

4-18-66

Opera Mundi **EUROPE**

AD
MD

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

COMMENT Forward, Neutral or Reverse in the EEC?

THE WEEK IN THE COMMUNITY
April 4 - April 10, 1966.

COMMON MARKET:

Agreements on the Kennedy Round	page 1
Progress of the Agricultural Negotiations	page 2
Kennedy Round: Periodical Editors in Readiness	page 3

ECSC:

No Cartels Likely in Iron and Steel	page 4
-------------------------------------	--------

STUDIES AND TRENDS

The Size and Shape of Firms in Ten Years' Time
Part II

By Professor M. Paccas
Turin University

EUROFLASH: Business penetration across Europe

contents	page A
index	page S

April 14, 1966.

No. 352

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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

OPERA MUNDI EUROPE

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

EDITOR & PUBLISHER... PAUL WINKLER
EXECUTIVE EDITOR... CHARLES RONSAC
MANAGING EDITOR.... ANDRE GIRAUD

SWITZERLAND

54 Rue Vermont GENEVA
TEL: 33 7693

ITALY

72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX

4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

SUBSCRIPTION RATES

U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS
U.S.A. AND CANADA \$250 ONE YEAR \$135 SIX MONTHS INCLUDING AIRMAIL
OTHER COUNTRIES AT LOCAL EQUIVALENT OF U.K. RATES

© EUROPEAN INTELLIGENCE LTD.

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

COMMENT
A Letter from Brussels

FORWARD, NEUTRAL OR REVERSE IN THE EEC?

Will May 10, once a date that spelt disaster in Europe, prove to be a red-letter day for her this year? Herr Schmücker, the West German Minister for Economic Affairs, seemed to think so when he left the Brussels Palace of Congress on the evening of April 5, saying that "we shall have an agreement on the financial arrangements for agriculture by that date". For the first time since the Common Market Crisis, the Six had managed to bring a session of the Council to a happy conclusion: they had made progress both on agriculture and on the implications of the Kennedy Round, and "thaw" became the watchword of the day.

But one swallow doesn't make a summer, and when all's said and done it is difficult to see much more than one swallow in the European sky. After all, what does the April 5 package deal boil down to? Firstly, the principle that the Agricultural Fund should draw some of its credit from imports and make all of its payments on exports (on gross, not net figures in either case) has been accepted as a "working theory". Secondly, Germany has agreed to raise its maximum contribution from 28% to 31%: this is only slightly different in amount from what the Commission's accountants themselves recommended. But for the purposes of negotiation, the difference is significant, as none of Bonn's partners seems likely to suggest making it up.

Just the same, Germany has taken a step forward, and by way of pressing the point its delegation ostensibly telephoned Bonn to get the Chancellor's approval. Such a gesture of goodwill could not go unrecognised by M. Couve de Murville, but in assessing his exact response to it we should beware of crediting him with the agreement achieved on the second reconciliation of EEC tariffs with the Common External Tariff. This was a logical compromise between the prevailing standpoints: tariff-levelling applied indiscriminately to all products would only have led to unnecessarily complicated work for national customs administrators. In the discussions on the Kennedy Round, the sizes of the offers that should be made for aluminium and chemical products were agreed upon. The EEC position on the former remains unchanged, whilst its proposals for chemical products await agreement on the American Selling Price: a concession from the USA, in other words, and not from the Community. To put it bluntly, neither Paris nor Bonn are really being over-generous: indeed, the word is going round in some French circles that the concessions on the Kennedy Round were only relative, and that a number of GATT and EEC members have been giving it disproportionate weight.

All this makes it a bit awkward to state categorically whether or not the progress made on April 5 was really of any value, or whether it is early days yet to wax optimistic about it. The optimists, however, do have two valid points to make:

In the first place, if one takes the talks out of context and considers them from the purely technical angle, then it is evident that no problem is insurmountable because the whole thing is really only a matter of relating each country's financial burden to objectively definable factors. This makes it easy enough for agreement to be reached, as it was at the last session, on such matters as Italy's lump sum compensation for the time lost in setting up market organisations for fruit, vegetables and olive oil: this was simply a matter of fair play. It would, on the other hand, be much more difficult for the Italians to make themselves heard on tobacco: according to the experts, this only represents about 0.7% of their national product. Again looked at objectively, this is hardly likely to prove a very persuasive argument to the other five.

The second point to be remembered is that, whatever harm the European crisis may have done, it had proved the Community's determination to stay alive. Despite the difficulties of getting the engine started, when it finally got under way again it still had six passengers on board. A feeling of interdependence has been created among the Six, apart from any political considerations or disagreements, and although the members retain their freedom of choice no-one is prepared to opt out of the game. On January 1, 1970 at the latest, that is in less than four years from now, the Community will again be faced with the political problem which France only managed to get adjourned on June 30. The agricultural finance regulation has prevented the drafting of a contribution system for FEOGA, which means that the formation of proper Community funds has been adjourned indefinitely. However, the "gross" system now adopted in fact confirms that proceeds from import levies will be allocated to the Community. But to avoid running up against the famous revolutionary proposals made by the Commission, a "nominal" percentage (to use M. Couve de Murville's expression) of these levies is to be retained by the national treasury of each member-country. However this compromise cannot continue indefinitely: anyone can put the brake on the Community's progress, but they are liable to find that, provided there is not a complete breakdown, they will still get carried along by it, sometimes at a turn of speed which will surprise them.

If all systems have really been set at "Go" the EEC could make gigantic strides: at any rate there is no shortage of fuel, if the number of projects already under way is anything to go by. Unfortunately there is some cause for pessimism on this score. The very scope for a dynamic relaunching and the present stage of the negotiations among the Six seem to present the biggest political obstacle. The supporters of this theory say that the Germans were playing for time on April 5, in Brussels. But they could not go on marking time, or the French would have lost patience and perhaps caused another breakdown, which would receive a degree of sympathy from the other members. So the Germans made the minimum number of concessions possible in order to avoid an immediate breakdown, but without making any firm future commitments.

According to this theory, Germany is faced with this crucial problem: Should the Common Market go on if France withdraws from NATO? Some of

France's other partners (Belgium and Luxembourg for instance) would probably say Yes on the grounds that further European integration might make up for France's defection from NATO - and if de Gaulle is logical about it he should refrain from making things difficult from now on. This argument is not entirely to Germany's taste. First of all, Germany would have to make the largest financial sacrifices as a result of the relaunching, without any guarantee that this form of integration would replace the political content which de Gaulle has been at pains to remove. Secondly, the Kennedy Round will not have been successful until the last detail is signed and sealed and that is a very long way off. One thing however is certain: the EEC position in the negotiations will not be anything like as flexible as that of Germany on her own. Finally, Germany may wonder if the development of the Common Market, instead of linking France indirectly with the American Alliance, might not in fact cut Germany herself off from NATO and put her more under French influence. If France broke completely with NATO, and especially if French troops were withdrawn from Germany, then support for European solidarity might mean voting against solidarity with the United States.

One thing is sure: that M. Courve de Murville seems much more interested in getting the Common Market moving again, than are certain circles in Bonn. In any case, the systematic absence from the German delegation of Dr. Schröder, next to the Chancellor in responsibility for policy, has now become extremely significant. The French minister, on the other hand, no longer hesitates to tempt the recalcitrant Germans. On April 5, he quickly, and with relief, gave the green light for renewed participation in the Kennedy Round, in exchange for concessions which were theoretical rather than concrete. Although Germany may stand alone in the Six's internal negotiations, France plays lone wolf when Atlantic relationships are at issue. As a result, the Germans now hold such a strong position that the French only dare attack them when they have taken every possible precaution. Despite the slowness of the talks, no one dares to call down the lightning to speed them up. M. Couve de Murville is content to murmur disappointment and regret at the disillusioned atmosphere in which the talks seem to be taking place. He hopes that the Community will be able to rid itself, at last, from the financial question which has been a millstone around its neck for the past year, but having accepted that the decision should be deferred from the beginning of April to the beginning of May, he has agreed that the final decision should again be put back, this time to May 10.

Will patience be sufficient to overcome Bonn's doubts, or will more important concessions be needed? On a Community basis it seems logical that Germany should seek to exploit the situation as far as it can, as much to reduce its agricultural financial commitments, as to increase the benefits it can obtain from the unified market for manufactured goods, and maybe a common commercial policy (especially where trade with Eastern Europe is concerned). Germany is also trying to obtain some satisfaction regarding the merger of the three "Executives". On this point France has already made some concessions. Thus, the single Commission will not take up its functions before January 1, 1967. And the

French foreign minister has also agreed that, in certain circumstances, the mandate of a retiring president could be renewed once. Finally, the proposal for a two-year extension of Professor Hallstein's term of office has made more progress.

But it is also probable that Bonn, before agreeing to the relaunching of the Europe of the Six, will require assurances regarding France's Atlantic policy. On this point, the presence of French forces in the Federal Republic and their status under the NATO agreement will most likely be the key problem, but Bonn will also want solid reassurances concerning General de Gaulle's visit to the Soviet Union.

There is probably some truth in both of the ideas which have been discussed. All the same, where the negotiations can be kept within the EEC framework, it seems likely that positive factors will overcome doubts. These factors had already created a situation on April 5, which enabled the President of the EEC Council, M. Werner, to say to journalists that all the governments had shown "their positive will" to settle the problem. It is true that France had formally accepted the package deal. But it is also true that she was only dealing with German technocrat ministers, and it remains to be seen whether the politicians in Bonn will let the matter continue in the same vein.

THE WEEK IN THE COMMUNITY
April 4 - 10, 1966
From Our Correspondents in Brussels and Luxembourg

* * *

Agreements Reached Between the Six on the "Kennedy Round"

Below is an analysis of the various agreements reached by the Six on April 5 last on matters directly or indirectly concerning the "Kennedy Round" tariff negotiations:

(1) Organic chemicals and Plastic Materials:

The EEC will offer reductions of 22-31% in ECT duty on condition that an acceptable solution is found for the problem of the American Selling Price (customs valuation of imported goods by the American authorities).

(2) Aluminium: The EEC has confirmed its previous position, that it is maintaining the rate of 9% duty but a certain quota will be allowed in with a duty of 5% only. The size of this quota is still to be fixed but in any case will not be less than the needs of Germany and Benelux.

(3) Tropical Products: Subject to approval by the Associated African and Malagasy states, the EEC will offer to uphold the tariff reductions quoted during the negotiations at the second Association Convention with these countries. In addition, for products on which duty had been unilaterally suspended by the EEC during various negotiations (mainly with Britain and India), it is suggested that these duties will be reduced by 50%, the other half being eventually suspended once more.

(4) Quantitative Restrictions on Japanese Imports:

The Commission has been invited to sound out the United States, Britain and the other European member-countries of GATT on whether or not they are prepared to deal with this question in the Kennedy Round and if so, what their attitude would be.

(5) The Second Stage of the External Common Tariff

The second alignment of national tariffs had been carried out in 1963 on the External Common Tariff reduced by 20%, in anticipation of the completion of the Kennedy Round. However this unilateral reduction was only valid until January 1, 1966. It was agreed to maintain the present position for all products on which the duty may be cut by 50% during the GATT negotiations. The alignment on the External Common Tariff will be finalized however for all other products, that is those which are completely, partially or conditionally excluded by the EEC, meaning organic chemical products, dyes and plastics, and products for which there is a difference

between the Common Market duty and that of the GATT countries. In all these products represent about 700 tariff positions or one-third of the External Common Tariff positions. These provisions will come into operation on July 1, 1966.

The Six failed to agree a position on the following questions:

(1) World Agreement on Grain: The Commission put forward a formal proposal that the world reference price should be fixed at 3-5% above the Canadian price for corn and at 1-2% for feed grains. The financial burdens for surplus disposal (storage, food subsidies) would be shared between the countries creating these surpluses by producing in excess of their own requirements. The Commission received the support of five delegations but France continued to uphold the "Faure Plan" (see No 350). In addition to the already well-worn arguments on this point, M. Mansholt emphasised that the problem of supplying under-developed countries did not come within the scope of the Kennedy Round, which was of a purely commercial nature and was mainly concerned with re-establishing a proper balance on world agricultural markets. He also remarked that the problem could not be properly solved by increasing the agricultural production of the developed countries: it was in the under-developed countries themselves that production should be stimulated.

(2) Paper and Wood-pulp: Two principles were agreed, which should form the basis of an eventual settlement. To satisfy Germany and the Netherlands it was agreed that the EEC will offer tariff concessions to the GATT countries, principally for the Scandinavian countries. However, to accommodate the other Common Market countries, measures will be taken to ensure the survival of a certain productive capacity within the Community after tariffs have been reduced. The means of application, which is rather more difficult, has not yet been decided. For example, Germany and the Netherlands want purely temporary measures to ensure the modernisation and competitive strength of Common Market production. On the other hand their partners are in favour of a long-term policy, financed by a semi-fiscal tax intended for structural improvement and also for reforestation problems, scientific research, etc.

* * *

Progress of the Agricultural Negotiations

At their meeting on April 5, the Six agreed to pay Italy a lump sum of \$45 million by way of compensation. This was justified, as the olive oil, fruit and vegetable market organisations should have started to operate in 1965-1966, thus allowing the European Agricultural Fund (FEOGA) to help them. However, since the crisis prevented this happening, it would be unfair to penalise Italy, as she had obtained formal reassurances on this point in December 1965. The agreement was made without difficulty, but it is interesting to note that France did not ask for any compensation for her fruit and vegetable sectors. However, French exports of these products to countries outside the Common Market are substantially less than those of Italy.

The Six have accepted as a working basis that FEOGA's receipts should be based on a state's gross imports, and the payments a state receives should be based on net exports. This would imply payments of an additional \$ 10 million or 9%. All the same member States will no longer have to subsidise their own agricultural exports. Regarding receipts, the use of gross imports as a criterion means in effect a return to the system by which the proceeds from import levies flow to Community funds. But to avoid the political implications of complete acceptance of this system, only 90% of the levy income will go to the common fund: the symbolic abatement of 10% maintains the fiction that the stage of a unified market has not yet been reached, thus adjourning yet again the delicate question of the Community's own resources.

The payment of 90% of the levy income will only cover 45% of FEOGA's needs, and the balance will be paid by a contribution from each state. The Commission has proposed that France and Germany should each pay 32%, Italy 20%, the Netherlands 8%, Belgium 7.8% and Luxembourg 0.2%. Germany for her part has said that she is willing to cover 31% of all FEOGA's costs. Given that she will be asked to pay 31.4% of the levy income, this means that she is willing to make a national contribution of 30.7%, and compared with her previous offers of 28%, this is a step forward. But it is still insufficient to solve the problem. France has in fact made known on several occasions that she will not contribute more than Germany. At present therefore, a gap of 2.8% has to be filled, and of course nobody is volunteering.

Germany has attached another condition to her offer: that the expenses of FEOGA for the improvement of market structures, should no longer automatically be one third of rebates on exports, but should not exceed a ceiling of \$ 250 million. The idea of a ceiling has been well received by her partners, but the question of its height still remains.

* * *

The Kennedy Round: European Periodical Editors now in Readiness

At a meeting held at the Milan headquarters of the Italian Federation of Newspaper Editors, all the organisations representing editors of periodicals within the Common Market, have formed "La Communaute des Associations d'Editeurs de Periodiques de la CEE" (CAEP). France, Germany and Italy will each have two permanent representatives and two deputies, whilst Belgium and the Netherlands will have one permanent representative and one deputy each.

The formation of such an association having been delayed for various reasons, the interests of periodicals within the Common Market have suffered in tariff discussions concerning newsprint imports, especially where the Kennedy Round was concerned. A year's negotiations served to dispose of all the problems, and the Association now intends to make up for lost time by intervening where its interests are at stake. Herr Kluthe, president of the German association of periodical editors has been elected president, and M. Jean Boignet, France, in his capacity of technical adviser, has been made secretary.

CAEP has been formed in the same way as the CAEJ (La Communauté des Editeurs de Journaux) which works closely with the FIEJ (Fédération Internationale des Editeurs de Journaux) and this means that the CAEP will cooperate closely with the FIPP (Fédération Internationale de la Presse Périodique). The formation of the CAEP was also made easier by the fact that editors of leading Italian periodicals, who until now were not members of the FIPP, have now joined it. It is also worth noting that French periodicals are members of the new association, and this shows that contrary to its original arguments, the French Press now believes in talks to harmonize the position of the Press within the Common Market.

The CAEP believes that newsprint for periodicals should not lose any of the benefits of tariff reduction which should come from the Kennedy Round. It has therefore appointed, as a matter of urgency, a special commission to deal with this question. The members of the commission are MM. Jahr (Germany), Senn (Italy), Winkler (France), Coeberg (the Netherlands) and Defosse (Belgium).

* * *

ECSC

Steel Cartels: No Evidence of Their Existence

Luxembourg: A stream of questions from Dutch members of the European Parliament, has moved the High Authority to make a statement on the possible existence of production cartels in the Community's steel industry. In its statement the High Authority referred to the difficult period the steel industry was experiencing due to excess production and diminishing outlets. It said that on several occasions it had pointed out the need for a better supply and demand ratio, and that it had stressed this need in its quarterly forecasts, which were made in consultation with the steel producers, and published by virtue of Article 46 of the ECSC Treaty, so as to coordinate the action of all interested parties. It was desirable that these forecasts, which give indications by country as to a realistic level of crude steel production, should guide the action taken by producers in each country to achieve the balance between supply and demand.

There is a world and Community overcapacity in steel production. This is due to new steel producing countries arriving on the world market, to the decreasing number of steel-importing states and also to technical progress, which dictates the need for larger and larger production units. If, for example, a factory wanted to replace an old sheet steel mill with a capacity of 100,000 tons a year, it would have to install a mill with an annual capacity of at least 500,000 tons. The phenomenon of investment acting as multiplying factor in production capacity is also found in other sectors in the steel industry, since modern converters and blast-furnaces have a production capacity far greater than that of the plant they replace.

It is therefore inevitable, however carefully calculations are made, that temporary overcapacity should occur. This is the price which has to be paid for technical progress, and it was necessary for the High Authority and the Community's steel industry to prevent such overcapacity from unbalancing the market. During 1961-1963, this aim was not achieved and as a result there was a serious unbalancing of the market, with a corresponding drop in prices and in the steel industry's revenue.

Because of this the High Authority took steps at the beginning of 1964 to warn producers against a state of unbalance. Periodically it draws producers' attention to the need for adapting production to the real state of demand, but it always underlines the fact that such adaptation must be freely arrived at, and not result from an agreement to limit production. The Treaty of Paris absolutely forbids such agreements, and the High Authority has always considered the enforcement of such a fundamental rule of the ECSC Treaty as one of its most important tasks.

The adaptation of production to the market's requirements has met with some difficulties, for even if the majority of producers have been willing to listen to the ECSC's advice, other producers, less disciplined than their colleagues, have taken the opportunity to win new markets. It was therefore necessary to achieve more coordinated production, and the figures for the last few months can lead one to hope that this at last is happening. But at this point rumours have begun to circulate concerning the existence within the Community, or at least within certain member States, of agreements between producers to limit production; rumours which have given rise to the campaign being waged by Dutch members of the European Parliament.

It is clear that cartels such as those in question are extremely difficult to form, especially during a period of stagnation, possibly even recession, in the market. Even if the producers had wished to violate the rules of the Treaty, it is extremely unlikely that they could have succeeded. This is why the High Authority is unwilling to take action on the strength of such rumours alone: they do not furnish concrete proof that production agreements contravening Article 65 of the Treaty are actually in existence. To take action it must have evidence substantial enough to be used in court. Such evidence would probably come from a check made by the staff of the High Authority, and it seems that they have received instructions to tighten up these checks during the next few weeks.

* * *

STUDIES AND TRENDS

THE SIZE AND SHAPE OF FIRMS
IN TEN YEARS' TIMEBy Professor F.M. Paces
Turin University

Part II

The large firm, although able to influence its environment, is in turn influenced by it in the course of its normal development. It is worthwhile identifying some of these development trends.

Scientific and technological progress in all fields follows an exponential curve: within ten years 40% of all American production will be new: things as yet unknown, even perhaps to their inventors, and certainly not yet in commercial production. This results in a continual shortening of the average market life of all manufactured articles, and it increases the area over which improved techniques in productivity can be applied. Incidentally the latter factor makes for continual variations in optimum company size. Thus firms must constantly look for expanding markets in order to ensure an immediate absorption of the goods they are selling. The increasing size of the market, and the progressive disappearance of customs barriers and other obstacles to international trade is thus due to economic and technological imperatives. All the time these are ousting more and more of the commercial relics of nationalism and imperialism still persisting in some countries. The EEC, EFTA, and the Kennedy Round all point to the irresistible approach of a world market for industrial goods.

There is, however, an obstacle to this economic growth: the relatively slower rate of formation of new resources of capital and manpower. The number of qualified technicians and skilled workers coming forward lags behind the demand for them. The positive consequence is to increase technological progress by hastening research into automation and labour saving devices. Demand for capital increases for two reasons: essential increases in investment related to labour or manufacture, and increases in the quantity produced. This causes pressure on the capital market which results in widespread endemic inflation requiring strong measures to prevent over-heating. However, present political trends seem to encourage growth either without reference to the formation of savings or on the basis of over-optimistic estimates of capital formation. So the only remedy capable of keeping growth adjusted to new savings - in countries where it is not neutralised by State-run enterprises - may well be the political and economic caution referred to above, which tends to stifle private initiative.

Some of these major trends which influence industry's environment have been apparent since the Industrial Revolution, while others are more recent, such as the spread of State intervention since 1930, and the acceleration of research and

scientific development since 1945. Two of these trends are sufficiently general in character to be considered more closely here, the more so since they have generated the pattern of economic development, as we know it to-day - scientific progress and rationalisation of management. Two others should also be considered because of their direct bearing on industrial growth: the concentration of and increase in investment per unit of labour.

Scientific progress has moved in four main directions: (a) the creation of new products (satellites, electronic equipment, television); (b) the discovery of new sources of power (nuclear power); (c) new manufacturing processes, and the emergence of new techniques to increase the output of existing processes; (d) automation and the increasing number of self-regulating processes in both manufacture and administration. In addition, the last fifty years have brought profound changes in the organization of scientific research. Pure research, like that which took place in university laboratories at the beginning of the century and still does in scientifically-backward countries, has given way to research by large institutes of which the European prototype is the Max Planck Institute in Germany. Wider and wider areas of research, including basic research, are being taken over by individual companies: Du Pont de Nemours invented nylon, Bell the transistor, General Electric the synthetic diamond and General Motors discovered freon, tractilene, and invented the diesel-electric locomotive.

In 1963 the United States devoted 3% of their national product to research, Britain 2.2%, France and Germany 2% and Italy 0.74%. Translated into actual figures, these percentages show considerable variation from country to country.

	Year	\$ Millions
United States	1963	17,350
Britain	1961-62	1,775
W. Germany	1963	1,711
France	1963	1,549
Switzerland	1963-64	288
Italy	1965	490

(This table is taken from the report to the Directors' Conference by the President of the Italian National Research Centre - September 13, 1965).

State financial aid for research, whether direct or indirect, also varies considerably: it is highest in the United States (65.4%) and much lower in Italy (51.4%). This figure includes the sums spent by public organisations; (e.g. in Italy, the Research Centre and the National Centre for Nuclear Energy); and also by government research contracts with private laboratories (e.g. the research carried out for NASA by IBM and General Electric in the USA). This second formula is not often used in Italy. The amount of money spent by American firms on

their own research is enormous: thus General Motors, Du Pont de Nemours and IBM invest in research a sum equivalent to the total value of the production of similar European firms. The fact that General Electric recently took over both Bull (France) and Olivetti (Italy) has all but ended European research in a field as essential as electronics. The disparity the USA and Europe in the field of research has become so large that at a recent international congress at Fontainebleau (September 5-11, 1965) France warmly endorsed a suggestion that, since Europe was unable to compete on even terms with the USA, perhaps some sort of scientific "Marshall Aid Programme" was called for, as the only means of redressing the balance.

Together with this scientific progress, rapid rationalisation of company management satisfactorily explains the general lines of development in industrialised countries. This rationalisation consists mainly in the collection of the information required for decision-making, for the choice that is made and for the control and organisation of its implementation. It attempts to make the firm as productive as possible by guiding and controlling the "mix" of the productive elements. The pressure which rationalisation exerts, especially on the cost factor, makes possible the progressive reduction of prices, thereby attracting an increasing share of demand towards the firm's products. This happens in two ways: (a) the market absorbs more of the product for the same expenditure, and (b) the lowest price attracts a larger share of the market. Rationalisation can thus lower the threshold of profitability, with all the structural consequences that follow from this.

Because there is always a delay between cost-reduction and price reduction, a period of increased rate of profit will intervene, enabling the firm to finance, perhaps entirely, its own development. In addition, some of the reduction in costs achieved on the production side can be used to finance an expansion in marketing activities, thus opening another avenue for development.

Concentration and amalgamation of companies is too familiar a subject to be dealt with here. But there is a form of concentration which crosses national frontiers, and this is worth looking at since its full implications seem to have escaped most leading economists and politicians. If the two principal factors in economic growth, technological development and the economic and political climate are satisfactory, it must follow that they will stimulate expansion of industrial initiative. Favourable economic policies would lay stress on freedom of establishment, the strength of the money market, equitable taxation and trade union legislation, etc.. It is also extremely likely that the existence of such favourable conditions is partly due to the influence of already established firms on their environment, and this influence can be considered as a further reason for company growth. We thus have a situation in which any new ideas will be able to grow and consolidate quite rapidly.

The two growth incentives under discussion are regional as is shown both by the economic and political differences between countries, and by the variance between their courses of scientific development. Taken as a whole this situation

is extremely attractive for foreign companies, and benefits the country concerned. This explains why Italian paper-mills, for example buy holdings in the paper industry in other Common Market or EFTA countries; why textile and engineering firms set up in South America, why American interests took control of Olivetti's electronic division, and Ferrania, and again why there has been a merger between the RIV and SKF groups, etc. There is every indication that this trend will continue although it may need some correction. In fact, while governments are trying to ensure balanced progress in their own countries, there are also signs of an international trend towards balancing industrialized and non-industrialized areas: unfortunately this is being done at the wrong level.

The tendency to increase investment per unit of labour, began with the industrial revolution and flourished in the highly industrialized countries. Where population density was lower, in particular, this soon led to a situation of full employment. But at present it looks as if the lack of sufficient objective information has been such that calculations relating to this phenomenon are based on theories which underestimate the degree of investment required for each job and especially for each new job. Special experiments in the subject are being carried out at the moment by one of the specialized institutes of the University of Turin.

What practical conclusions can be drawn from this overall analysis for any given country, in this case Italy? First of all, certain urgent measures must be taken:

- (1) This country's serious disadvantage is scientific research, which has been hampered by the passage of control of highly developed technological industries into foreign hands. This could slow down its growth or even prevent the development of those industries under the absolute control of foreign groups whose research programmes are entirely conducted abroad. At any rate this weakness makes it impossible to set up independent firms in the sectors mentioned.
- (2) The almost complete absence of University institutes for business administration and industrial technology (only one of the first type and none at all of the second, compared with a thousand in the United States and several hundred in the rest of Europe) will mean a hold-up for at least a generation in rationalising decision-making and the organisation of production in industry and commerce: it may well affect the competitive power of Italian companies - even the largest of them - on world markets.
- (3) The first result of concentration on an international scale is to put firms out of business; at the moment the movement seems to be limited to buying up controlling interests, but it seems that political and business circles throughout Europe are not yet fully aware of the long-term consequences of these financial operations which are forced upon them by the narrowness of their markets, by inadequate scientific research and by the lack of knowledge of business administration and management.

(4) The rising capitalisation coefficient in industrial production is retarded, not only by the high cost of finance and the comparative shortage of resources, but also by a surplus of labour which keeps wages down. This makes less essential coefficients as high as those other countries, where they are required by the high level of technology; so in Italian industry, the investment/labour relationship is relatively low. It would, however, be dangerous to give the impression that it is possible to forecast employment resulting from current development programmes on the basis of investment yields to date, which are far below what is required by technical progress.

Page

- D BUILDING & CIVIL ENGINEERING Belgium: THE EUROPEAN PROPERTY CO, London forms Belgian company INTERBEL-BRUXELLES. Netherlands: Six Dutch building and loan companies form NV BOUWCOMBINATIE ARNHEM, Arnhem (building and property). VER BEDRIJVEN NEDERHORST, Gouda takes over the metal structures firm PLETTERIJ L.J. ENTHOVEN, Delft (bridges, buildings etc). Two Dutch timber firms WAANDERS, Haaksbergen and BOLL & SCHARP, Enschede form 50-50 wood and plastic panel manufacturing firm. CONSORTIUM DE PARKINGS, Brussels forms PARKING SCHOUWBURG, Rotterdam (parking lots).
- E CHEMICALS Austria: HERBIX HAARHAUS, Cologne (laquers paints etc) forms Vienna sales subsidiary. Belgium: ICI, London transfers its European headquarters to Brussels. The French subsidiary of PITTSBURGH PLATE GLASS, USA forms Belgian sales company for sales of paints, varnishes etc. Germany: KALICHEMIE, Hanover buys 50% in DR RUDOLF ALBERTI & CO (barium extraction and processing) and changes its name. Netherlands: CENTRAL RESOURCES, New York forms Rotterdam sales subsidiary (chemical fertilizers).
- F ELECTRICAL ENGINEERING Britain: The Italian domestic appliance group will supply washing machines to the British GENERAL ELECTRIC CO. France: The Swedish maker of refrigeration equipment K.J. LEVIN forms Paris sales subsidiary. ELECTRIC STORAGE BATTERY, Philadelphia, USA forms ESB HANDELMIJ (sales) through its Mexican subsidiary.
- G ELECTRONICS Belgium: RAYCHEM, California, USA (electrical components etc) forms Belgian import and sales subsidiary. TECHNIQUES EUROPEENNES DE COMMUTATION, Paris (batteries, signalling equipment etc) forms branches in Brussels and Stuttgart. Germany: The French nuclear instrument makers INTERTECHNIQUE form German subsidiary.
- G ENGINEERING & METAL Belgium: The American lifting equipment makers LITTLE GIANT PRODUCTS forms Brussels sales company. "HET ZUIDEN", Eindhoven, Netherlands (central-heating) forms Belgian subsidiary. The American company DREVER (metal furnaces etc) forms Brussels sales subsidiary (industrial heating). France: SCULFORT, Paris sells its majority holding in SALOME FRERES, Maubeuge, Nord to ALSACIENNE GRAFFENSTADEN, Paris. FIAT, Turin tries to buy more SIMCA shares on the market through LAZARD FRERES. Germany: LINDE, Wiesbaden sells its 50% in HUETTENSAUERSTOFF, Essen (building and plant supplying oxygen) to MESSER GRIESHEIM, Frankfurt. The

Page

American SIMPLEX TIME RECORDER CO forms German manufacturing subsidiary (precision instruments). POWELL DUFFRYN, London forms Hamburg import and sales company (heating equipment). Director of the Italian group METALLURGICA ITALIANA will be joint manager of CUPRO METALLHANDELS, Hamburg (metal-dealing). Italy: MONTECATINI EDISON is new owner of ELETTROTERMICA ADAMOLI, Milan (materials for treating metal surfaces). MECCANICA SPEZIALE, Monza, Milan (property) is taken over by ITALIANA CATENE CALIBRAIE REGINA, Milan (precision tools, chains etc). Netherlands: DREXEL INTERNATIONAL, The Hague (equipment for oil-prospecting etc) is formed by American businessman of that name. BEHEERMIJ WILMA, Weert, Netherlands (investment) forms wholly-owned subsidiary. Two Dutch engineering firms BEDUMER MACHINE-FABRIK and NOORD NEDERLANDSCHE MACHINEFABRIEK form joint subsidiary HYMAS NV with the Swiss firm HYGRAMA, Zug. Spain: FORGES D'AUDINCOURT, Paris and AGROMAN, San Sebastian (civil engineering etc) form TISCA, Madrid (heavy engineering) with BANCO ESPANOL DE CREDITO, Madrid. Switzerland: POMONI-FARREL, Como grants steel-casting patents to ERIK OLSSON, Switzerland. USA: STRUTHERS SCIENTIFIC, New York and a Belgian group of companies form 50-50 American subsidiary UNIVERSAL WATER CO (desalination).

K FINANCE

France: BANQUE DE L'INDOCHINE and UNION EUROPEENNE INDUSTRIELLE & FINANCIERE (SCHNEIDER group) exchange shares and directors. Netherlands: COMMERCIELE ASSOCIATIE, Amsterdam (trade finance) forms wholly-owned subsidiary.

L FOOD & DRINK

Belgium: COMINIERE, Brussels and its subsidiary COMUELE form BELFOOD to build Brussels factory for processing potato-waste. France: The Italian group BUITONI will build new canning plant for its French subsidiary BUITONI SA. The French cheese and dairy group CAVES & PRODUCTEURS DE ROQUEFORT builds large international sales network. Four French frozen food companies, OLIDA, SAUPIQUET, WILLIAM SAURIN and ETS UNGE-MACH form SOLIMAC, Paris. Germany: The Dutch dairy cooperative CAMPINA increases the capital of its German subsidiary. Netherlands: ROSS GROUP, Grimsby, Lincolnshire (fish, poultry, fruit etc) forms Dutch poultry subsidiary.

N OIL, GAS & PETRO-CHEMICALS

France: PETROFINA, Brussels takes over RAFFINERIE MERIDIONALE DE PRODUITS PETROLIERS, Marseilles (lubricants). The co-director of the German petrochemicals firm PINTSCH is president of new Swiss firm RAFFINAGE & ADDITIVATIONS LUBRIFIANTES.

April 14, 1966.

C

Page

- N PAPER & PACKAGING Germany: The Finnish owned German firm EUROCON will build paper factory at Dorpen, Emsland. Italy: The American paper group WEYERHAUSER buys shares in the Italian packaging firm SANBER.
- O PHARMA-CEUTICALS Italy: BDH GROUP, London forms Milan subsidiary.
- O PLASTICS Belgium: POLYOLEFINS, Brussels will run polyethylene factory in Antwerp. Netherlands: The American group RUBBERMAID and VAESSEN-SCHOEMAKER, Deventer form 50-50 Dutch subsidiary (plastic containers etc).
- P PRINTING & PUBLISHING Italy and Japan: KONDASHI, Tokyo and MONDADORI, Milan will jointly produce new encyclopaedia.
- P RUBBER Italy: FIRESTONE, USA signs financial and manufacturing agreement with BREMA, Bari (tyres).
- P TEXTILES France: FILATURES PROUVOST, Roubaix (wool-dyeing, spinning etc) merges with MASUREL FRERES, Tourcoing (wool and synthetic fibres). Germany: DONATO FAINI, Milan (knitwear) forms Frankfurt sales subsidiary.
- Q TRADE France: SOFRACOP, Paris is formed by BANQUE DE PARIS & DES PAYS-BAS to promote Franco-Soviet trade.
- Q TRANSPORT France: DELMAS-VIELJEUX, La Rochelle forms FRANCO-DANOISE DE NAVIGATION, Paris. Netherlands: Two Dutch shipping firms FOLTU and SCHEEPVAARTBEDRIJF NOORD-HOLLAND form 50-50 subsidiary.
- R VARIOUS France: Two French firms of management consultants PAUL PLANUS and OCCR merge to form INTER GSA, Paris. The London group GRAND METROPOLITAN HOTELS buys 10% in STE DES HOTELS REUNIS, Paris. Germany: AEG, Frankfurt sells its 40% in BAYERISCHE ZUGSPITZBANK to the engineering firm KRAFTANLAGEN, Heidelberg. The Dutch leather firm "GULDEN STIFT" forms German sales subsidiary.

BUILDING & CIVIL ENGINEERING

** Six Dutch building and loan companies, all located at Arnhem, have invested equally in the creation of a building and real estate firm in Arnhem by the name of NV BOUW-COMBINATIE ARNHEM (capital Fl 945,000). The six firms are: NV AANNEMINGS-BEDRIJF G.W.J. SANDERS, NV BOUWBEDRIJF A. VERBOON, NV BOUW- EN BELEGGINGSMIJ "ARNHEM ZUID", NV AANNEMERSBEDRIJF M.TH. LOOYSCHOLDER and NV BELEGGINGSMIJ E. VAN AMERONGEN.

** VER BEDRIJVEN NEDERHORST (NEDERHORST UNITED) NV, Gouda, has taken over the metal structures firm PLETTERIJ v/h L.J. ENTHOVEN & CIE, Delft (bridges, buildings, tanks, pipe-lines etc.; see No 297). The two companies had already been working in close cooperation, and this was the next logical move to make.

Nederhorst is one of the largest companies of its kind in the Netherlands and has a great many direct and indirect home and overseas subsidiaries and shareholdings (in Liberia, Nigeria, Hong Kong and the Dutch West Indies). In Europe it is a direct shareholder in VIBROFAHL BAU GmbH & Co KG, Bremen, and holds shares indirectly (through INTERNATIONALE FUNDERINGS MIJ NV, The Hague) in the Greek company DUTCH HELLENIC FOUNDATIONAL CO LTD. The chief result of its alliance with Pletterij was the formation in Curacao of NV COMBINATIE PLETTERIJ-NEDERHORST, which was directly set up as a joint enterprise between their respective subsidiaries INTERNATIONALE DUNFERINGS MIJ NV, The Hague (control of which is shared 50-50 with the London group THE BRITISH STEEL PILING CO HOLDINGS LTD) and CURACAOSCHE STAAL INDUSTRIE NV, Curacao.

** HOUTWARENFABRIEK & HOUTHANDEL WAANDERS NV, Haaksbergen (timber trading and woodworking) and BOLL & SHARP NV, Enschede, two Dutch firms, together with M. J.F. Albrecht, have formed a 50-50 company at Haaksbergen to make wooden and plastic-faced panels, NV HOUT- & FINEERINDUSTRIE "HAAKSBERGEN" (capital Fl 500,000).

** THE EUROPEAN PROPERTY CO LTD, London (property investment company - see No 346) formed three years ago (see No 298) by a group headed by N.M. ROTHSCHILD & SONS, their Paris associates MM. DE ROTHSCHILD FRERES Snc and the property group JONES, LANG & WOTTON (see No 294), has increased its Belgian interests by forming INTERBEL-BRUXELLES SA, St. Josse-ten-Noode (capital Bf 50,000).

The European Property Co Ltd already has two property companies in Belgium, INTERMONT BRUXELLES SA (see No 279) and INTERALIA BRUXELLES SA, in which the American insurance company CONNECTICUT GENERAL LIFE INSURANCE CO, Hartford, Connecticut has recently become a shareholder.

** CONSORTIUM DE PARKINGS SA, Brussels, a member of the Belgian civil engineering group headed by M. Ch. de Pauw (see No 345) and in which the bank PICTET & CIE, Geneva, holds shares (see No 334), together with M. C. de Clercq, Brussels has formed a company in Rotterdam with PARKING SCHOUWBURG NV. Each party holds 25% in the new firm, which is to enter the parking lot business, with a capital of Fl 250,000. The two founders already mentioned are partnered in this venture by N.V. PARKING MEIR, Antwerp, and N.V. PARKING SAINT-SAUVEUR, Brussels.

CHEMICALS

** HERBOL WERKE HERBIX HAARHAUS AG, Cologne (capital Dm 8 million) which makes laquers, paints, and varnishes has formed a Viennese sales subsidiary, HERBOL ANSTRICHMITTEL VERKAUFS GmbH (capital Sch 100,000) whose manager is Herr K. Brinkmann, Cologne, Rath.

The West German company, employing about 1,500, has a wholly-owned French subsidiary HERBOL-FRANCE Sarl, Riorges, Loire (capital increased in 1965 from Ff 300,000 to Ff 500,000 - see No 180) and has recently opened a factory at Barr, Zug, Switzerland, where its products are distributed by VERCOSA SA, La Tour de Treme.

** I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD, London (see No 349) has decided to transfer its European and Common Market headquarters from the Netherlands to Brussels. Its European interests, run by ICI EUROPA LTD, London, are going to expand greatly by doubling their output of synthetic fibres and plastics. Two plants at Rozenburg, Netherlands with an annual capacity of 45,000 tons of polythene will commence production at the end of 1967, and there will also be a Dutch plant producing 6,000 tons of "Allopeene" rubber annually. ICI (EUROPA) FIBRES GmbH are having a polyester plant with an annual capacity of 5,000 tons of "crimplene", built at Ostringen, West Germany: they already produce 20,000 tons of nylon annually.

** PITTSBURGH PLATE GLASS CO, Pittsburgh, Pennsylvania (glass and chemicals; see No 348) has made its French subsidiary STE DES PEINTURES CORONA SA, Valenciennes and Saultain, Nord (see No 287) responsible for its Belgian sales network for paints, varnishes, glues, adhesives etc. As a result CORONA PITTSBURGH PAINTS SA has been formed at Schaerbeek, Brussels (capital Bf 1 million), with two directors, MM. E. Verstappen and H. Pollenus.

The American group has long had a direct interest in Belgium in the shape of a marketing subsidiary for glass, SA DES GLACES DE COURCELLES, Courcelles (president Mr D.G. Hill), as well as a 25% shareholding in the paint and laminates factory USINES J.G. DE CONINCK FILS SA, Merksen, Antwerp (see No 252). Through a 50-50 joint subsidiary it shares with CORNING GLASS WORKS CO it has also controlled since 1963 the Brussels firm PITTSBURGH CORNING DE BELGIQUE SA (see No 199), the capital of which was raised last year to Bf 75 millions.

** CENTRAL RESOURCES CORP, New York (see No 330) has set up a wholly-owned subsidiary in Rotterdam to distribute chemical fertilizers, TRANSTERMINAL NV (capital Fl 125,000).

This move strengthens the American company's position in the Netherlands, where it already shares a 50-50 subsidiary with the fertilizer group ENCK-EERSTE NED COOPERTIEVE KUNSTMESTFABRIEK, Vlaardingen. In 1965 they formed EUROFERT HOLLAND NV (see No 325), whose particular purpose is to market ammoniac produced at the factory now being built in Rotterdam by ESSO NEDERLAND NV, The Hague. The two firms have also formed two other subsidiaries to handle their joint business interests, NV ADMINISTRATIEKANTOOR EUROFERT - CRC, Amsterdam (whose Fl 25,000 capital is almost entirely in the hands of the American partner) and NV ADMINISTRATIEKANTOOR EUROFERT-ENCK, Vlaardingen (whose Fl 5,000 capital for its part is almost all held by the Dutch group).

** KALICHEMIE AG, Hanover (which is linked with the group SOLVAY & CIE Scs, Brussels - see No 342) has bought a 50% shareholding in VER. WERKE DR. RUDOLF ALBERTI & CO KG, Bad Lanterberg, Harz, and has changed the name of the latter to DEUTSCHE BARYTINDUSTRIE DR. RUDOLF ALBERTI & CO. This was formed in 1900 by industrialist Rudolf Alberti who until now has always had complete ownership. It specialises in the extraction of barium (112 metric tons a year), the production of all forms of baryta and also of materials affording protection against radioactivity. It has a payroll of about 800 people.

ELECTRICAL ENGINEERING

** The Swedish manufacturer of refrigeration equipment for shops and supermarkets, cold chambers for foodstuff storage etc.... A/B K.J. LEVIN, Malmö (capital Kr 2.5 million) has formed a 94% Paris sales subsidiary LEVINFRANCE Sarl, Neuilly, Hauts-de-Seine. The capital (Ff 50,000) is shared equally between MM. I. Brandin, S. Brostrand and A.B. Nerholt, who are the chairman, sales manager and financial manager of the parent company.

Levin, which employs about 250 staff, already has sales subsidiaries in Britain, LEVIN REFRIGERATION LTD, Wembley, Middlesex, and in Switzerland, LEVIN AG formed in Zurich in September 1963 (see No 222) as well as a world-wide network of sales representatives. Since early 1965, it has been a member of STAL LAVAL TURBIN A/B, Finspong (over 3,500 staff), which is itself a member of the SEA group - ALLMÄNA SVENSKA ELEKTRISKA A/B, Västerås (see No 351).

** Under a new agreement signed in Britain, the Italian domestic appliance group CASTOR SpA, Turin, (see No 350) will supply 35,000 washing machines annually to GENERAL ELECTRIC CO LTD (see No 315) for sale under the GEC trade-mark.

Similar agreements already link the Italian group (controlled by the Swiss holding company WASHING MACHINES HOLDING AG, Lugano) with IMPERIAL DOMESTIC APPLIANCES LTD, which markets Italian washing machines under the trade name "IMPERIAL" through its subsidiary KINGSGROVE INTERNATIONAL LTD - see No 297. Castor is also linked with AEI - ASSOCIATED ELECTRICAL INDUSTRIES LTD, London, one of whose subsidiaries AEI GALA LTD (represented in Milan by BHT-ITALIA SpA - see No 303) sells Italian washing machines under its own name, in Commonwealth and European markets. Other associated firms are HOOVER Co, North Canton, Ohio, USA; ASEA A/B, Västerås, Sweden, and CIE FRANCAISE THOMSON HOUSTON, Paris, etc....

** THE ELECTRIC STORAGE BATTERY CO, Philadelphia, Pennsylvania (see No 308) has formed a company in Amsterdam, ESB HANDELMIJ NV (capital Fl 375,000) through its Mexican subsidiary, RAY-O-VAC DE MEXICO SA, Mexico City, which is to have full control of the new firm. This is to sell and eventually manufacture electric batteries developed by the American group.

The Electric Storage Battery Co produces a wide range of batteries and accumulators (trade names "Exide", "Grant", "Atlas", "Wico", "Nillard", "Jordan", "Maylair", "Stokes" and "Ray-o-Vac"). A year ago it formed the Italian company ESBI Srl, Monza, Milan, (manufacturing and marketing) and increased its controlling interest in FABBRICHE ACCUMULATORI HENSEMBERGER SpA, Milan, (accumulator factory at Monza) from 51% to 97%.

ELECTRONICS

** RAYCHEM SA, Nivelles, Belgium has been formed by RAYCHEM CORP, Redwood City, California (electrical components and insulating equipment). The subsidiary, which is Raychem's first direct interest in the Common Market, will import and market electro-technical, insulating and chemical protection equipment, especially electro-chemical transducers. It shares with its subsidiary RAYCLAD TUBES INC the control of the new company (capital Bf 500,000) which is managed by Herr R.E. Gesell, Stuttgart, Degerloch. The American company already has agents and licensees in Europe which include TECHNIQUE & PRODUITS, Boulogne-sur-Seine, France.

** INTERTECHNIQUE SA, Plaisir, Yvelines (instruments for the nuclear energy industry, electronic equipment for the aeronautical industry and telemetric equipment for the space industry - see No 337) has formed its first foreign subsidiary: DEUTSCHE INTERTECHNIQUE GmbH (capital DM 200,000 - directors M.R. Cohen, Paris and Herr H. Linz, Mainz) which will make and sell Intertechnique's products.

Formed in 1955 by the DASSAULT group, but now financially independent, Intertechnique (capital Ff 9 million) is 20.5% owned by MM. RIVAUD & CIE Snc, Paris (through STE INDUSTRIELLE & FINANCIERE DE L'ARTOIS SA, Paris - see No 307) while 10% of its shares are held by MM. DE ROTHSCHILD FRERES SA, Paris group (through STE D'INVESTISSEMENT DU NORD SA, Paris - see No 328). Intertechnique has a 20% interest in C.A.E. - CIE EUROPEENE D'AUTOMATISME ELECTRONIQUE SA (controlled by CITEC - CIE POUR L'INFORMATION & LES TECHNIQUES ELECTRONIQUES DE CONTROLE SA, itself a 50-50 subsidiary of the CGE and CSF groups) and is linked by numerous technical agreements with Anglo-American companies (see especially No 296), the most recent being for fuel pumps for Anglo-French aeronautical programmes, with LUCAS GAS TURBINE EQUIPMENT LTD, Birmingham (part of the JOSEPH LUCAS INDUSTRIES LTD - see No 243).

** TECHNIQUES EUROPEENES DE COMMUTATION SA, Paris - T.E.C. (52% subsidiary of ETS SAXBY SA, president M. R. Deflandre - see No 251), which makes batteries, signalling equipment, solenoids, electro-magnets and electric controls has opened two foreign branches, one in Brussels (manager M.R. Michaux), the other in Stuttgart.

The French company (capital Ff 2 million) was formed in the summer of 1962 by GUARDIAN ELECTRIC MANUFACTURING CO, Chicago, USA and L'ELECTRO ENTREPRISE SA, Paris (member of the LEBON & CIE - CIE CENTRALE D'ECLAIRAGE PAR LE GAZ Sca group - see No 333), each with a 24% interest.

ENGINEERING & METAL

** LITTLE GIANT PRODUCTS INC, Peoria, Illinois, USA (lifting and materials handling equipment) has entered the Common Market by setting up a Brussels sales company LITTLE GIANT EUROPA NV (capital Bf 500,000) with Mr. H.G. Sharps, Peoria and M.H.G. Vastersavendts, Tilburg, Netherlands, as co-directors. Control of the new company is shared between the mother company and its subsidiary LITTLE GIANT PRODUCTS (CANADA) LTD, Cocksville, Ontario, Canada.

** DREXEL INTERNATIONAL NV (manufacture and sale of all types of oil prospecting and extraction equipment) the Hague, Netherlands, has been formed by Mr. J.A. Drexel, an American living in Madrid.

** VERWARMING-INDUSTRIE 'HET ZUIDEN' NV, Eindhoven, Netherlands (central-heating equipment) has expanded in Belgium. It has formed an almost wholly-owned subsidiary VERWARMINGS - INDUSTRIE 'HET ZUIDEN' NV, Overpelt, Belgium (capital Bf 300,000), in order to ensure the future development of the company.

** BELANGEN-EN BEHEERMIJ WILMA NV, Weert, Netherlands, an investment company (formerly WILMA AANNEMINGSMIJ NV), whose capital was raised recently to Fl 10 millions, has set up a wholly-owned subsidiary at Stramproy to undertake all forms of mechanical engineering, W.B.M. MACHINEFABRIEK NV (capital Fl 200,000).

** SCULFORT SA, Paris has sold its majority shareholding in SALOME FRERES & CIE SA (headquarters and factory at Maubeuge, Nord) to STE ALSACIENNE GRAFFENSTADEN SA, Paris. Salome Freres makes copying, and automatic programmed-cycle lathes, as well as all types of tools. It was formed in March 1964 when ETS SALOME FRERES, Nanterre, Hauts-de-Seine was split up (see No 253). The same operation profited AMTEC-FRANCE SA, Paris, which is controlled by the American machine-tool firm NEW BRITAIN MACHINE CO, New Britain, Connecticut.

Ste Alsacienne Graffenstaden is a member of the group STE HISPANO-ALSACIENNE SA, Bois-Colombes, Hauts-de-Seine. It is a holding company (capital Ff 119,450,000), which was formed when STE FRANCAISE HISPANO-SUIZA SA, Bois-Colombes (see No 311) took over SACM-STE ALSACIENNE DE CONSTRUCTIONS MECANIKES SA, Mulhouse.

Sculfort makes a wide range of lathes and machines used in the maintenance of railway equipment; it employs about 800 people and has two subsidiaries abroad, SCULFORT IBERICA SA, Madrid, and SIFMO-STE D'INVESTISSEMENTS & DE FABRICATION DE MACHINES-OUTILS SA, Fribourg, Switzerland. The latter was formed in April 1964 (capital Sf 50,000): its president is M. L. Gardey de Soos, who holds the same post in the French company.

** By way of rationalising production, and in order to facilitate the basic re-organisation of SIMCA INDUSTRIES SA, which will make marketing its chief activity, its new principal shareholder, FIAT SpA, Turin is proposing to strengthen its control by making a public offer for Simca's shares, through LAZARD FRERES & CIE.

Fiat has already launched a reorganisation plan for the "Agricultural Machinery" department of the French firm (SOMECA Division); its "Forges and Foundries" Division has been transferred to SMA - STE DE METALLURGIE AUTOMOBILE SA, Paris (see No 346), which is controlled by STE DES AUTOMOBILES SIMCA SA (itself a 76.7% subsidiary of CHRYSLER CORP, Detroit; Michigan, USA - see No 349); its shareholding in CAVIA-CREDIT POUR L'ACHAT DE VEHICULES AUTOMOBILES SA, Neuilly, Hauts-de-Seine (see No 335) has been sold to SOVAC - CREDIT MOBILIER & INDUSTRIEL SA, Paris (see No 339) whose principal shareholders are Lazard Freres & Cie and UNION EUROPEENE INDUSTRIELLE & FINANCIERE SA (SCHNEIDER & CIE group). Finally stiff European competition in the commercial vehicle market will call for a degree of centralisation sufficient to give Simca Industries' "UNIC" Division the sort of production volume now needed.

** LINDE AG, Wiesbaden (refrigeration; see No 343) has sold its 50% shareholding in the Essen company HUETTENSAUERSTOFF GmbH. The shares were bought by a firm which thus gains complete control of the Essen company, MESSER GRIESHEIM GmbH Frankfurt (see No 345). This firm, formerly called ADOLF MESSER GmbH, is 33.3% owned by the Messer family, while the controlling interest in it is held by FARBWERKE HOECHST AG VORMALS MEISTER LUCIUS & BRUNING (see No 350). Hüttensauerstoff was formed in 1961 as a 50-50 joint subsidiary of Linde and Farbwerke Hoechst, which subsequently made over its half of the shares to its subsidiary Messer Griesheim. The firm in question is chiefly engaged in building and running plant and machinery to supply oxygen to steel works, particularly those in the Ruhr.

Messer Griesheim (see No 273) has about 5,000 on its payroll and has numerous subsidiaries in Western Europe (Austria, Belgium, Britain, Denmark, France and Switzerland), as well as in Mexico and the USA. Its Paris subsidiary STE FRANCAISE DES APPAREILS & PROCEDES MESSER SA recently raised its capital to Ff 500,000 and became MESSER GRIESHEIM FRANCE SA.

** Two Dutch engineering firms, NV BEDUMER MACHINEFABRIK, Bedum, and NV NOORD-NEDERLANDSCHE MACHINEFABRIEK, Winschoten, have signed an agreement with a Swiss firm, HYGRAMA AG, Zug, under which the three are to cooperate both technically and in production. The Swiss company handles licences and patents relating to hydraulic equipment. As a result of the agreement, a joint subsidiary, HYMAS NV, has been set up at Meppel (capital Fl 150,000) to manufacture "Hymas" excavators, the first 85 of which will not yield royalties.

** SIMPLEX TIME RECORDER CO, Gardner, Massachusetts (see No 306) has added a West German manufacturing subsidiary to its existing Common Market installations. The new company, SIMPLEX TIME RECORDER CO GmbH, Zell bei Esslingen, Neckar (capital Dm 500,000) is to be managed by Messrs C.G. Watkins and J. Skamarycz, president and vice-president of the parent company, and E. Willman and H. Thümmel of Stuttgart. It is to make precision instruments and timepieces for industry.

The American group already has a marketing subsidiary in W. Germany, the first it set up in the EEC, DEUTSCHE SIMPLEX TIME RECORDER GmbH, Stuttgart (see No 290). In Brussels it has another sales company SIMPLEX INTERNATIONAL TIME EQUIPMENT SA (see No 296), which in its turn has opened a branch in Paris, directed by M.B. Rothman (see No 306), and another in Marseilles (director M.M. Boju). In Britain, in 1964, it acquired one of the divisions of GLEDHILL-BROOK TIME RECORDERS LTD, Huddersfield; it also has a manufacturing subsidiary in Halifax, SIMPLEX TIME RECORDER CO (UK) LTD.

** ELETTRONTERMICA ADAMOLI SpA, Milan, Italy (capital Lire 100 million - materials for treating and polishing metal surfaces) a former subsidiary of EDISON SpA is now owned by MONTECATINI EDISON SpA (see No 351). It has become the sole Italian representative for electro-plating equipment produced by LANGBEIN PFANHAUSER WERKE AG, Neuss, West Germany (see No 157 - specialist in electrolytic treatment of metals).

The Milan firm has a considerable foreign reputation, and it has received a large number of foreign orders: one of the largest was for supplying a complete degreasing, pickling, phosphatization and varnishing factory for the wheels of cars, agricultural and commercial vehicles.

** POWELL DUFFRYN LTD, London has formed an import and marketing company in West Germany for its heating equipment: POWELL DUFFRYN HEATING GmbH, Hamburg (capital Dm 20,000) managed by Herr J.K. Schwenke, Hamburg. The parent company already has interests in Dusseldorf in HAMWORTHY ENGINEERING & SWIER GmbH (see No 341) and HYDRECO HAMWORTHY HYDRAULICS GmbH (see No 335), which is directly controlled by HAMWORTHY ENGINEERING LTD, Poole, Dorset, and its subsidiary HAMWORTHY HYDRAULICS LTD.

The British group, despite the diversification of its activities into the distribution of oil products, the installation of heating equipment and air-conditioning remains the leading European coal distribution firm, with 14,000 staff on its payroll. Its main interests on the Continent are in France: CIE FRANCAISE POWELL DUFFRYN SA, Paris (capital Ff 8 million) which controls CIE COMMERCIALE DE MANUTENTIONS & DE TRANSPORTS SA, Paris (a founder in 1964 - see No 269 - of CIE GENERALE DE POUSSAGE SUR LES VOIES NAVIGABLES SA, Paris with UNION NORMANDE SA, STE COMMERCIALE DE NAVIGATION H.P.L.M. and CIE FLUVIALE & MARITIME DE TRANSPORT SA). Its other French interests include COMBUSTIBLES PARIS SEINE Sarl, Paris, STE D'UTILISATION RATIONELLE DE CALORIES SA, STE POWELL DUFFRYN & CO Snc, Rouen (formerly STE POWELL DUFFRYN WILLIAMS). In Italy it holds shares in CORY BROTHERS & CO (ITALY) SpA and in SEVESO AIR CONDITIONING INTERNATIONAL SpA, Milan (see No 122), in Spain in CIA GENERAL DE CARBONES SA, and in Portugal in CIA GENERAL DE COMBUSTIVEIS, etc.....

** MECCANICA SPEZIALE SpA, Monza, the Italian estates management company (property at Padermo, Dugnano) has been taken over by SOC. ITALIANA CATENE CALIBRAYE REGINA SpA, Milan. The latter has thus doubled its capital to Lire 200 millions and its president is Sig C. Polli. Its workshops at Merate, Padermo, Dugnano and Cernuso Montevecchio produce precision tools, drive chains, bicycle chains etc. It is linked with the chain factory REX REGINA SpA, which shares its headquarters site at Milan and has a factory at Olginate, Milan (see No 83). The latter belongs to the American group REX CHAINBELT CO (formerly CHAIN BELT CO), Milwaukee.

** CIE DES FORGES D'AUDINCOURT & DEPENDANCES SA, Paris, and AGROMAN EMPRESA CONSTRUCTORA SA, San Sebastian (civil engineering, framework, metallic construction, refrigerating equipment etc) together with BANCO ESPANOL DE CREDITO SA, Madrid have jointly formed TISCA, Madrid (heavy engineering - capital Pts 12 million).

The French group which had a turnover of more than Ff 100 million in 1965 embraces STE SIDERURGIQUE DES FORGES D'AUDINCOURT SA (head-office and factory at Augincourt, Doubs) which in 1964 took over STE DE CHAUFFAGE, TUYAUTERIES & CHAUDRONNERIE D'AUDINCOURT SA, Paris, and ALUTOL-AUDINCOURT SA, Paris (factory at Villeneuve Saint Georges, Val de Marne).

** POMONI-FARREL SpA, Castillanza, Como, (see No 333) Italian associate and licensee of FARREL CORP, Ausonia, Connecticut, USA, has granted its patents for complete steel casting plant to ERIK OLSSON AG, Zurich. The Swiss firm, formed in November 1963 (capital Sf 300,000) is run by the Swedish businessman M.E. Olsson, Kilsnacht, Switzerland. Amongst recent contracts carried out by the Italian firm was the installation of steel plant for SOC ALTOS HORNOS DE CATALUNA SA, Barcelona.

** An agreement has been signed between STRUTHERS SCIENTIFIC & INTERNATIONAL CORP, New York, and a number of Belgian companies. This will result in the formation of a 50-50 joint American subsidiary UNIVERSAL WATER CO INC (research and installation of desalination equipment). The Belgian companies involved are COCKERILL OUGREE SA, Seraing (see No 339), TRACTION & ELECTRICITE SA, Brussels (see No 350), SOB'ELCO-STE BELGE DE COMPENSATION & DE MECANIQUE SA, Saint-Gilles, Brussels (capital increased in 1965 to Bf 26 million) and SYBETRA-SYNDICAT BELGE D'ENTREPRISES A L'ETRANGER, Brussels (see No 237) the latter having, in addition to Cockerill-Ougree, the following main shareholders: STE GENERALE DE BELGIQUE SA, ACEC-ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA, BRUFINA SA, LA BRUGEOISE & NIVELLES SA, ABR-ATELIERS BELGES REUNIS SA, EVENCE COPPEE & Cie Scs, etc....

The American partner, 85% subsidiary of STRUTHERS WELLS CORP, Titusville, Pennsylvania already has a desalination plant working at Wrightsville Beach, North Carolina. It also has almost complete control of STRUTHERS WELLS FRANCE SA, Paris, formed in October 1962 (see No 268) and has issued a manufacturing licence to CHANTIERS DE L'ATLANTIQUE (PENHOET-LOIRE) SA, Paris for its high pressure production plants for urea and ammonia.

** DREVER & CO, Bethayres, Pennsylvania, USA (metal furnaces and similar equipment) has chosen Belgium as the bridgehead for its marketing operations within the Common Market. It has formed DREVER INTERNATIONAL SA, Brussels (capital Bf 5 million) managed by Mr R. Ogle, which is to handle every form of industrial heating.

Drever, is owned by the chairman Mr H.B. Drever, and his family. It is linked by a reciprocal licence agreement in Britain with WELLMAN INCANDESCENT FURNACE CO LTD, Smethwick, Staffordshire, a member of the WELLMAN ENGINEERING CORP LTD (see No 318).

** Sig. V. Manzi Fe, Florence is joint manager with Herr H. Spahn, Ahrensburg, of the newly-formed Hamburg metal dealing firm CUPRO METALLHANDELS (capital DM 60,000). Sig. Manzi Fe is a member of the governing body of a number of companies in the Italian group METALLURGICA ITALIANA SpA, Rome and Florence. These companies include INDUSTRIA LAMIERE SPECIAL SpA CARLO VIOLA-ILSSA VIOLA, Milan and SMIGY SOC. METALLURGICA ITALIA GIONTI YORKSHIRE IMEPERIAL METALS LTD, Leeds, Yorkshire, Britain, itself a member of ICI (see No 327).

The Italian group is closely linked with GIM-GENERALE INDUSTRIE METALLURGICHE SpA, Florence (see No 327). In February 1965 it was associated with the formation of CUPROMET AG, (capital Sf 100,000) whose business is similar to that of the new German company.

FINANCE

** The long-negotiated alliance (see No 348) between BANQUE DE L'INDOCHINE SA and UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (a bank in the SCHNEIDER & CIE Sca group) is about to be realised. This, and progressive rationalisation of their activities, is to be achieved by reciprocal purchase of shares and an exchange of directors

between the two banks. The Belgium group EMPAIN (see No 349) which recently increased its direct and indirect interests in Schneider & Cie to 25% is also involved in these movements. This operation has been facilitated by the new banking regulations and in time Banque de L'Indochine will buy up Union Europeenne and make it an investment company.

Union Europeenne, and Empain (through BANQUE PARISIENNE POUR L'INDUSTRIE SA - see No 345 and ELECTRO-RAIL SA, Brussels in which until recently BANQUE LAMBERT was a shareholder - see No 349) have an equal shareholding of 7.5% in Banque de L'Indochine. The latter now becomes a 10% shareholder in Union Europeenne. Schneider & Cie is in the process of becoming a limited company (see No 348).

** The investment company ALG COMMERCIELE ASSOCIATIE NV -ACA-, Amsterdam (see No 345) has formed a wholly-owned subsidiary ACAFIN NV, Amsterdam (capital Fl 2.5 million) specialising in trade finance and leasing. The first members of its board are Mr W.F. Brandford Griffith, a director of HAMBROS BANK LTD, London, his Paris deputy and M. P.P.H. Korthols Altes, board member of NED.OVERZEE BANK NV, Amsterdam (see No 337).

ACA is run by Ned.Overzee Bank and linked financially with it through NV FINANCIERINGSMIJ, Amsterdam. It already had close links with Hambros Bank through BENTWORTH TRUST (EUROPA) HOLDING NV, an Amsterdam subsidiary of a Hambros holding company BENTWORTH TRUST Ltd, London. Its main interests are in LEASE PLAN NEDERLAND NV, Amsterdam, INTERLEASE SA, Luxembourg, LOCABEL SA, Brussels etc....

FOOD & DRINK

** ROSS GROUP LTD, Grimsby, Lincolnshire, Britain have just formed their first wholly-owned subsidiary within the Common Market, ROSS POULTRY NV, Arnhem, Netherlands (capital Fl 1 million). It will be run by Lord E.A. Ch. Fitzroy and will be concerned exclusively with poultry-production for sale throughout the Common Market. In Britain, Ross have a weekly production of over 500,000 chickens and 1,250,000 million eggs or about 20% of national consumption; this production is distributed by a sales network supplying several supermarket chains.

The Ross group has a large number of subsidiaries in the fishing and poultry industries, fruit and vegetable distribution trade, production and sales of frozen food, and special chemicals for the food industry. It also makes agricultural machinery and is active in the marine and chemical engineering industry.

** SOLIMAC Sarl has been formed in Paris as a result of the four-cornered alliance in the frozen and canned foods industry announced at the beginning of this year (see No 344). The four firms concerned are MAISON OLIDA SA, Neuilly, Hauts-de-Seine; CIE SAUPIQUET SA, Nantes; CONFITURERIES & CONSERVERIES WILLIAM SAURIN Sarl, Saint Thibault-Lagny, Seine et Marne, and ETS UNGEMACH-STE ALSACIENNE D'ALIMENTATION SA, Schiltigheim, Bas Rhin. The new firm (capital Ff 100,000) is to be managed by MM H. Polo (director-general of Saupiquet) and C. de Bernis (managing director of Olida).

April 14, 1966.

M

** As a result of the important changes over the last few years in the international cheese market, the French cheese and dairy group SA DES CAVES & DES PRODUCTEURS REUNIS DE ROQUEFORT SA, Roquefort, Aveyron (see No 301) has built up a solid sales network abroad: with SO TU LAI FROM SA in Tunisia, SA FRO LA Sarl in Algeria, QUESERIAS FRANCO -ESPANOLAS SA in Spain, as well as subsidiaries in Germany and Italy.

Its Italian subsidiary CASERIA FRANCO-ITALIANA SpA, Cagliari, formed at the beginning of 1965 has recently increased its capital to Lire 30 million to finance further expansion, and its board (president M.L.J. Freychet - director of ETS LOUIS RIGAL SA a French subsidiary) has now been authorised to increase its capital to Lire 100 million. A third of the increase has been contributed by the group directly and the balance by three of its main subsidiaries: SA DES CAVES ASSOCIEES LE PHENIX (processing ewes' milk at Roquefort); FROMAGERIES DES GORGES DU TARN Sarl, Millau (processing cows milk only) and STE MEDITERRANEENNE IMPORT -EXPORT-SOMIE SA, Marseilles.

** The Dutch dairy co-operative CAMPINA-COOPERATIEVE ZUIVELVERENIGING GA, Eindhoven, has strengthened the financial position of its West German subsidiary CAMPINA-EISKREM GmbH, Cologne, (ice-cream) by subscribing 92% of the increase in capital (from DM 60,000 to DM 250,000) the balance being put up by Herr J. Keucher, Berlin.

** The Italian group BUITONI, Perugia has decided to build another canning factory for one of its French subsidiaries BUITONI SA, St Maur des Fosses, Val de Marne at Camaret, Vaucluse, an area producing all types of horticultural crops. The capital of Ff 5 million required for the new plant has been partly supplied by increasing the French company's capital to Ff 9 million.

The Italian group which is owned and run on a family basis has interests in the food industry (confectionery, cooked meats, pasta and sauces) and in the printing industry. Headed by a holding company IBPO -INTERNATIONAL BUITONI PERUGINA ORGANISATION, Rome (president Sig. B. Buitoni) it includes: GIO & FRATELLI BUITONI SANSEPOLCRO SpA, Perugia with subsidiaries in Rome and Milan, which runs a dietetic products and pasta factory at Sansepolcro and a children's food factory at Aprila; PERUGINA -CIOCCOLATA & CONFETTURE SpA, Perugia which owns PERUGINA -FRANCE SA, St. Maur des Fosses (capital doubled last year to Ff 1 million); LA POLIGRAFICO BUITONI, Perugia, whose printing works is one of the most modern in Italy, has amongst its main clients, the PIRELLI group and the Italian Tobacco Monopoly Board etc. Since 1939 IBPO has controlled BUITONI FOODS INC, South Hackensack, New Jersey.

** COMINIÈRE-STE COMMERCIALE & MINIERE DU CONGO SA, Brussels and its subsidiary COMUELE -STE COMMERCIALE & MINIERE DE L'UELE SA, Brussels have a 6.75% and a 30% interest respectively in BELGIAN FOOD INDUSTRY-BELFOOD SA (see No 350) recently formed to build a factory near Brussels for using potato waste with an annual capacity of eight to ten thousand potatoes. The new company (capital Bf 40 million) includes amongst its other shareholders, Baron A. Casana, Milan and M.M. Theves (president of Cominiere) with 5% each, as well as the SNI-STE NATIONALE D'INVESTISSEMENT SA, Brussels with 27.5% and the Confederation Syndicale Agricole with 25% through MIJ. VOOR ROEREND BEZIT VAN DE BELGISCHE BOERENBOND NV, Louvain, Belgium.

OIL GAS & PETROCHEMICALS

** Herr M. Heineck, co-director of the petrochemical firm PINTSCH OEL GmbH, Hanau, West Germany has become president of the newly-formed RAFFINAGE & ADDITIVATIONS LUBRIFIANTES-REAL SA, Lugano, Ticino, Switzerland (capital Sf 50,000).

The West German founding company (capital Dm 1.4 million) is the wholly-owned subsidiary of the heavy engineering firm PINTSCH BAMAG AG, Butzbach, Oberhess (capital Dm 12 million). Only recently shares in the latter were bought by the shipbuilding firm BREMER VULKAN SCHIFFAU & MASCHINEN-FABRIK, Bremen-Vegesack (see No 338), an 89% subsidiary of the THYSSEN BORNEMISZA group.

** PETROFINA SA, Brussels (see No 351) recently took over RAFFINERIE MERIDIONALE DE PRODUITS PETROLIERS Sarl, Marseilles (capital Ff 413,400 -lubricants, sales refined oils and detergents). This move was made in view of the latter's location, and Petrofina has now made over all its assets, which have been in liquidation for five months, to its subsidiary PETRONAPHTE SA, Paris (see No 340), which raised its capital to Ff 6 million last December.

PAPER & PACKAGING

** EUROCON-PAPIERVERTRIEB GmbH, West Germany, formed by a Finnish paper manufacturers' consortium, headed by HAUKAS O/Y, Helsinki has chosen a 17 acre North Sea coastal site at Dorpen, Emsland for its fine paper factory, to be built in 1967. It will employ 400 people, consume Finnish cellulose and sell its products throughout the Common Market.

** The paper group WEYERHAUSER CO, Tacoma, Washington (see No 323) in furthering its Common Market expansion programme has bought shares in the Italian cardbox and packaging concern SANBER SpA, Casale Monferrato. The latter was formed in 1919 by Sig S. Berruti (who is still its president), and is linked with KARTON SpA, Nocera Superiore, which also makes corrugated cardboard, and, like its associate, will derive technical, financial and commercial benefits from its new shareholder.

The American group already has widespread interests in Europe, where it has bought various shareholdings in recent years: these are in:

(1) OBPACHER AG, Munich (which it has controlled since 1961 with 73.1%; see No 134): here its associates are VERWALTUNGSGES FUER INDUSTRIELLE UNTERNEHMINGEN. FRIEDRICH FLICK GmbH, Düsseldorf; and NORDDEUTSCHE PAPIERWERKE GmbH, Uetersen, Holstein which in its turn controls the publishing company VERLAG LAMBERT MUELLER GmbH, Munich.

(2) DROPSY SA, Rheims (57.3% control since 1964; see No 243).

(3) WEYERHAEUSER BELGIUM SA, Brussels (50-50 with INTERMILLS SA; see No 345).

Its other European interests are in Scotland and Spain.

PHARMACEUTICALS

** B.D.H. GROUP LTD, London (formerly BRITISH DRUG HOUSES LTD; see No 253), which until now has only had agents and representatives in the EEC countries (such as ETS SCHMITT-JOURDAN SA, Boulogne-sur-Seine and LABORATOIRES DU BOIS DE BOULOGNE SA, Puteaux, Hauts-de-Seine) has set up a subsidiary in Milan, which will commence operations as its business bridgehead on the Continent in two months' time.

The BDG group (chairman Mr D.L.M. Robertson) has no immediate plans to manufacture in Italy, but if the economic climate is favourable it will extend into the other Common Market countries its sales network for basic laboratory and pharmaceutical base products. Its largest shareholder is MEAD JOHNSON & CO, Evansville, Indiana, which for its part has extensive manufacturing and marketing interests inside the EEC (see No 253). In December 1965 BDG pooled its wholesale trade with that of another large British pharmaceuticals group GLAXO GROUP LTD, (see No 282), when they formed a company 50-50 in London by the name of VESTRIC LTD. This was endowed with £1,000 initial capital, has a turnover of some £35 millions and total assets amounting to about £9 millions. The two founding interests are represented on its board by Mr F.W. Griffin (chairman) and Mr A.E. Bide (vice-chairman).

PLASTICS

** MM. C. Cornu, L. Heraud and J. Kolner are respectively president, vice-president and managing director of POLYOLEFINS SA, which has just been formed at St. Gilles, Brussels (capital Bf 50 million) to run a factory in the dock quarter of Antwerp producing about 30,000 metric tons a year of low density polyethylene (see No 337). They represent the three founding groups of this company: PETROFINA SA, Brussels (20%), RHONE-POULENC SA, Paris (40%) and PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (20%).

** After taking control of DUPOL GmbH FABRIK FUER KUNSTOFFERZEUGNISSE, Sprendlingen, Offenbach (manufacture of rubber and plastic goods - see No 315) and changing its title to DUPOL RUBBERMAID GmbH FABRIK FUER GUMMI- & KUNSTOFFERZEUGNISSE, the American group RUBBERMAID INC, Wooster, Ohio has taken another step into the Common Market. Through its subsidiary FUSION RUBBERMAID CORP, Stateville, North Carolina, USA, it has formed VAESSEN-SCHOEMAKER RUBBERMAID NV (capital Fl 2 million) 50-50 with VAESSEN-SCHOEMAKER HOLDING NV, Deventer, Netherlands (see No 331 - manufacture of chemical products for the food industry, plastic packing and packing equipment). The new company will make the polyethylene containers, bowls and tanks in Europe which the American company already makes under licence from its Dutch partner.

In the Netherlands, Vaessen Schoemaker heads VASCO-CHEM-CHEMISCHE INDUSTRIE NV, Deventer. The group is run by Messrs P. Schoemaker and H.G. Vaessen and has numerous foreign sales companies and licensees. These include VAESSEN-SCHOEMAKER BELGIE PvbA, Wilrijk jointly owned by MM.Schoemaker and Vaessens, VAESSEN ITALIA SpA, Pontecorvo, Frosinone (formed in October 1964 with a capital of Lire 1 million by M. Vaessen who holds 89.8% of the shares) VAESSEN-SCHOEMAKER ITALIA SpA, Como (formed in September 1964 with a capital of Lire 10 million as a 96% subsidiary), STE VAESSEN-SCHOEMAKER (FRANCE) Sarl, Argenteuil, Val d'Oise and VAESSEN-SCHOEMAKER IBERICA SA, Barcelona etc.

PRINTING AND PUBLISHING

** A large Japanese publishing house is to pool both work and production with that of an Italian one. These are KONDASHA LTD, Tokyo, and ARNOLDO MONDADORI EDITORE SpA, Milan (see No 347): they have agreed on a schedule whereby they will jointly produce a 24-volume encyclopaedia, which will be simultaneously published in all the principal languages of the world.

RUBBER

** The American group already has a Rome sales subsidiary and its Milan branch SEIBERLING ITALIANA SpA (capital Lire 50 million, formed 1963 and president Sig. M. Di Federico) FIRESTONE TIRE & RUBBER Co, Akron, Ohio, USA (see No 302) has signed a financial, manufacturing and marketing agreement with BREMA SpA, Bari, Italy (tyres - see No 221).

Brema, whose factory was built nearly three years ago, is jointly owned by FINANZIARIA ERNESTO BRED A SpA, Milan (see No 338) and DARDANIO MANULI SpA, Milan and the American group is to become a shareholder. The factory has an output of 10,000 car tyres daily, sold under the trade mark "Brema-Firestone" and it uses the patents belonging to the former SEIBERLING RUBBER CO, Akron, (now SEILON INC - see No 302), whose Pneumatics Division was acquired last year by Firestone, when its name was changed to SEIBERLING TIRE & RUBBER CO.

TEXTILES

** A merger has been agreed in principle between FILATURES PROUVOST & CIE LA LAINIERE DE ROUBAIX SA, Roubaix (see No 340) and FRANCAISE MASUREL FRERES SA, Tourcoing. This will result in the formation of a major combed-wool group with some 8000 workers. Prouvost, which had a turnover of Ff 456 million in 1965, runs an industrial plant covering about 40 acres at Wattrelos, Roubaix (dyeing, spinning, twisting and winding). Its main interests in France include: 24% in PEIGNAGE AMELEE PROUVOST & CIE Sca, Roubaix; 98.7% in SA DES TISSAGES LESUR, Paris; 99.9% in CIE GENERALE DE LA MAILLE - COGEMA SA, Paris; 60% in MANUFACTURE FRANCAISE DE LA MAILLE SA, Arras, Pas de Calais. Through the holding company INTEXAL-STE D'INTERETS TEXTILES ALLIES SA, Roubaix (see No 318 - capital Ff 47.5 million), Prouvost controls ETS JERSEY DIMINUES DU CAMBRESIS SA, Cambrai, Nord; STE CAMBRESIENNE DE LA MAILLE SA, Cambrai and CIE FRANCAISE DE BONNETERIE SA, Paris. It also has subsidiaries and holdings throughout the world (see No 281). In Europe, these include PROUVOST & LEFEBVRE GmbH, Düsseldorf; CIA LANIERA ITALO FRANCESE SpA, Milan; SABLIF-STE BENELUX DES LAINES DE FRANCE SA, Brussels; FRENCH WOOLS LTD, London; PROUVOST-ERSA SA, Lognone; etc (see No 340).

Masurel, whose 1965 turnover reached Ff 221 million, is mainly concerned with wool-spinning and throwing and synthetic fibres (factories at Tourcoing; Fourmies, Nord;

Caudebec, Seine Maritime and Aubenas, Ardeche). It uses the trade-marks "FMF Beautifully", "Marsulis", "Masubril", "Masufil", "Masumel", "Masulyne", "Novlan", and "Ely-sine". The company (capital Ff 20 million) took over GESMA-STE D'ETUDES & DE GESTION SA, Tourcoing in 1965, controls the Belgian company LA DIFFUSION TEXTILE SA, Brussels and has a factory in the United States.

** DONATO FAINI & FIGLI Sas, Milan (knitwear - see No 265) has formed a new Common Market sales subsidiary, FAINI DEUTSCHLAND GmbH, Frankfurt (capital Dm 50,000; manager Frau A. Benesch.)

The group has four spinning, weaving and dyeing factories in Italy, and also controls the Paris firm STE INDUSTRIELLE DE MOULINAGE-SOCIMO SA (factory at Vimoutiers, Orne - capital Ff 700,000). In Belgium it controls the Brussels company which handles both its Belgian and (since May 1965), Dutch business, FAINI-BENELUX SA (formerly FRANCE-BELGIQUE). Its other subsidiaries are FAINI ESPANA SA, Madrid (formed early in 1965), and TRESORO INC, New York.

TRADE

** BANQUE DE PARIS & DES PAYS-BAS SA (see No 351) has formed SOFRACOP-STE FRANCO-SOVIETIQUE DE COOPERATION INDUSTRIELLE SA, Paris, (capital Ff 500,000) to promote Franco-Soviet trade. The founder of the new firm is M.F. Pezet, who is director-general of STE COMMERCIALE FRANCO-POLONAISE SA, Paris, which was formed by the group in January 1963 (Ff 100,000), as a means of easing relations between French industrialists and Polish export groups.

TRANSPORT

** CIE DELMAS-VIELJEUX SA, La Rochelle, Charente-Maritime (capital Ff 25 millions - see No 347) has formed CIE FRANCO-DANOISE DE NAVIGATION SA, Paris (capital Ff 20,000; president M.P. Vieljeux). Delmas-Vieljeux supplied 5% of the capital for this venture directly, and 86.5% indirectly through STE NAVALE DELMAS-VIELJEUX, Paris (capital Ff 35 millions).

Since 1964 the group's international activities have made great strides, especially since it bought shares in the Hamburg company RICKMERS LINIE GmbH (see No 246), which owns six ships on the Far East run. Through NED FRANSE SCHEEPVAART MIJ, Rotterdam (a joint subsidiary with HUDIG & PETERS ALG. SCHEEPVAART MIJ NV, Rotterdam) it has formed NV DIENSTVERLENING BUITENGAATS (OFFSHORE MARINE SERVICES), Rotterdam, (see No 271), which in its turn has set up a Paris subsidiary, OFFSHORE MARINE SERVICES FRANCE-OMSF Sarl.

** Two Dutch shipping firms, NV FOLTU, Amsterdam (see No 212), and HANDELS- & SCHEEPVAARTBEDRIJF NOORD-HOLLAND, Landsmeer have set up a 50-50 joint subsidiary in Amsterdam, NV REEDERIJ LISSE (capital Fl 250,000), which is to buy, sell and run ships.

VARIOUS

** The Frankfurt group AEG-ALLGEMEINE ELEKTRICITAETS-GESELLSCHAFT AG (see No 347) has sold its 40% shareholding in BAYERISCHE ZUGSPITZBANK AG, Garmisch, Portenkirchen, the company which runs the tourist railway on the Zugspitze in the Bavarian Alps. The buyer was the engineering firm KRAFTANLAGEN AG, Heidelberg (see No 334), which thus becomes a fellow-shareholder in Zugspitzbank of its own parent company ALLG LOKALBAHN- & KRAFTHANDELSGESELLSCHAFT, Frankfurt. The latter in its turn is controlled by BERLINER HANDELSGESELLSCHAFT, Berlin (see No 326), which holds more than 60% of its shares.

** The group GRAND METROPOLITAN HOTELS LTD, London which controls about 20 British hotel groups has bought a shareholding of about 10% in the Paris concern STE DES HOTELS REUNIS SA (capital Ff 4.4 millions). The latter is chiefly concerned with running the Scribe hotel in Paris and the Carlton in Cannes, and also has a shareholding in A. LOTTI & CIE SA, Paris, which runs the Lotti hotel in Paris.

** INDUSTRIE & HANDELSEONDERNEMING "GULDEN STIFT" NV, Doetinchen (leather embossing) has formed a sales subsidiary at Mülheim, Ruhr called "GULDEN STIFT" LEDERWAREN GmbH (capital DM 20,000). The Dutch company, which is managed by Messrs G. Hazeleger and H. Schoemaker employs about 110 people and produces travel goods, luxury leather goods and belting. Its products are sold in Benelux and also in West Germany, Canada and the USA.

** A company called INTER G.S.A., Paris is about to be formed by the amalgamation of two groups of office management consultants run by MM. P. Planus and J. Commelin. The first group is ORGANISATION PAUL PLANUS SA (capital Ff 20,000 -- see No 328) which is engaged in technical organisation, administration and accountancy, financial management and marketing and data-processing. The group includes STE DE PLANIFICATION, RECHERCHES ECONOMIQUES & SOCIOLOGIE INDUSTRIELLE-PROGES INTERNATIONAL Sarl, Paris (formerly SEPRI-STE D'ETUDES PRATIQUES DE RECHERCHE OPERATIONELLE - capital Ff 24,000); ORGANIZZAZIONE PAUL PLANUS ITALIA SpA, Milan; SA BERCAPLAN-EUROPEAN MANAGEMENT CONSULTANTS, St. Josse-ten-Noode, Belgium (see No 276) jointly owned with RAADGEVEND BUREAU I.R.B.W. BERENSCHOT NV, Hengelo, Netherlands and EKONOMISK FORETAGSLEDNING, Stockholm; PLANUS AG, Zurich (jointly owned with INFORMATION SERVICES - ENTREPRISE SA, Lausanne); INGENIORES CONSULTORES SA, Barcelona and Madrid, which helped in 1964 to form INVERPLAN-ESTUDIOS DE FINANCIACION & DE PLANES DE INVERSION SA, Madrid (see No 271); ORGANIZACAO PAUL PLANUS PORTUGAL LTDA, Lisbon; PLANUS LIBAN SAL, Beirut, Lebanon and SOFRELEC-ATRAS, Tehran.

M.J. Commeline will be chairman and managing director of the new company. His present group is headed by OCCR-ORGANISATION CONCEPTION CONTROLE REALISATION SA, Paris (capital Ff 60,000) which is mainly interested in the paper plant engineering company CELPAC SA, Paris, formed in 1964 with SINDICATO CELLULOSA POMILIO SpA, Rome (see No 263). Other holdings are in BIDEA-BUREAUX D'ETUDES ASSOCIES Sarl, Paris (capital Ff 264,000), CETEI-CIE POUR L'ETUDE D'EQUIPEMENTS INDUSTRIELS SA, Paris, ORDEN SA, Paris (surveys, etc) and OTEI-ORGANIZACION TECHNICA Y ESTUDIOS INDUSTRIALES SA, Madrid.

April 14, 1966.

INDEX OF MAIN COMPANIES NAMED

S

AEG	p.R	General Electric	p.F
Agroman Empresa Constructora	J	Grand Metropolitan Hotels	R
Alberti, Rudolf	F	Gulden Stift	R
Alg Commerciale Associatie	L		
Alsacienne Graffenstaden	H	Hambros Bank	L
		Handels - & Scheepvaartbedrijf Noord	
		-Holland	Q
Banco Espanol de Credito	J	Herbol Werke Herbix Haarhaus	E
Banque de l'Indochine	K	Hispano-Alsacienne	H
Banque de Paris & des Pays-Bas	Q	Hoechst	I
Bayerische Zugspitzbank	R	Hotels Reunis	R
Bedumer Machinefabriek	I	Hüttensauerstoff	I
Belangen - En Beheermij Wilma	H	Hygrama	I
Beleggingsmij "Arnhem Zuid"	D		
Boll & Scharp	D		
British Drug Houses	O	ICI	E
Buitoni	M	Intertechnique	G
Campina	M	Jones, Lang & Wotton	D
Castor	F		
Catene Calibraye Regina	J	Kalichemie	F
Central Resources	E	Kondasha	P
Cockerill Ougree	K	Kraftanlagen	R
Cominiere	M		
Commerciale Franco-Polonaise	Q	Langbein Pfanhauser	I
Comuele	M	Lazard Freres	H
Consortium de Parkings	D	Levin, R.J., Malmö	F
Cupro Metallhandels	K	Linde	I
		Little Giant	G
Delmas - Vieljeux	Q	Looysehelder, M.Th.	D
Drever			
Drexel	H	Maison Olida	L
		Masurel Freres	P
Electric Storage Battery	F	Meccanica Speciale	J
Elettrotermica Adamoli	I	Messer Griesheim	I
Empain	K	Metallurgica Italiana	K
Ets Saxby	G	Mondadori, Arnaldo	P
Ets Ungemach	L	Montecatini Edison	I
Eurocon - Papiervertrieb	N		
European Property	D	Nederhorst	D
		Ned Overzee Bank	L
Faini	Q	Noord-Nederlandsche Machinefabriek	I
Fiat	H		
Filatures Prouvost	P	OCCR	R
Firestone	P	Olssen, Erik	J
Folto	Q		
Forges D'Audincourt	J	Peintures Corona	E

April 14, 1966

T

Petrofina	p.N,O	Verboon, A	p.D
Phillips Petroleum	O	Verwarming-Industrie "Het Zuiden"	H
Pictet	D		
Pintsch Oel	N	Waanders	D
Pittsburgh Plate Glass	E	Weyerhaeuser	N
Planus, Paul; Organisation	R		
Pletterij Enthoven	D		
Polyolefins	O		
Pomoni - Farrel	J		
Powell Duffryn	J		
Raffinerie Meridionale	N		
Raffinage & Additivations Lubrifiantes			
Real	N		
Raychem	G		
Ray-o-Vac	F		
Rhone-Poulenc	O		
Roquefort	M		
Ross Group	L		
Rothschild	D		
Rubbermaid	O		
Salome Freres	H		
Sanber	N		
Sanders, G.W.J., Netherlands	D		
Saupiquet	L		
Saurin, William; Confitureries	L		
Schneider	K		
Sculfort	H		
Seiberling	P		
Simca	H		
Simplex	I		
Sobelco	K		
Solvay	F		
Struthers Wells	K		
Sybeta	K		
Techniques Europeennes de			
Commutation	G		
Traction & Electricite	K		
Union Europeenne Industrielle &			
Financiere	K		
Vaessen-Schoemaker	O		
Van Amerongen	D		