Until member countries give the new Commission more executive power, it will be necessary to follow the High Authority's example and explore every avenue opened up by the Treaty.

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THE SIZE AND SHAPE OF FIRMS IN
TEN YEARS' TIME

By Professor F.M. Paccas
Turin University

Part I

The only way to forecast broadly the sort of size, structure and location of firms that might be typical in 1975 is by identifying what trends these have followed so far. In themselves they are variables: only symptomatic of far more basic facts, so that in any research on this subject it is necessary to study first causes, then consider what trends logically follow from them, bearing in mind the sort of firm that has been chosen as an example.

The word "firm" may be defined as a productive unit in the same very broad way in which the word "animal" may be defined as a living being: ranging all the way from a unicellular organism right up to mankind. In the same way a firm may be a small craft unit or a concern with thousands of workers and shareholders. The difference between the former and the latter is not merely quantitative. Somewhere along the line from small to big a firm crosses the dividing line which separates the inorganic from the organic and thus undergoes a change in kind as well as size.

The very large firm is obviously the most complex, both in its internal organisation and in its relations with its many contacts: it is also the hardest to analyse. To choose the large firm for discussion is no reflection on smaller firms: The very existence of these in modern industrial society resembles the existence of the lower orders of animal in the zoological world. However, just as it is often necessary to study the characteristic phenomena of human societies separately from those of ants or bacteria, it seems best to divide consideration of large firms from that of small.

Every firm's business finally results in an offer on a market, whether of a single product or of a range with given quality, in determined amounts and with definite prices. When a similar product or series of products are offered on the same market by different firms these are in competition, but not necessarily on price only: other factors are the product's technical characteristics, its usefulness, its public "image" and the service given with it (and for durable goods after sales service as well). It is more or less the happy combination of all these factors which gives the firm its competitive power and provides a very general standard for judging its efficiency.

Leaving aside marketing, the best standard, based on essential factors, is that of costs. These are the financial measurement of the factors of production: labour, management, capital, equipment, raw materials, power etc.,: their calculation depends on the following three variables:

- (a) The purchase price of the elements which make up the product, (wages, financial charges, power, materials etc):

- (b) The co-efficient of utilisation of each of these elements (it will be low if, for instance, people who are paid full-time are working part of the time because there is a lack of orders or machinery etc):
- (c) The co-efficient of productivity of each of these elements in relation to the others and of the firm as a whole.

The existence of these variables explains the lack of any direct relationship between the price paid for the various elements and the production costs: This can be demonstrated by the two following examples:

- (1) The curve of the degree of training, i.e. of labour's productivity, shows a much sharper rise than that of labour's remuneration;
- (2) Economics of scale mean that the unit cost of a product falls when the quantity produced rises.

Correctly calculated and understood costs therefore make an excellent yardstick for economic analysis of a firm, because no production factor or combination of factors can fail to be reflected somewhere in them. When costs and returns are expressed in stable currency the difference between them, whether profit or loss, measures the overall result of the firm's business during the period under consideration. Special situations or different branches within a firm can also be analysed more thoroughly by making comparisons between a particular kind of cost and the corresponding return.

Among the combinations of factors which may affect the life of a firm are its size, its location, its degree of mechanization or automation, and the structure of the investment in it. These are the aspects most discussed in economics today, either because of their prominence or because of their effect on costs, on competitive capacity or on rates of profit, sometimes too because of their social and economic effects (e.g. on employment, wage levels, skills, mobility of labour, urbanisation, financial techniques, the stock market, pressure groups etc). All these are thus dependent on first causes, which we should now study, as it is these that ultimately control a company's size, structure or location.

The simple answer is that a firm chooses those most likely to bring it minimum costs and maximum profit. Observation shows, however, that sometimes firms of the same size, and similarly organized may exist side by side on the same location even while making similar products. It follows that production units may survive any competition in a market in spite of obvious differences in their competitive capacity, their method of organisation or their working as a whole. From this it may be deduced that a kind of law of compensation exists, under which a firm may make up for its poor location by having a particularly suitable size, or where inadequate investment is made good by excellent management. The gist of all this is that the economic efficiency of any unit must be considered as a whole, not bit by bit. Since the value and efficiency of production is reflected in costs, in returns and in the margin between them, then the only true measure of a firm is its full balance sheet. Unfortunately the calculation is often

upset by other elements, economic, political or social, which change its significance.

After a certain point, which is hard to define because of its psychological elements, the "law of compensation" tends to lose its effect: for instance, lack of capital can prevent equipment or sales organisations being properly used although in themselves they are just what is required. This is comparable to a living creature, healthy in all other respects, which is dying from heart disease. Thus the case need have no hard and fast form, even though the basic premise is constant. Since firms can live together in the same market and still be efficient, yet be poles apart in the way they combine the elements of production to achieve this efficiency, why do they not correct known weaknesses and thus achieve still higher overall efficiency? And if and when they do why are the results achieved so poor? One explanation is the presence of immutable factors: the physical conditions for production are not always under the firm's control. For instance, its original location may have been dictated by physical factors long superseded (such as proximity to water); this does not mean it is now free to move, for its very existence on that site will certainly have had numerous consequences (such as training skilled personnel) which now tie it to the same place. Removal would in any case bring it up against so many snags that it may decide against any transfer even to a better situation.

Companies do not always behave in a strictly rational way: the solution that would serve the best interests of production, free of any built-in obstacles, is not always the one to be adopted. There are only two explanations for this: either it is a lack of initiative, or it is simply that the logical answer was not perceived. In the first case, one is normally up against outdated management, psychologically biased against change and resigned to missing the bus: this is fatal. In the second case, management simply has not a sufficient grasp of the laws of cause and effect. It lacks the knowledge and information needed to make a logical choice and can only act on intuition and personal experience: this means that all its decisions and actions contain an element of chance. Judgment and decision are based on personal bias, not on objective analysis. The most recent studies made on this topic have shown that management problems are always best solved in the most objective way possible - by probability analysis, when this can be carried out. This said, it must be admitted that no convincing application has as yet been found in real, complex cases for the model solutions evolved by this system.

Juggling with the elements of production, and finding patterns into which they can be arranged, which, after all, is what industrial organization is all about, still follows from the one basic premise: that someone at the top has to take the decision in the first place. Thus it would be just fine if we could acquire precise and detailed information on the decision-making nerve-centre of any given firm; but unfortunately our present knowledge on this subject is still at the same stage as neurology before Charcot.

This much at least can be said: the complexity of the decision-making sector of a firm and the degree to which its decisions are intuitive or rational will bear some relationship to how far developed the company is. Again, no firm will ever make a decision completely off the cuff, because its decision-makers have such ease of com-

munication with: (a) The market (knowledge of supply and demand); (b) Suppliers (knowledge of cost, availability and means of acquiring raw materials, capital, labour, management, etc). (c) the state of scientific and technological knowledge involved in the manufacture of the product; (d) The state of the national economy. This system of communication is so basic that no company could be formed or survive without it.

When a firm is studied at the height of its expansion rather than when it has just been formed, then the system undergoes a radical change. The newly-formed firm has no real influence on its environment: its communications with it are all one-way; it can only market its product in a volume which it considers suitable and at the going price: it meets its scientific and technological needs by purely empirical methods: and lastly it reacts only passively to national political and economic influences.

On the other hand an expanding firm can and often does control its own circumstances, sometimes to a considerable extent. Not only does it work upon the market, trying to create a demand for its own product, but it sometimes manages to create an entirely new demand. It is constantly trying to divert market trends towards its own products. By the massive use of publicity it imposes its own prices and brands on the market. As far as its own resources are concerned, it is not content with what it has got, but seeks to expand by investing in itself, using internal staff and management training schemes and by heavy spending on both basic and applied research. The effect of such a firm on the national economy will be considerable, although difficult to define. There have of course been 'private sector' ideas in some of the anti-crisis measures taken by European governments over the last twenty years. The fears felt by private industrialists when social democratic governments came into power have not apparently been borne out. This would seem to indicate that the influence of industrialists on politics in those countries is lessening, although a valid decision on this point cannot be made until it has been studied for a longer period of time.

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J FINANCE

Belgium: BANK OF AMERICA NATIONAL TRUST, San Francisco opens Brussels office. France: CREDIT DU NORD, Lille is taking over two banking subsidiaries. Germany: Two Frankfurt banks BANKHAUS GEBR BETHMANN and DEUTSCHE EFFECTEN & WECHSELBANK form banking consortium to buy shares in family firms. Italy: ENEL, Rome takes over the activities of four electrical investment firms in Belluno province, Italy and their assets go to MARMOLADA, Belluno. Spain: FIRST NATIONAL BANK OF BOSTON buys 10% in new Madrid company COFIC.

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The Belgian group COMINIERE forms BELGIAN FOOD INDUSTRY (processing of potatoes for prepared foods). The American agricultural finance and manufacturing group CASTLE & COOKE opens Brussels branch. France: The Dutch dairy exporters NED ZUIVEL BUREAU forms French marketing company NEZEBU-FRANCE. Italy: The regrouping of the Italian sugar industry means that ITALIANA PER L'INDUSTRIA DEGLI ZUCCHERI, Rome will take over one of its refining and manufacturing subsidiaries. NEUE BANK, Zurich finances new Italian poultry and livestock company SMIT. Switzerland: The Dutch poultry firm EUROPEESE PLUIMVEE FOKKEBEDRIJF forms Swiss poultry-breeding and sales company.

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- N PLASTICS Belgium: PHILLIPS PETROLEUM, Oklahoma, USA buys 50% in ATLANTIC POLYMERS, Antwerp, Belgium. The German company PEGULAN (plastic covers and linings) forms PEGULAN HOLLAND, Amsterdam.
- N SHIPBUILDING The French shipbuilders ATELIERS & CHANTIERS DE NANTES and DUBIGEON NORMANDIE have merged their research and sales organisations. Netherlands: Three large Dutch engine and shipbuilding firms merge to form RIJN-SCHELDE MACHINE-FABRIEKEN & SCHEEPSWERVEN, Rotterdam.
- O TEXTILES France: French and Italian textile interests form PANEL TEXTILE, Paris (research). Germany: The Italian textiles firm CONFITEX sets up Munich sales subsidiary. The British textiles and plastics firm PLAISTERE and its Dutch representative form 50-50 Dutch sales company.
- P TRANSPORT Austria: The INTERTANK international lorry and tanker group has been reorganized in Austria. France: SERVICE, Paris and its president form EURALAIR, Paris (passenger and freight air-transport). Netherlands: The Dutch international transport agency AGENTUREN "NEDERLAND" has 50% in AMSTERDAM FERRY AGENTUREN (agency for ferryboat transport).
- Q VARIOUS France: AUTOSERVIZI MAGGIORE, Rome forms French subsidiary. Germany: ETS A. ROSSIGNOL, Isere, France (ski-ing and winter-sports equipment) moves the head-office of its German subsidiary to Munich. Netherlands: H. NIJMAN, Rotterdam (wooden packing materials and nursery furniture) forms sales subsidiary in Rotterdam.

ADVERTISING

** KIRSTEN-LYSEBETH Sarl, Paris (capital Ff 20,000) a company selling trademarks and posters has been formed 50-50 by Messrs R.G. Kirsten, Neu-Ulm, West Germany, and R. van Lysebeth, Asse, Belgium.

BUILDING AND CIVIL ENGINEERING

** A year after the formation of its first overseas subsidiary, the wholly-owned STE FRANCAISE DES SABLES ET GRAVIERS, the British dredging, gravel and building sand firm THE BRITISH DREDGING CO LTD, Cardiff, Wales has formed another company within the Common Market. It has formed CONTINENTALE ZANS ET GRIND MIJ (NEDERLAND) NV, Dorxrecht, Netherlands (capital Fl 3 million, all held by British Dredging). The new company will prospect for and exploit new gravel and sand pits.

** The Dutch company INTERNATIONALE HANDEL- & FINANCIERINGMIJ "INTERFIN" NV, Blaricum (property sales, purchase and finance) has formed a similar subsidiary in Belgium INTERNATIONALE HANDEL- & FINANCIERINGSMIJ "INTERFIN" NV, Kalmthout (capital Fl 100,000).

** VETROMECCANICHE ITALIANE SpA, Masone, Genoa, , an Italian firm specialising in curtain walling, windows and metal partitions has formed a sales company in Nice, VETROMECCANICHE FRANCE Sarl (capital Ff 10,000), which is to be managed by M.R. Ruelle (a minority shareholder) and controlled by M.G. Sanminiatelli, Genoa, the managing director of the parent company.

CHEMICALS

** BOSTIK GmbH, Oberursel, Taunus (previously BOSTON BLACKING Co GmbH - glues, industrial adhesives, insulating materials and chemical products for treating metals) has formed an almost wholly-owned manufacturing and sales subsidiary in the Netherlands, BOSTIK NV, with capital of Fl 100,000 paid-up through contributions of stock.

The German company and its French sister company BOSTIK SA (formerly CIE DE PRODUITS CHIMIQUES BOSTON SA) Montmagny, Val d'Oise forms part of the UNITED SHOE MACHINERY CORP, Boston, through its chemical division at Cambridge, Massachusetts. The United Shoe Corp manufacturers all types of machines and equipment for the leather and shoe industries, and has a large number of direct and indirect subsidiaries throughout the world. (See No 339).

** FIRMA MUENZING & COMP KG, Heilbronn, the German chemicals trading firm controlled by the Muenzing family, has formed MUENZING & SUERMONDT NV, Waalwijk (capital Fl 150,000) in the Netherlands on a 50-50 basis with the Dutch businessman M.A. Suermondt.

** LEDOGA SpA, Milan, (see No 345) has sold its 50% shareholding in the French firm LEDOGA BEZONS SA, Bezons, (see No 333) which is now controlled by S.C.P.C. - STE DE PRODUITS CHIMIQUES DE SYNTHÈSE SA, Bezons, (which belongs to PRODUITS CHIMIQUES PECHINEY SAINT-GOBAN SA, Neuilly, Seine). Since it was formed in 1965 Ledoga Bezons (president Sig G.Z. Marimo) has been the Italian group's licensee and distributor for France, Belgium and Luxembourg.

This move follows Ledoga's decision in the light of the present state of the economy to use agency agreements rather than actually build factories abroad to make its sucrose esters, which are used in the food and detergent industries etc.

** SALZDEFURTH AG, Hanover (see No 319), which is the head of several mining and mineral-processing concerns (handling potash, rock salt, coal, metals and chemical products), has formed a marketing company in Hanover, SALZDEFURTH VERKAUFSKONTOR GmbH. The new firm (capital DM 100,000) is to centralize all sales of the group's products, with the exception of potash fertilizers, which will continue to be distributed both in Germany and abroad through the Central Agency for German potash producers.

** LORILLEUX-LEFRANC SA (see No 334) a French group trading in inks, colours, varnishes and paints is increasing its Italian interests by forming a new company at Varese, called LORILLEUX-LEFRANC ITALIANA SpA. Its initial capital (Lire 1 million) has been furnished by MM P. Jarrosson and P.L. Cesbron (with 80% and 20% respectively). Lorilleux-Lefranc recently opened a second office in Milan where it has for a long time run a factory through one of its branches (see No 264), now incorporated in the new company.

Apart from its factory in Milan, Lorilleux-Lefranc has several branches in Italy, whilst its main depots are in Rome, Turin and Naples.

** The merger decided a few months ago (see No 336) between the two largest Italian chemical groups EDISON SpA (see No 349) and MONTECATINI (see No 350) is now at the financial stage although it will not become final until it has passed the legal stage in a few months time. The formation of the new group will mean that Edison, which is taking over Montecatini, will increase its capital from Lire 375 million to Lire 709,100 million. The new business will be called MONTECATINI EDISON SpA; the honorary president will be Sig C. Faina, president Sig G. Valerio, vice-presidents Dr V. de Biasi and Dr L. Morandi and managing-director Sig G. Macerata (vice-president of MONTESHELL). The board has been increased to 26 members and will include four representatives of the IRI group which is one of the main shareholders, holding 38% of the votes on the governing council.

Montecatini Edison, with a turnover of Lire 1,000,000 million in 1965 (Lire 465,000 million for Edison and 544,000 million for Montecatini) or \$1,600 million, will now be the second largest European chemical group after ICI (sales \$2,010 million in 1965) but in front of FARBENFABRIKEN BAYER AG (DM 5,380, million) and FARBERWERKE HOECHST AG (DM 5,220 million). With technical assets worth Lire 778,000 million and shares worth Lire 435,000 million the new group will cover about 25% of EEC productive capacity for PVC, 22% for ethylene, 18% for sulphuric acid, 10% of that for synthetic and artificial fibres, 9% for fertilizers, etc.

** The New York group OLIN MATHIESON CHEMICAL CORP which has a large number of European interests in the chemical industry (see No 350) has formed a holding company in the Hague called WINCHESTER-WESTERN NV (capital Fl 180,000 - fully paid-up) for its "Winchester-Western" Division which makes munitions, detonators and sporting and hunting fire-arms (see No 347). The new company will be responsible for financing the group's projects in Europe for the manufacture and sales of munitions and fire-arms. It will therefore be concerned in setting up WINCHESTER EUROPA SA, Paris (capital Ff 100,000) to run a modern sporting ammunition factory near St-Etienne, Loire.

The group is already making explosives and fire-arms in Europe in the factory belonging to its Italian subsidiary WINCHESTER SpA, Anagni, Frosinone. It also has an import subsidiary in Italy called WINCHESTER SpA, Rome.

** CREDIT FONCIER FRANCO-CANADIEN SA, Paris, through its wholly-owned Canadian subsidiary FRANCA OIL & GAS LTD (capital \$ 2 million), is planning to set up a business to exploit large potassium deposits in Southern Saskatchewan in association with TOMBILL MINES LTD, Toronto, which is 11% owned by Francana. Credit Foncier is linked with BANQUE DE PARIS & DES PAYS-BAS (see No 350).

The Paris bank's most recent action in Canada was the purchase of approximately 6% (through PARIBAS CORP, New York) in the oil company BANFF OIL LTD, Calgary which is owned 48% by the group SNPA-STE NATIONALE DES PETROLES D'AQUITAINE SA (see No 345).

COSMETICS

** Distribution of Japanese "OHSAWA" dietetic and beauty products in France, Italy and Switzerland will in future be handled by OHSAWA EUROPE Sarl, Brain sur Allones, Maine et Loire, France. This new company (capital Ff 10,000) has been formed by Mme and M.P. Herve (40% shareholding each) and Mme J. Debord (20%), all three of Neuille, Maine et Loire. "Ohsawa" products are already sold in several European countries by the Belgian firm LIMA-FABRIQUE DE PRODUITS DIETETIQUES Sprl; Deurle, Belgium whose French company is LIMA FRANCE Sarl, Tourcoing, Nord.

ELECTRICAL ENGINEERING

** The Milanese group PIRELLI SpA, through SOLARI & CO SpA, Udine, its subsidiary since May 1964, (see No 254 - watches and electronic indicator equipment for airports, banks and stations) has formed a marketing company for domestic appliances SOLARI AMERICA INC directed by Dr. N. Baseggio. Until now the Italian group has only had an office in New York to market its traditional products (rubber) in the USA. Pirelli recently formed two other subsidiaries in South America: PIRELLI INDUSTRI A PERUNADE CONDUCTORES ELECTRICOS, Lima, Peru (see No 331) and PIRELLI NORTE SA, Recife, Brazil (see No 341).

** HANDELMIJ IN HUISHOUEDELIJKE ARTIKELEN BODART NV, Amsterdam, a Dutch firm selling household goods and domestic appliances has formed a 75% subsidiary, CARMEN HAARVERZORGINGSAPPARATEN MIJ (CARMEN CURLER CO NEDERLAND) NV (capital Fl 50,000). The latter is to deal especially in the sale of electrical appliances and accessories of all sorts connected with hairdressing. The balance of its capital is held by interests represented by M. J.L.M. van Riel.

** The Swedish company A/B ELECTROLUX, Stockholm (49.74% owned by ASEA-ALLMÄNA SVENSKA ELEKTRISKA A/B, Västerås) is continuing the reorganisation of its sales network in France. Through FRANCO-INTERCONTINENTALE DE DISTRIBUTION SA, Paris (capital recently increased from Ff 300,000 to 1,600,000 - see No 339), it has taken over SODIMELEC-STE DE DISTRIBUTION DE MATERIEL ELECTRIQUE & ELECTRONIC SA, founded by Franco Intercontinentale in November 1963 (capital F 10,000).

** SLOAN INSTRUMENTS CORP, Santa Barbara, California has set up its first subsidiary in the Common Market, VACUUM WORLD (EUROPA) NV, Amsterdam, which is to assemble and market its scientific and industrial instruments. Nine-tenths of the capital (Fl 100,000) belongs to Sloan Instruments and the balance is held by Mr R.D. Riegert who has been appointed manager.

ELECTRONICS

** NUCLETRON GES FUER NUCLEONIC & ELECTRONIC mbH, Munich (see No 266) which develops and makes measuring-apparatus for nuclear physics has gained control of a similar firm in Munich SCHNEIDER HENLEY & CO GmbH (see No 212) and thus raised its own capital from DM 300,000 to DM 750,000. Both these companies are representatives throughout Germany for several American electronics firms.

** A 20% subsidiary of COFIPHOS, SA, Paris, STE DES ETS CHARLES TESTUT SA, Paris (see No 342) has increased its capital from Ff 5,350,000 to Ff 5,790,000 following the take over of another company within the group, STE LYONNAISE DE PESAGE SA, Paris (capital Ff 520,000) whose factory is at Villeurbanne, Rhone. Charles Testut Sa is one of France's leading manufacturers of weighing and measuring instruments, and has its factory at Corbeil, Essonne.

ENGINEERING & METAL

** H.H. ROBERTSON CO, Pittsburgh, Pennsylvania (see No 279), which makes pre-fabricated metal modules for building, galvanized metal sheets, panels, ventilators etc is expanding in the Common Market. Its marketing subsidiary in Forest, Brussels ROBERTSON (BELGIUM) SA (formerly ROBERTSON THAIN-BELGIUM SA) has had its capital raised to Bf 3 millions whilst H.H. ROBERTSON (FRANCE) SA, Frepillon, Seine et Oise has had its capital raised to Ff 2,770,000.

** The leading Swedish car manufacturing firm A/B VOLVO, Gothenburg (see No 240), which also manufactures lorries, agricultural machinery, plant for the timber, civil engineering and materials-handling industries and marine and aero-engines, has extended its sales network in France. The new general engineering company VOLVO BOLINDERS SUD SA, Toulouse (capital Ff 250,000) is managed by M.C. Hedqvist. Volvo first entered France in 1919 when CIE BOLINDERS was formed; this later became VOLVO BOLINDERS, Puteaux, Hauts de Seine, (capital 9.5 million). The latter is under the direct control of A/B BOLINDER MUNKTELL, Eskilstuna, itself a result of the merger in 1952 of Volvo and Munktell (founded in 1832 by J.T. Munktell) a heavy engineering firm.

Volvo has a large overseas industrial and sales organisation. There are car assembly lines in Belgium, and Canada. VOLVO EUROPA NV, Alseberg (see No 235) and, VOLVO CANADA LTD, Montreal and Dartmouth, Nova Scotia; in Portugal, there is a lorry factory at Ovar which it owns with SIMMA, Lisbon and AUTO-SUECO, Oporto etc. Its main distributors are VOLVO GmbH, Frankfurt, which it owns 70/30 with SEVONIA SA Geneva; AUTOMOBILES VOLVO SA, Lyss, Switzerland (previously at Lausanne); VOLVO INC, Rockleigh, New Jersey, which in its turn controls VOLVO DISTRIBUTING INC, Rockleigh and VOLVO WESTERN DISTRIBUTING, Sherman Oaks, California; VOLVO DEL PERU SA, Lima; VOLVO TRAKTOR A/S, Copenhagen, controlled by BOLINDER MUNKTELL. Through SEVENSKA FLUGMOTOR A/B, Trollhattan, Sweden, in which A/B BOFORS has a 37.5 interest, Volvo controls the printing machine sales companies TIRFTING SCHNELLPRESSEN VERTRIEBS GmbH, Frankfurt, and TIRFTING PRINTING MACHINERY INC, New York.

** S.T.I.C.E.-SOC. TOSCANA INDUSTRIA CUCINE ELETTRODOMESTICI SpA, (president Sig Varo Girardi; factories at Florence and Scandicci) an Italian company making electric cookers and domestic appliances has taken a 12.5% shareholding in the Belgium firm SO.MA.COM-STE POUR LE COMMERCE AVEC LE MARCHE COMMUN SA, Wanze, (see No 339). This has now raised its capital to Bf 4 millions; its two main links are with two other Italian firms, both shareholders since the end of 1965, OFFICINE RIBERDIG, BERTOLINO RICCARDO & CO Sas, Turin and SMALTERIA METALLURGICA GHIRLANDINA, Modene.

** The German firm BIZERBA WERKE WILHELM KRAUT KG, Balingen, Württemberg (see No 227) which makes scales and cutting machines for the food industry has a new Austrian agency, BIZERBA VERKAUFSBUERO OST GmbH. This firm was previously known as GEORG DRALLE GmbH, Vienna and was the Austrian sales agency for the cosmetic and perfumery firm GEORG DRALLE OHG, Hamburg, Altona. The director of the Austrian firm, Herr R. Gloe, Hamburg has been replaced by Herr A. Wersching, Vienna, director of the German firm's subsidiary in Vienna, BIZERBA WAAGEN VERTRIEBS GmbH & Co KG.

The latter with its 76% subsidiary, ALUMINIUM GIESSEREI VILLINGEN GmbH, Villingen, West Germany employs about 3,000 people. Abroad it has interests in an almost wholly-owned sales subsidiary in Belgium, BIZERBA (BELGIQUE) SA, Anderlecht, Brussels; BIZERBA LTD, London and R. OYARZUN & CIA SA, Madrid.

** L'ALUMINIUM FRANCAIS SA, Paris (capital Ff 20 millions; see No 344) has formed an export-import subsidiary in Paris, ALUMINIUM FRANCAIS INTERNATIONAL SA (capital Ff 100,000).

L'Aluminium Francais is controlled by PECHINEY and UGINE. It recently signed a contract in Milan with MINERALI & METALLI SpA (see No 344), for non-exclusive sales rights of that company's products.

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** ESMO-EQUIPMENT-SERVICES-MACHINES-OUTILS Sprl (capital Bf 500,000) has been formed at St-Josse-ten-Noode by private interests represented by M. H.F. Lavanchy, Lausanne (50%) M. M. F. Lacampagne, who is a Frenchman living at Schaerbek, Brussels and Mme J. Mottard, Liege. The new company is to import and sell machine tools: its managing director M. H.F. Lavanchy will help to study all technical problems relating to sub-contracts and labour, but will not provide any personnel.

** FRIEDRICH FLICK KG, Düsseldorf, and BANQUE DE PARIS ET DES PAYS-BAS SA, Paris are to increase their direct or indirect shareholdings in the Belgian steel company STE METALLURGIQUE HAINAUT-SAMBRE SA, Couillet (see No 262). At the same time CIE DES FORGES DE CHATILLON-COMMENTRY & NEUVES-MAISONS SA, Paris (see No 343) is to buy a large first interest in the same firm. This action follows the three's takeover of ACIERIES & TREFILERIES DE NEUVES MAISONS-CHATILLON SA, Paris (see No 290), which is now a 62% subsidiary of Forges de Chatillon-Commentry. Friedrich Flick (represented on the board by Herr O.E. Flick) now holds 20% of its capital through STE DE GESTION & DE PARTICIPATIONS SIDERURGIQUES FORGELAMI, while Banque de Paris et des Pays-Bas has a nominal shareholding in it (as it does in the parent company) of about 0.7%.

Assuming it gets the approval of the ECSC this operation will enable the Belgian company to press on with a programme of co-operation and rationalisation both in technical know-how and in distribution: the French firm will continue its production at Neuves-Maisons of rolled steel, rails, extrusions and wire (the iron-ore mine at Maron, Val-de-Fer will close as planned towards the end of 1968).

Metallurgique Hainaut-Sambre, owns a French ore-mine, MINES DE BOULIGNY SA, and has a sales subsidiary at Mannheim (formed in 1963). It is also linked with the Friedrich Flick group through MERCURE CO SA, Curacao, a subsidiary of MERKUR GES FUER INDUSTRIE & HANDEL: Flick is represented on the board by Herren O.E. Flick and M.P. Meier. The Belgian company's president is M. J. Moise, who represents Banque de Paris et des Pays-Bas through CIE BELGE DE PARTICIPATIONS PARIBAS-COPEBA SA (see No 341) and SA FINANCIERE LACOURT, Brussels. Other large concerns holding shares in it are the HALLET group (through SOCFINAL, Luxembourg, and STE FINANCIERE DES CAOUTCHOUCS SOC-FIN SA, Brussels - see No 328); CONTIBEL SA, Ixelles, Brussels (see No 334) etc.

** MASCHINENFABRIK WINKLER FALLERT & CO, Berne (printing presses) has increased its interests in the Netherlands, where it already has a sales office, by the acquisition of a similar company, MACHINEFABRIEK H.H. DRENT NV, Ferbeek. This company, which owns an industrial site covering nearly three acres, has considerable scope for expansion, and the new parent company intends to increase its output of rotary printing presses.

The Swiss firm, which employs 800 people in Berne, and 300 in Fribourg, produces large printing presses, mainly for use by newspapers.

** Two French engineering firms making similar products have signed an agreement to rationalise their production and marketing. The firms, which make paper processing machines (for continuous stationery), are ATLIERS DE CONSTRUCTION MECANIQUES SEAILLES & TISON SA (capital Ff 625,000) and ETS DOURDOUILLE TEURNIER SA (capital Ff 200,000). The first, (factory at Vendome, Loir et Cher), has agents in Belgium, Britain, Italy, South Africa, Switzerland, West Germany and Eastern Europe etc.

** RHEINISCHES ZINKWALZWERK GmbH & Co KG, West Germany has just been formed to build an ultra-modern zinc rolling mill, to carry out part of its founders' production programme in this field. Its founders are three of Germany's leading groups in the production and processing of non-ferrous metals, especially zinc; 1) AG FUER ZINK INDUSTRIE VORMALS WILHELM GRILLO, Duisburg, Hamborn, controlled by the German family Grillo (see No 298); 2) VER DEUTSCHE METALLWERKE, Frankfurt, joint subsidiary of METALLGES AG, Frankfurt, (51.2%) and the insurance company ALLIANZ VERSICHERUNGS AG, Munich (25.5% - see No 344); 3) STOLBERGER ZINK AG FUER BERGBAU & HUETTENBETRIEB, Aachen, in which OTTO WOLFF AG, Cologne (see No 346) has a 53.6% interest.

The first of these three groups includes FLUDOR GmbH VORMALS CLASSEN & Co, Duisburg; MERKUR REEDEREI GmbH, Hamburg; METALL- & FARBWERKE OKER GmbH, Oker, Hartz; ZINKWEISS HANDELS GmbH, Oberhausen, ZINKWEISS FORSCHUNGS GmbH, Oberhausen; DEUTSCHE DOEHLER GUSSWERKE GmbH, Essen and BALL GRILLO MICRO METAL GmbH, Huenxe, Nordrhein. This latter is owned 50-50 with BALL BROTHERS Co INC, Muncie, Indiana, with whom it shares the ownership of the Swiss investment and sales company BALL GRILLO AG, Zug.

As for the second founding group, it is at the head of a large number of companies. Its wholly owned subsidiaries are AMBAU APPARATE & MASCHINEN BAU GmbH, Kiel, CON-TENENTALE METALL, GmbH, Frankfurt (mould injection products, plates, metal strips and bars, plastic tubing) which itself has a 48% interest in the French ETS CLASSMANN BONHOMME Sarl, Strasbourg, and SCHARWZ FARBER & CO GmbH. It has a 56% interest in METALLINDUSTRIE RICHTER AG, Karlsruhe, and 50% in REEDEREI-GEMEIN SCHAFT "ALUMINIA", Duisburg (transport company). It also has a 23% interest in LATONES NAC-IONALES SA, Mexico City.

FINANCE

** The capital of MARMOLADA SpA, Rocca Pietore, Belluno has been increased to Lire 800 million by the addition of the assets of four investment companies. These four companies were previously engaged in the electrical supply industry in Belluno Province, and their activities have been taken over by ENEL-ENTE NAZIONALE PER L'ENERGIA ELETTRICA, Rome (see No 325). The investment companies are ELETTRICA AGORDINA SpA, Agordo, Belluno (capital Lire 215.7 millions) IDROELETTRICA MAE SpA, Bolzano and Calzano (capital previously reduced to Lire 158 millions from 800 millions) MEDIO PIAVE SOC ELETTRICHI & INDUSTRIALE, Bolzano (capital Lire 68.5 millions) and ELETTRICA INDUSTRIALE AUSIFI SpA (capital Lire 36.5 millions):

** FIRST NATIONAL BANK OF BOSTON (see No 305), through its subsidiary BOSTON OVERSEAS FINANCIAL CORP recently bought 10% in CIA INTERNACIONAL DE FINANCIACION & CREDITO-COFIC SA, Madrid, a finance company, owned 60% by the automobile group BARREIROS D'ESEL SA (40% owned by CHRYSLER).

COFIC's other foreign shareholders are: BUP-BANQUE DE L'UNION PARISIENNE, Paris; UNION FINANCIERE DE PARIS Sca, Paris; COFININDUS-CIE FINANCIERE & INDUSTRIELLE SA, Brussels, FINANZIAMENTI SCAMBI COMMERCIALI- & ANTICIPAZIONI FISCAMBI, Milan and Rome and GENERALFIN SpA, Milan.

** Two Frankfurt banks, HANKHAUS GEBR BETHMANN and DEUTSCHE EFFECTEN & WECHSELBANK have sponsored the formation of a banking consortium, ALLG. KAPITULUNION GmbH & CO KG, Frankfurt (capital Dm 1 million). The banks embraced by this are VRIEDRICH HENGST & Co, Offenbach; MARTENS & WEYHAUSEN, Bremen; BANKHAUS NICOLAI & Co Hanover; NORDDEUTSCHE KREDITBANK AG, Bremen; GEBR ROCHLING BANK, Saarbrücken; FRIEDRICH SIMON KGAA, Suddeldorf and SLOMAN BANK KG, Hamburg. The object of the consortium will be to obtain stakes in family firms, and although at first its activities will be financed only by the members of the consortium, it is intended to issue public shares, making it a public investment company.

** CREDIT DU NORD SA, Lille (see No 327) which took over its subsidiary BANQUE REGIONALE DU NORD (see No 98) in 1961 is about to do the same with two other subsidiaries, which it controls at 76.6% and 65.7% respectively; BANQUE DE SOISSONS SA, Soissons, Aisne (capital Ff 550,000) and CREDIT MARSEILLAIS SA, Marseilles (capital Ff 1.4 million).

The other main banking subsidiaries in the group which remain are: in France, UNION BANCAIRE DU NORD SA, Paris (capital Ff 3 millions); CREDIT DU NORD BELGE SA, Brussels; BANQUE BRUGEOISE DE CREDIT & DE DEPOTS SA, Bruges and BANQUE FONCIERE DU MAROC SA, Casablanca.

** Because of the growing importance of Belgium as a centre for American and British investment in the Common Market, BANK OF AMERICA NATIONAL TRUST & SAVING ASSOCIATION, San Francisco (see No 339) has opened a Brussels office under MM. C.L. Cicogna and J. Cieczko. This follows the opening of an office in Antwerp some months ago (see No 327).

Bank of America has branches in Vienna, Düsseldorf, Munich, Amsterdam, Rotterdam and London, and is represented in Zurich (where a branch is soon to be opened), Frankfurt, Milan, Madrid, Copenhagen etc. The group also controls BANCA D'AMERICA & D'ITALIA SpA, Milan, together with its 85 subsidiaries (see No 309), and holds shares in the Spanish bank BANCO INTERCONTINENTAL ESPANOL SA, Madrid.

FOOD & DRINK

** The Belgian group COMINIERE SA-CIE COMMERCIALE & MINIERE DU CONGO (see No 329) has formed BELGIAN FOOD INDUSTRY SA (capital Bf 40 million) to build a processing plant with a capacity of 10,000 tons a year for potatoes to be used in the production of prepared and semi-prepared foods. The group is joined in this project (which provides for a final capacity of 25,000 tons a year) by the Belgian Agricultural Federation and SNI-STE NATIONALE D'INVESTISSEMENT SA, Brussels (see No 332).

** CASTLE & COOKE INC, Honolulu, Hawaii and San Francisco, California, (see No 194) a finance and manufacturing group dealing mainly with investments in the agricultural industry and related sectors (especially food), has opened a branch in Brussels directed by M.W. La Borie.

In 1962 the group made its first major EEC investment through a former subsidiary, DOLE CORP, San Jose, Cal. (food preserving). ITALINVEST SpA, Lendinara, Rovigo (tinned tomatoes) was bought up and renamed EURAMERICA FOODS SpA (with an office in Milan).

** SOC. ITALIANA PER L'INDUSTRIA DEGLI ZUCCHERI SpA, Rome, (see No 308) is to take over one of its subsidiaries ZUCCHERIFICIO LENDINARESE SpA, Rome, as part of the present regrouping of the Italian sugar industry (see No 333). The latter (capital raised in 1965 from Lire 840 millions to Lire 2,100 millions) owns large sugar factories and refineries at Crevalcore and Lendinara (capacity: over 7,500 tons).

The Rome group (capital raised to Lire 750 million) in 1965 took over its almost wholly-owned subsidiary MERIDIONALE PER L'INDUSTRIA DEGLI ZUCCHERI SpA, Naples, as well as ZUCCHERIFICIO DELTA PO, Genoa, which was a subsidiary held jointly with Soc. Italiana Per L'Industria Degli Zuccheri.

** NED ZUIVEL BUREAU, Rijkswijk, a Dutch exporting group (milk products), is expanding in France with the formation of a new marketing company, NEZEBU-FRANCE Sarl, Paris, to be managed by M. J.L. Robin. Its initial capital (Ff 10,000) is shared 90-10 between MM. H.A. Correa, Montmorency, Val d'Oise, and D. Den Hartog, Boulogne, Hauts de Seine, both of whom are lawyers. The Dutch group already has foreign branches in West Germany (Aachen), Belgium (Brussels) and Britain (London).

** NEUE BANK AG, Zurich (see No 264) which is already linked to the Milan firm NUOVA FINANZIARIA DI ZURIGO SpA has financed the Italian company SMIT-SOC MERCANTILE ITALIANA TACCHINI DI TIBERIO BIANCHI & CO Sas, Concorrezzo, Milan (capital Lire 5 millions) a firm dealing with the rearing and sale of poultry and similar agricultural products.

The Zurich bank (president Dr A. Pedrazzini) has as its principal shareholders NEDERLANDSE OVERZEE BANK NV, Amsterdam (10% of whose capital is held by CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO, Chicago - see No 345), MM. DE ROTHSCHILD FRERES, Paris; CIE FINANCIERE SA, Paris; LANDIS & GYR INTERNATIONAL, Zug; STE SUISSE D'ASSURANCES CONTRE LES ACCIDENTS, Winterthur; RAHN & BODMER, Zurich etc.

** The Dutch poultry firm NV EUROPEESE PLUIMVESE FOKKEBEDRIJF 'HAMERSVELD', Hamersveld, Netherlands, headed by the holding company EPU - EUROPEESE PLUIMVEE UNIE NV - has formed a poultry breeding and selling company PLUME AG, Moren, Switzerland (capital Sf 50,000) whose president is M. L.A. van der Berg, Amersfoot, Netherlands.

The Dutch firm already had two Swiss subsidiaries HAMERSVELD AG and WELP LINE AG (see No 291). In France it owns HAMERSVELD FRANCE Sarl, Baux de Breteuil, Eure (capital recently increased from Ff 10,000 to 110,000).

MINING

** The German Employers' Federation (BDI) is backing the formation of AKTIONSGEMEINSCHAFT DEUTSCHE STEINKOHLE, a non-profit making association intended to sort out the problems arising from the closure of uneconomic coal-mines. This association will be able to buy sites as soon as their mining uses have been exhausted and to resell them to industrial firms. Its operations will be financed partly by contributions from its members to which the Federal Government will grant tax concessions and partly by public subscription calculated on the basis of the volume of production of the firm being closed, at the rate of about

DM 23 per ton / per year. But in the case of the association making a profit on a resale, this would be repaid to the Treasury.

OIL, GAS & PETROCHEMICALS

** The French State-owned group UGP-UNION GENERALE DES PETROLES SA, Paris (see No 340) which will have an increased productive capacity of 3 million tons a year when its new refinery at Porcheville, Yvelines comes into operation, is preparing to widen its outlets on the French market: its subsidiary (60-40 with CALTEX SAF) UIP-UNION INDUSTRIELLE DES PETROLES SA, Paris (see No 328) has taken 50% in the distributing company GAZOLINE SA, Paris ("Avia" trade-mark) whose network covers Paris, Caen, Calvados; Narbonne, Aude and Bordeaux.

PAPER & PACKAGING

** SALMON & CIE Scs, Paris (capital Ff 4 millions), better known by its trade name PAPETERIES MAUNOURY, has made over two of its Paris depots to its subsidiary DEPOTS ET AGENCES DE VENTE D'USINES A PAPIER Sarl, Paris, whose capital has been increased from Ff 720,000 to Ff 7,920,000. The parent company's chief connection through CIE DES EMBALLAGES PRATIQUES DE GIVET SA, Givet, Ardennes (capital Ff 3,600,000) is with CIE ROUSSELOT SA, Paris (linked at 23.7% with PRODUITS CHIMIQUES PECHINEY SAINT GOBAIN SA) and with AFP-CENPA SA, Paris (see No 347), which is a joint subsidiary owned 50-50 with LA ROCHETTE CENPA SA and LA CELLULOSE DU PIN SA.

PHARMACEUTICALS

** CARLO ERBA SpA, Milan (pharmaceuticals; see No 346), which recently bought shares in the French firm LABORATOIRES DELEMARE SA, Romilly-sur-Andelle, Eure, has renamed it ERBA DELAMARE SpA, and has moved its headquarters to Courbevoie, Hauts-de-Seine. The French firm produces chemical extracts for pharmaceutical, veterinary and dietetic products, and its president is M. P. David who, with MM. L. and H. David, owns ETS C, DAVID-RABOT Sarl, which holds shares in Erba Delamare. The Italian group is represented on the board of Erba Delamare by Sigs P.M.P. Dall'Onde, S. Porta and M. Gonella-Mornacco. In September 1965 it formed ERBA SCIENCE Sarl in Paris to import and distribute its laboratory and scientific products.

Carlo Erba is soon to regroup some of its Italian interests, mainly by taking over DIET-ERBA SpA, which was formed in July 1964 under the name DIETERBA SpA to make and sell dietetic products: its capital was recently raised to Lire 100 millions. The parent company is also going to absorb MEVE SpA, Milan (a building society formed at the beginning of 1965 with Lire 40 million capital), ERBAZOO SpA, Milan (an animal-breeding centre at Cerbaia Val di Pesa; capital Lire 250 millions), CARLO ERBA INTERNAZIONALE SpA and SIND Srl.

PLASTICS

** PEGULAN WERKE AG, Frankenthal, Pfalz, West Germany (see No 336) which makes plastic covers and linings of all types, has increased its foreign holdings with the formation of PEGULAN HOLLAND NV, Amsterdam. Three quarters of the capital (Fl. 50,000) is held by the parent company, and the balance by its almost wholly-owned subsidiary SAAR MOSEL PLASTIC WERKE GmbH, Konz, Trier, West Germany. It has also just formed a Brussels subsidiary PEGULANSA (capital Bf 200,000), whose control it shares with its Konz subsidiary. Until now the marketing in Belgium of its plastic floor tiles has been done by STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA, Liege.

The parent company (capital DM 20 million) has an annual turnover of DM 200 million. It is controlled by three groups of people: the German Ries family has a 57.4% interest, part of which is direct and part through the holding company VERMOEGENSVERWALTUNG GmbH, Frankenthal, Pfalz; 14.3% belongs to the industrialist Herr R. Strunz and 6.6% belongs to the Swiss businessman M. G. R. Zentner. In West Germany Pegulan Werke controls various industrial firms: REX GmbH, Frankenthal, Pfalz (90% interest) BADISCHE PLASTIC WERKE GmbH, Boetzingen, Freiburg (51% interest) as well as the property company PEGULAN GRUNDSTUECK-SVERWALTUNG GmbH, Frankenthal, Pfalz (94% interest).

** PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 349) which is concentrating its European petrochemical interests around Antwerp, has bought a 50% shareholding there in ATLANTIC POLYMERS NV (see No 349). This was formerly a wholly-owned subsidiary of NATIONAL DISTILLERS & CHEMICAL CORP. Richmond, Virginia, which formed it in 1965 (see No 305) to build a factory at Zwijndrecht for the manufacture of low-density polyethylene resins (105 million lbs a year). The factory built by C.T.I.P., Rome, will start production in 1968 and is to draw its ethylene from PETROCHIM SA, Antwerp (see No 340), which is jointly controlled by Phillips Petroleum and PETROFINA SA (who each hold 41%).

Phillips Petroleum has also made two agreements with other firms, again in order to process Petrochim's ethylene. It has made a second contract with Petrofina to produce 55,000 cubic tons of "Solprene" synthetic rubber a year in Antwerp: a factory is being built by KELLOGG CO, on land acquired from AMOCOFINA and SYNPAR SA, which is a joint subsidiary of PARKE DAVIS & CO and REILLY TAR & CHEMICAL CO. It has also formed an alliance with RHONE-POULENC SA, Paris, and UCB-UNION CHIMIQUE SA, Brussels, which will lead to the construction of a second low-pressure polyethylene factory (see No 337).

SHIPBUILDING

** ATELIERS ET CHANTIERS DE NANTES (BRETAGNE LOIRE) SA, Nantes (capital Ff 16 million - see No 294) and DUBIGEON NORMANDIE SA (capital Ff 11 million - see No 341) have decided to merge their research and sales organisations. Both are subsidiaries of CIE INDUSTRIELLE ET FINANCIERE DES ATELIERS & CHANTIERS DE LA LOIRE SA, Paris (see No 345), and they have signed an agreement, setting the seal on work which has been going on for some months now. The first fruit of this co-operation is the order for two car-ferries placed by SAGA-STE ANONYME DE GERANCE & D'ARMENT SA, Paris (see No 302) and by SOUTHERN FERRIES LTD, London, a member through THE GENERAL STEAM NAVIGATION CO LTD (see No 322) of the PENINSULAR & ORIENTAL STEAM NAVIGATION CO LTD.

** Three of the most important Dutch engine and shipbuilding firms have merged to form a new company. These are RDM-DE ROTTERDAMSCHE DROOGDOK MIJ NV, Rotterdam; NV KON MIJ 'DE SCHELDE', Vlissingen (controlled by the investment company NV BEZIT VAN AANDEELEN KON MIJ 'DE SCHELDE' Vlissingen); and NV MOTOR-ENFABRIEK THOMASSEN, Steeg, Rheden. The new company RIJN-SCHELDE MACHINE-FABRIEKEN & SCHEEPSWERVEN, Rotterdam (capital Fl 37.4 million) will thus become the leading shipbuilding firm in the Netherlands. Its aim is to overcome the group's current European difficulties, by a rationalization of the investment and production policies of its members. This will affect both their traditional activities and their role in the rapidly expanding market for installations in the oil, petrochemical and nuclear energy industries.

With a capital of Ff 25 millions, RDM employs 4,100 staff, while its production can be split as follows: shipbuilding, 40%, ship-repairs, 45% and manufacture of machines 15%. It has two wholly-owned subsidiaries in Rotterdam, SCHEEPBOUW MIJ 'NIEUWE WATERWEG' NV (ship repairs) and BOUMIJ 'HEYPLANT' NV (construction of workers homes). It has a 50/50 interest with WILTON FIGENOORD BRONSWERK NV, Rotterdam, in two Rotterdam companies, MACHINEFABRIEK & SCHEEPSWERF VAN P SMIT JR NV (shipbuilding and repairs, manufacture of marine diesel engines, steam boilers and engine-room equipment) and NV SCHEEPSWERF & MACHINEFABRIEK 'WAALHAVEN' v/h LITH & MADERN (ship repairs). RDM also has minority shareholdings in NV NERATOOM, the Hague, (nuclear power stations and equipment) and in LISNAVE ESTALEI ROS NAVALS DE LISBOA Sarl, Lisbon (shipbuilding and repairs).

With 3,300 workers NV KON MIJ 'DE SCHELDE' (capital Fl 35 millions) has fairly widespread interests, especially through its subsidiaries and associate companies. Its wholly-owned subsidiaries are: BIJKER'S AANNEMINGSBEDRIJF NV, Gorinchem, (shipbuilding and repairs for small craft, bridge construction etc.); NV LANDAAL SCHELDE, Utrecht (refrigeration plants), SCHELDE MONTAGFBEDRIJF NV, Vlissingen, (marine engineering) and NV SCHELDESTAD, Vlissingen (building and administration of workers' homes). It also has considerable interests in NV SCHELDEBOUW, Vlissingen (75% - sale of light metal building materials); PAM TANKER CLEANING NV, Vlissingen (25% - cleaning tankers) and in NV NERATOOM, the Hague. (16.66%) Abroad there is a wholly-owned subsidiary in London SCHELDE (UK)Ltd and a minority shareholding in the Israeli state shipyard, ISRAEL STATE SHIPYARDS LTD, Haifa.

Motorenfabriek Thomassen (capital Fl 8 million) manufactures compressors, gas turbines, various types of pumps, diesel motors, natural gas motors, and since 1964 polystyrene packing material. Its principal customers are the chemical and petrochemical industries, and 70% of its production is exported. The company has absolute control of MIDDELBURGSCH E IJZERGIE T E RIJ & MACHINEFABRIEK v/h BODDAERT & Co NV, Middelburg, (smelting), and has a minority shareholding in the Venezuelan ship refitting and repair firm SERVIMECA SERVICIOS MECANICOS CA, Maracaibo.

TEXTILES

** PANEL TEXTILE-ORGANISATION POUR TOUTES ETUDES & RECHERCHES DANS LE SECTEUR TEXTILE SA (capital Ff 10,000) has been formed in Paris as the outcome of an agreement between French and Italian interests to develop the textile industry. The principal French shareholder is M.E. Boncet (40%), while Rome, JANUS SpA, Rome (25% - research), and, Sigs. A. Pellegrini (13%) and L. Pieraccioni (12%) holds the Italian shares.

** PLAISTERE & HANGER LTD, Kettering, the British textiles and plastics firm, 50-50 with its Dutch representative M. F.R. Jackel, has formed the sales company HANDEL-SONDERNEMING PLAISTERE & HANGER NV, Oisterwijk (capital Fl 50,000).

** The textiles firm CONFITEX SpA, Castelfranco, Veneto (capital Lire 400 millions; president Sig G. Tamaro) has set up a sales subsidiary in Munich, CONFITEX GmbH, under the management of Sig S. Tamaro (capital DM 20,000).

Sig S. Tamaro is already head of the Milanese firm VIC ITALIANA SpA, which has just acquired from MANDOVAL LTD, Godalming, Surrey (a subsidiary of RIO TINTO-ZINC CORP LTD, London; see No 349) the exclusive distribution rights for Italy of the South African vermiculite extracted by TRANSVAAL ORE CO, Johannesburg, MERINTEX SpA, Trieste and SMALTERIA ROMAGNOLA SpA, Milan. Until its factories were bought up by ETI-ESERCIZI TESSILI ITALIANI SpA, Milan, when it folded up at the end of last year, Sig Tamaro was also managing director of COTONIFICIO VALLE DI SUSA SpA, Milan (capital Lire 5,000 millions; see No 256).

TRADE

** The Zurich import-export company INDUSTRIE VERTRIEB AG (capital Sf 2.5 millions) formed in December 1965, (directors: Herr. M. Liese, Munich; M.M. Bartholomai, Zurich; M. P. Leumann, Mattwil, Switzerland) has opened a Munich branch (directors Herren P. Ahrens, K. Frings, H. Muller and G. Schuppe, all of Munich).

TRANSPORT

** The international transport agency INTERNATIONALE TRANSPORT AGENTUREN "NEDERLAND" NV, Amsterdam, which through STOOMVAART MIJ "NEDERLAND" NV is linked with the shipping group NED SCHEEPVAART UNIE NV, Amsterdam (see No 347) is a 50% founder-shareholder in AMSTERDAM FERRY AGENTUREN NV (capital Fl 200,000). This firm is to act as an agency for all forms of "ferry boat" transport and Ned. Scheepvaart Unie NV is forming it as a 50-50 venture with NV AMSTERDAMSCHE STUWADOOR MIJ, Amsterdam.

Ned Scheepvaart Unie NV's last move before this was the formation, 50-50 with DE VRIES & CO NV, Amsterdam, of a travel and tourist agency, DE VRIES-INTRANED NV, Rotterdam.

** SERVICE - STE D'ETUDES, DE REPRESENTATIONS & DE VENTES A L'INTERIEUR DE LA COMMUNAUTE EUROPEENNE SA (formed in Paris in 1962; capital Ff 10,000) and its president M. A. Couvelaire have formed (at 97.5% and 2.5% respectively) EURALAIR SA, Paris (capital Ff 120,000). The new firm, which will commence operations with five twin-engined aircraft is to deal in passenger and goods air transport and will benefit from the nominal shareholdings of STE GENERALE D'ENTREPRISES SA, Paris (see No 333), STE D'ENTREPRISES CARRIERES & TRANSPORTS SA, Paris and STE DES GRANDS TRAVAUX DE MARSEILLE SA, Paris (see No 340).

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** The international lorry and tanker fleets comprising two companies headed by Herr E. Heller, Karlsruhe, INTERTANK SA, Mendrisio, Ticino, with a branch in Milan (formed in December 1962; capital Sf 50,000) and INTERTANK GmbH, Karlsruhe, have been reorganized in Austria. The recently-formed company INTERTANK GmbH (capital Sch 100,000) has been transferred from Vienna to Kufstein. Its two managers are Herren E. Heller and R. Schirmer, Karlsruhe.

VARIOUS

** H. NIJMAN & CO NV, Rotterdam which makes wooden packing materials and nursery furniture has formed a subsidiary to sell these called VIERSPAN NV, Rotterdam. It already has two subsidiaries: one for manufacturing, NIJCOPLASTIC NV and one for marketing, NIJCOPLASTIC VERKOOPKANTOOR NV.

** In order to improve its German sales, the French ski- and winter-sports equipment manufacturer ETS A. ROSSIGNOL Sarl, Voiron, Isere has transferred the head office of its subsidiary ROSSAL SPORTARTIKEL GmbH from Ettlingen to Munich. Rossal was formed in 1964 with the help of the camping equipment (mainly tents) firm ETS L & J. MARECHAL SA, Paris (with a factory at Rosieres-en-Santerre, Somme).

Since 1965 Rossignol has also had an interest in Switzerland in HALDEMANN ROSSIGNOL AG, Hergiswill, Lucerne, in association with local business concerns.

** AUTOSERVIZI MAGGIORE, Rome (car-hire), which has agencies in Milan and Palermo, has extended its activities beyond the national market by forming a Paris subsidiary. The new firm, MAGGIORE FRANCE Sarl had initial capital of Ff 10,000 which was immediately raised to Ff 500,000: 98% of it is shared equally by Sigs. F. and G. Maggiore, while MM. G. de Mazan and M. Laurian have 1% each.

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Ver Deutsche Metallwerke	J		
Vetromeccaniche Italiana	D		
Vic Italiana	P		
Volvo	H		