5-23-66

Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

May 19, 1966 No. 357

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	ITALY	BENELUX
54 Rue Vermont GENEVA TEL: 33 7693	72 Corso di Porta Romana MILAN TEL: 540.301 - 540.309	4 Boulevard Anspach BRUSSELS TEL: 18-01-93

o

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

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

COMMENT
A Letter from Brussels

THE MEANING OF A COMPROMISE

Under different circumstances, the compromise reached by the Six at 5 a.m. on May 11 would have been hailed as a great moral victory. It is significant that this time only France considered it so - despite the important part played by the Commission, directed on this occasion by Robert Marjolin. For the moment at any rate, the political scope of the agreement is purely negative: as on the occasion of their reconciliation in Brussels, the Six simply decided not to end their joint undertaking. If the deadlock had continued on May 11 there would have been an obvious lack of good will and this would have caused a fresh, and far more serious crisis. So some satisfaction can be gained from the fact that the truce is to go on.

But its importance should not be over-estimated. All the more anti-French delegations made a point of taking all political content out of the agreement. The two "Opposition" leaders, Gerhard Schröder and Joseph Luns, were conspicuous by their absence from Brussels during this final round of talks, having left their technical colleagues to finish them off without compromising themselves in any way. The German and Dutch technical ministers (and also the majority of their partners) conducted the negotiation as finance experts and not as politicians. It is therefore worth noting how the final hurdle in the negotiations was cleared: Italy agreed to be responsible for 0.2% of the German contribution to FEOGA on condition that the FEOGA share in improving agriculture, especially in Italy, is increased by $10 million a year. It made a nice piece of financial juggling.

This systematic avoidance of political matters can be easily explained. First of all, it is a direct result of the European crisis and the conditions under which the Luxembourg agreement was reached. As one German minister said: "since the political boundaries are firmly closed for the present, it is reasonable that everyone should negotiate on the basis of his own economic interests". Following this line of reasoning, one cannot fail to observe the fierce battle waged by the Italian delegation to improve its situation with FEOGA. The Italians have been criticised for this on occasions, but Sig. Fanfani had to satisfy his own extremely demanding Parliament, to such an extent that the Italian delegates would only support the Brussels agreement "ad referendum" (it will be formally approved when everyone has calmed down again). At the same time however Fiat was stealing a march on Italy's European competitors by signing the contract with the Soviet Union which caused a French commentator to remark with a sigh: "They act like Gaullists themselves but they keep it quiet". There is little doubt that "realistic Europe" is here.

Another reason for leaving out politics was to prevent France gaining even the appearance of a diplomatic coup. Germany and the Netherlands were in a somewhat difficult position. The Luxembourg agreement and also European feeling meant that the financing of the agricultural finance regulation had to be given priority. At the same time agreement on this question demanded by Paris might mean conceding victory to the opponent and continuing the Common Market on his terms. It was therefore imperative to yield only the minimum of ground without standing in the way of a compromise. As a result, not only was the bargaining on the problem itself strenuous, but the agreement contained a basic reservation; its implementation would be subject to the "reciprocity", on which Germany was particularly insistent (the Kennedy round, the fixing of common agricultural prices and especially export credits to Eastern Europe).

As far as Germany and the Netherlands are concerned there is little doubt that "the May 11 agreement has been shelved", until further notice. The Luxembourg minister Pierre Werner who chaired the discussions did not entirely agree with this assessment. In his view the decisions were taken "in a decisive manner" and the sacrosanct principle of balance was upheld "within" the problem: in other words the May 11 agreement is sufficient in itself; it is no longer just part of a larger package deal. In Europe 1966 truth seems to be in the eye of the beholder. But it comes as a slight surprise to find that the EEC Council's declaration of intent on FEOGA's internal resources (which should be operating by 1970 and involve budgetary powers being given to the European Parliament) has been split into three parts and that the first part has been passed by all six delegations, the second by the Netherlands and Italy only and the third by all except France.

So far no-one has bothered to unravel the problem which was directly responsible for the crisis on June 30. They all decided to take "Europe a la carte". In other words, politically speaking, the uncertainties which had been left unsettled in Luxembourg were still not sorted out in Brussels. This is the basic problem because, in a different atmosphere, with real community spirit, the May 11 compromise could have considerable significance. It lays down, with precise deadlines in some sections, a fairly remarkable plan of action: free circulation of agricultural and industrial products by July 1, 1968, with the customs union completed by fiscal harmonization; the speeding-up of the various negotiations with non-member countries and on trade, social and regional policies, the solution of the problems surrounding European patent rights and the European company, etc. Add to all that the stimulus which the setting-up of the customs union should give to the establishment of economic union and this is a vast relaunching programme - or rather it should be.

But not yet, it seems. For the moment the EEC has certainly proved that it wants to keep body and soul together. But it has not yet got its dash back. The agreement on the finance regulation is like a blood transfusion: it gives a respite to the patient but little more than that. But it is all that can be expected under present circumstances. It remains to be seen if this respite can be used to advantage. The coming months, with all the European, agricultural and other problems which remain to be solved, the June meeting of the NATO Council and General de Gaulle's Moscow trip, will probably be decisive because so far no irrevocable step has been taken, and as yet there has been no actual integration. The outlook is still hazy and uncertainty remains but the responsibility cannot be evaded indefinitely.

Only if confidence is restored will the compromise be of value and a great deal therefore depends on France. She seemed fairly amenable during the negotations. She agreed to pay the biggest contribution to FEOGA, which is clearly inconsistent when her national wealth is set against Germany's. Despite pressure from French business and industry, she agreed that the industrial customs union should be strengthened on July 1, 1967 and completed a year later, although it is doubtful that European agriculture will have been fully integrated in all sectors by that date. She agreed that the Community should be wholly responsible for finance as soon as a sector comes under a common market organisation, without waiting for common prices to operate, as is the case at present with grain. At the same time, since she will benefit from FEOGA mainly for her production and exports of grain, she will allow, after July 1, 1967, expenditure from the Fund to be balanced so that European agriculture becomes considerably less of a "bargain" for France than it would otherwise have been.

Of course it is still a satisfactory piece of business and one wonders if her anxiety to clinch the deal was her main reason for giving way; if, in other words, M. Couve de Murville was not also being more of an economist in Brussels than a diplomat. If that is so and Paris really does want to reduce the Community to an economic lottery from which, as one commentator remarked on May 11, "everyone wants to take out more than he puts in", then the Community will soon be no more than a large crippled body destined for an early demise. On the other hand, if France returned to Luxembourg and pushed the Brussels agreement with other ends in view, that is if she implicitly recognized the advantage and necessity of integration, EEC prospects would be less gloomy. The answer to this question is not yet available but it should not be long delayed.

What about Britain? Obviously the subject has come more to the fore since May 11. In some ways the compromise complicates matters a bit, because it has set the seal on an agricultural policy which Harold Wilson has criticised on more than one occasion. At the same time many aspects of this policy have not yet been properly defined: it has not yet been accepted as a sacred text by the Six. Also, now that France has got a finance regulation which is to her liking, she should be basically better disposed to British entry. Finally the British government has to take note of certain pressures from within EFTA, especially from Denmark, on this very question of agriculture. At any rate the British option has a politcal value which should, under present circumstances, have a long-range effect on the "administration's" problems. Of course if Harold Wilson is just as tough to bargain with as the Six were on May 11, there does not seem to be much hope of his presence helping to solve Europe's problems.

All this in itself does not solve the crucial problem of transatlantic relations. Unfortunately here the internal differences of the Six are strangling any question of a joint EEC approach. Britain could seize a "historic chance", provided of course that Washington will co-operate. According to certain sources, President Johnson seems to be turning more of his attention to Europe and its problems. In fact the Community's fate may be decided far from its capitals and it may depend on this gradual development of external ideas and wills as to whether or not the May 11 compromise proves to be a finishing post or a new starting-gate.

THE WEEK IN THE COMMUNITY
May 9-15, 1966
From Our Correspondents in Brussels and Luxembourg

Farm Finance Regulations at Last

After all the ill-feeling and apparently endless bargaining, which have marked the negotiations leading up to it, at last a scheme for financing EEC agriculture has been agreed by the Six. Through sheer inertia, if not by virtue of the logic of the arrangement, there seems to be little danger of the seeds of discord bearing fruit again amongst them. Just the same, we should not overlook the fact that, in theory at least, the agreement is twice compromised: firstly, on the political level, there is the combined weight of all the provisos made by Italy, Germany and the Netherlands (see Comment), and then there is the added burden, perhaps even heavier, of certain technical requirements. These spring basically from the fact that the financial regulations as they stand relate to an agricultural policy, some of the sectors of which still remain ambiguous; however, a formal timetable has been drawn up for their definition, so that the financial regulations can be properly applied to them in due course. What happens, then, if the schedule fails and no definitions are forthcoming? There is, of course, a safety-valve: lump sum compensation for those sectors which come off badly; but a measure of this sort is scarcely compatible with even the idea of Community policy, and one cannot but wonder whether the delegations getting the worst of the bargain would be prepared to make do with this sort of reparation.

It is no longer likely, however, that anybody is going to quibble with an agreement reached at such pains, unless they want to opt out altogether. So, if the Community carries on, one can expect the following outline of the agreement to remain as it stands.

(1) Scheme for the Seasons 1965-6 and 1966-7

The first question is, where is the European Agricultural Guidance and Guarantee Fund going to find its monetary resources?... Solely from national contributions. During these two seasons, the Six will be expected to contribute the following proportions: Belgium, 7.95%; Germany, 31.25%; France, 30.92%; Italy, 20%; Luxembourg, 0.22%, and the Netherlands, 9.66%. The second question is - What will FEOGA's financial responsibilities be? In other words, what is it to distribute to the member countries in the way of subsidies and export rebates?... To answer this question, one should bear in mind that, during the 1964-5 season FEOGA bore 3/6, or rather 5/10, of these costs. Thus the answer is that, when the Six's agricultural calendar does not schedule a sector for Community organisation before July 1, 1967, then FEOGA's assumption of financial aid will proceed at a rate of one tenth per season. When the sector has already been organised, as in the case of cereals, the rate will be one sixth: if organisation is in progress, the rate will change from one tenth to one sixth. This mysterious device really becomes interesting when we take a look at the sectors not yet organised, but which are likely to be during the 1966-7 season. The Six, in fact, have concentrated mainly on sugar, oils and fats and fruit and vegetables (extra provisions). The third question - some sectors should have been organised as from the 1965-6 season, and should thus have had the benefit of the one-sixth annual increment. What steps have been taken to deal with this situation?... The answer to this is that Italy has been awarded $ 45 million to improve production and marketing facilities for olives, olive oil, fruit and vegetables, whilst it is to get another $ 8 million as "guarantee" for the same sectors: on the other hand Belgium is to receive a maximum of $ 4 million as compensation for expenditure on the promotion of sugar.

(II) Scheme for the Period from July 1, 1967 to January 1, 1970

Modifications have been made in the sources of FEOGA's revenue: approximately 40% of its expenditure will be covered by 90% of the levy made by member-states on gross agricultural imports from third countries: the balance will come from national contributions calculated on the following basis: Belgium, 8.1%; France, 32%; Germany, 31.2%; Italy 20.3%; Luxembourg, 0.2%; the Netherlands 8.2%. Only these national contributions are for use by FEOGA's "Guidance" section; in other words, for structural improvements.

FEOGA's financial responsibility is also to be increased. Contrary to earlier proposals, the whole cost of price support for a particular agricultural product will be borne by FEOGA, as soon as a common market organisation for the product has been created, and without waiting for a free market for the product in question or a common price. In theory, and according to the time-table adopted by the Six, this means that all the major agricultural sectors should be thus supported by July 1, 1967, and will be able to benefit from the payment by FEOGA of the total costs of subsidies for gross agricultural exports.

However, certain sectors, especially those in which the Italians have an interest, cannot be organised by them. For tobacco, where there is the difficult problem of State monopolies to be solved, the date put forward is July 1, 1968, on the understanding that for the 1967-1968 season, Italy will receive $ 15 million compensation. For table wines, the date put forward is October 1969 at the latest, and the possibility of compensation is not excluded.

Finally, FEOGA will be able to spend a maximum of $ 285 million on the improvement of agricultural structures. Its aid will normally not exceed 25% of the cost of the projects, except for certain projects whose profitability will be slow to develop, especially in Italy and Luxembourg, when 45% of the investment cost will be borne by FEOGA.

(III) Scheme after January 1, 1970

By this date at the very latest, and in accordance with the decision made in January 1962, all levies will be paid into the common fund. The Six were unanimous in confirming this point. On the other hand, France did not want to approve an additional text which said "On this occasion, the Council will also examine the problem of what steps should be taken to strengthen the influence of the European Parliament on the Community's policies". Only Italy and the Netherlands adopted a third paragraph, whose main point was that FEOGA's revenue and expenditure in 1970 should be adjusted according to the economic and social needs of each State, and that there should a just sharing of the burden of costs within the Community.

(IV) The Balancing of the Compromise

The balancing of the compromise reached on May 11 is secure at three levels (which is still not enough, since Germany and the Netherlands hope to further counter-balance it by the Kennedy Round).

(a) Within the farm finance policy, by the extension of total FEOGA financial responsibility to nearly all sectors (and not just cereals) by July 1, 1967.

(b) By parallel treatment of manufactured and agricultural products: FEOGA's full responsibility for agricultural support costs on July 1 is balanced by a cut in inter-Community tariffs of 5%; the remaining 15% will disappear on July 1, 1968, when free movement (common market organisation and common prices) of agricultural produce will commence.

(c) By a number of decisions, where the majority of member-states have included some of their most pressing problems:

- to speed fiscal harmonisation, and especially, to adopt the directive on the harmonisation of turn-over taxes, before the end of 1967.
- to do everything possible to bring about a successful conclusion to the Kennedy Round;
- to speed up progress in negotiations with third countries;
- to hasten the development of a common trading policy;
- to look into the question of export credits for Eastern Europe;
- to hasten the work being carried out in connection with social policy, and arrive at decisions on the reform of the European Social Fund before January 31, 1967;
- to examine as soon as possible the Commission's memorandum on regional policy;
- to examine as soon as possible the problems of a European patent law, and the formation of a "European" company.

(V) Additional Problems

Outside the agreement, the EEC Council has also made a number of statements on the following problems:

(a) At the request of the Netherlands, the possibility of financial responsibility by the Community is not excluded regarding trade with third countries in manufactured goods made from agricultural products.

(b) On the problem raised by Germany of the misdirection of customs revenue after the achievement of the customs union, the member-states have agreed to harmonise their customs legislations (description of goods, customs evaluation) to prevent such misdirections. If experience shows that it happens in spite of this, a system of equalizing customs duties could be established, and the Commission is going to start looking into how to operate such a system at once;

(c) As far as the problem of exports to East Germany are concerned, Bonn has agreed to ratify the subsidies already paid out by FEOGA, without changing its legal attitude towards East Germany. On the other hand, although East Germany will no longer be treated as a third country for the purposes of agricultural exports, the partners of West Germany will be able to subsidise their own exports to East Germany, provided they consult Bonn.

* * *

ECSC:

Coal: Action Stations, or else ....

Luxembourg: The Community's coal problem must be speedily solved by unanimous agreement between the six member countries, if the common coal market is not to become a mere series of national markets, operating under juxtaposed national policies. So said the President of the High Authority, M. Del Bo when he presented the 14th General Report on the High Authority's activities to the European Parliament. The report will be fully discussed in a major debate during the June Parlimentary session.

The President of the High Authority added that the existing situation must not be allowed to deteriorate, and that both economic and social problems were equally involved in this struggle. It is encouraging that all the member countries have now realised that a realistic rate of retraining and adaptation governs the rate at which pits can succesfully be closed within a shceme for the planned gearing of coal production to the new requirements of the energy market. The High Authority's 1970 production target of between 170 and 190 million tons implies a considerable decrease. To keep production at the 190 million tons level, in other words to ensure outlets in 1970, means using methods capable of keeping energy prices down.

To achieve concrete results benefitting the whole Community, the Council of Ministers must be forced, if possible, to arrive at a unanimous decision on policy. This calls for methods over-stepping the bounds of the treaty, such that the High Authority must do everything it can to foster political unanimity, as the only means of preventing the Community from returning to separately-existing national policies.

As far as the development of the steel industry is concerned, M. Del Bo drew attention to the increasing over-capacity in the world market, and he pointed out that it was essential for the Community's steel industry to be considered in the context of that market. The Community should follow carefully the universal growth of steel requirements and production capacity. At the same time, competitiveness must be encouraged by regroupings, specialisation and modernisation, although the Community's production capacity must not be allowed to increase disproportionately.

The position of the High Authority vis-a-vis the Kennedy Round has not changed over the past year. It would like to have similar tariff protection, as far as possible, for all steel-producing countries, and it would also like them to accept a gentlemen's agreement concerning anti-dumping regulations.

The 14th General Report will probably be the last made by the High Authority. The merger of the executives of the three European Communities is coming closer, but the High Authority is more than ever convinced that it will only be the first step in the unification of the Communities. This is why the High Authority stresses the express importance of speedy intergovernmental negotiations for the merger of the three treaties.

STUDIES AND TRENDS

THE COTTON INDUSTRY IN THE EEC AND GREAT BRITAIN

The cotton industry, which has been long-established in Europe, and especially in Britain, has undergone considerable changes since the beginning of the century, due to the two wars, and the appearance of non-European producers to say nothing of the effects of competition from man-made fibres. In 1900, more than 90% of all cotton goods were manufactured by European producers and 70% by Great Britain alone. At the end of the Second World War, the European cotton industry was overloaded with a variety of uneconomic equipment and supply and demand were out of balance. Demand was fairly static, while competition from the USA with its up-to-date equipment, and from Asiatic countries (Japan) with cheap labour was becoming stronger and stronger.

Confronted with this situation, an immense effort was made to increase productivity: it is only just beginning to bear fruit, at a time when the European market has only just began to recover its balance.

Production in the Cotton Industry - Production of cotton cloth and thread is generally stable, even if it has fallen since 1958, except in the Benelux countries and Italy, where there are very slight increases being made.

The sharpest falls in production have been in Britain, and, to a lesser extent, in West Germany. On the other hand, production in non-European countries has increased to high levels, although the USA has followed the European pattern; thus Japanese cotton production is equal to that of the EEC, and is about 50% of US production. A study of the first two tables at the end of this article shows that the development has been similar for both cotton cloth and threads; it will be seen that the upper headings (1) for each table are pure or predominantly cotton goods, and that the lower headings (II) are for all goods made by the cotton industry; the difference between (I) and (II) represents production of man-made cloth and threads; it can therefore be seen that the cotton industry has taken part in the increasing use of man-made fibres, thus compensating for the decrease in the manufacture of pure cotton goods.

It is worth while noting that an increase in the production of cloth and threads by the cotton industry has occurred in most of the countries, where production of cotton cloth and thread themselves was falling off: this is especially the position for the EEC taken as a whole.

Plant in the Cotton Industry - A general decrease in the number of looms and spindles in use in the European cotton industry has occured.

This decrease, which has been particularly noticeable in Britain, bears witness to the state of plant existing here after the war, and to the efforts made to the reduce production and improve productivity; all the same, this development sets the seal on the decline of the predominance of the European, and especially the British cotton industry, since, during the same period, the number of looms and spindles in use in the USA fell only slightly, if at all, whilst in Japan there was an increase.

The following figures should however be interpreted with a certain amount of care, because of differences in the utilisation of plant and in hours worked; these two reservations explain why it has been possible to produce near enough the same quantity from less plant.

The degree of utilisation of machines said to be in use, depends upon the number of looms and spindles actually working (as some can be idle), and the number of hours they work. If a comparison is made between the use of plant, in other words its productivity, then West Germany heads the European producers, although still behind the USA and Japan.

With the exception of Britain, where two thirds of plant in use is on a single shift, most European countries have given up this sort of working. Thus the number of hours per year worked by machines in use in Britain is 2,700 for spinning and 2,900 for weaving, as against the following number for the same tasks elsewhere; 4,350 and 3,600 in France, 4,200 and 3,500 in Italy, 3,400 and 3,000 in West Germany, 6,300 and 6,300 in the USA, and 4,500 and 4,700 in Japan.

In the USA, the widespread use of the three shift system gives the American cotton industry a considerable advantage, at the same time offsetting the high cost of labour in that country.

Another factor which should be considered when discussing the productivity of the cotton industry is the age of the plant in use. In France 80% of plant in use has been installed since 1955, while in the other European countries the ratio is even higher, notably in West Germany, where the majority of spindles have been modernised; in addition, the percentage of automatic spindles has increased over the period 1956 to 1963 from 39 to 69 in West Germany, from 28 to 60 in the Netherlands, from 53 to 63 in France, from 67 to 84 in Italy, and in the USA it has reached 100%.

In order to speed up the modernisation of the cotton industry, and to eliminate excess capacity, usually due to the existence of old plant which has already been written off, some countries such as Britain, France and Germany have instituted "scrapping" programmes, under which firms which continue to produce indemnify those who have scrapped all or part of their plant. Although the results of these efforts are still incomplete, they do permit the writing-off of excess plant faster than would normally be the case.

More often than not, it is the trade associations, who are responsible for carrying out these modernisation schemes, side by side with State measures in both the EEC countries and Britain, where the 1962 Finance Act allows tax-rebates for State-approved scrapping of plant.

(1) Production of Cotton Cloth in the Textile Industry
(11) Production of Cloth in the Cotton Industry

(Units : Tons)

Country		1958	1959	1960	1961	1962	1963
W. Germany	(1	247,000	245,522	258,304	250,315	235,273	206,044
	(11	280,000	288,233	302,269	296,706	279,583	254,873
Belgium and Luxembourg	(1	52,627	57,591	67,012	66,500	64,464	66,940
	(11	54,598	58,754	68,212	69,059	67,000	70,500
Netherlands	(1	60,578	64,001	71,255	70,350	65,665	63,127
	(11	69,398	73,539	81,212	80,665	78,771	78,221
France	(1	235,382	224,026	218,449	215,787	206,877	207,521
	(11	177,662	172,848	187,148	229,062	223,474	224,556
Italy	(1	114,448	120,368	133,562	131,197	136,809	137,139
	(11	157,236	166,411	183,278	182,199	194,146	202,285
EEC	(1	710,035	711,508	748,582	734,149	709,088	680,771
	(11	738,894	759,785	823,119	857,691	842,974	830,435
Britain	(1	196,700	184,084	178,163	170,040	144,155	155,500
	(11	308,300	293,200	292,500	288,300	253,300	247,700
USA	(1	1,257,768	1,345,984	1,312,702	1,285,060	1,191,406	1,128,386
	(11	1,492,000	1,670,000	1,615,000	1,590,000	1,529,000	1,503,000
Japan	(1	390,101	453,350	532,130	557,949	520,512	507,605
	(11	556,583	657,825	771,787	802,689	764,387	769,472

(1) Cotton Thread Production in the Textile Industry
(11) Thread Production in the Cotton Industry

(Units : Tons)

Country		1958	1959	1960	1961	1962	1963
W. Germany	(1	329,818	327,220	349,885	339,489	318,828	301,365
	(11	394,963	397,289	422,583	406,734	386,653	377,720
Belgium and Luxembourg	(1	86,040	97,347	103,269	103,787	95,214	94,607
	(11	91,528	103,932	110,961	113,728	107,957	110,183
Netherlands	(1	68,815	70,671	76,205	76,236	72,483	72,712
	(11	72,262	73,862	80,293	80,316	77,099	77,616
France	(1	291,234	265,087	293,291	292,987	274,237	272,365
	(11	308,959	281,518	314,518	314,376	296,511	297,991
Italy	(1	164,465	177,983	196,300	195,272	196,248	193,074
	(11	199,469	214,232	238,554	239,315	249,211	251,406
EEC	(1	940,372	938,308	1,018,950	1,007,771	957,010	934,123
	(11	1,067,181	1,070,833	1,166,909	1,154,469	1,117,431	1,114,916
Britain	(1	286,329	274,997	270,367	251,388	223,211	221,700
	(11	355,049	343,921	340,670	311,530	277,538	279,300
USA	(1	-	1,834,648	1,788,169	1,760,644	1,802,968	1,754,111
	(11	-	2,055,850	1,987,638	1,961,342	2,053,509	2,051,260
Japan	(1	453,518	490,476	566,992	570,239	501,941	490,167
	(11	671,877	750,716	884,756	896,382	825,833	835,608

Plant in the Cotton Industry (1)
(Thousands)

Country		1958	1959	1960	1961	1962	1963
W. Germany	(1	6,120	5,948	5,909	5,817	5,605	5,605
	(11	125,771	120,260	116,423	107,962	103,084	99,862
Belgium and Luxembourg	(1	1,590	1,581	1,521	1,493	1,470	1,463
	(11	33,600	32,520	31,360	30,780	29,500	28,940
Netherlands	(1	1,047	1,041	1,032	1,020	1,013	985
	(11	37,474	35,721	34,766	32,833	31,914	30,269
France	(1	6,314	6,280	6,071	5,801	5,467	5,021
	(11	127,987	124,517	120,211	116,212	106,390	102,385
Italy	(1	5,441	5,212	4,854	4,611	4,522	4,432
	(11	115,067	109,299	103,238	98,019	93,749	90,405
EEC	(1	20,512	20,062	19,387	18,742	18,077	17,506
	(11	439,899	422,317	405,998	385,806	364,637	351,861
Britain	(1	22,004	19,889	14,104	9,710	9,465	8,053
	(11	293,000	257,000	223,000	168,000	164,000	153,000
USA	(1	20,681	20,111	19,916	19,561	19,518	19,355
	(11	327,222	323,153	320,664	315,170	303,020	294,678
Japan	(1	12,895	13,012	13,218	13,319	13,332	13,332
	(11	367,349	360,876	372,462	375,000	377,203	376,789

(1) 1 : Spindles
11 : Ordinary looms and automatic looms (3-4 cylinders)

INOR, Neuilly to develop and build plant to deal with domestic and industrial waste. NOUVELLE DE ROULEMENTS, Annecy and GENERALE ISOTHERMOS, Paris will form joint subsidiary to make and sell crank-cases for railways. HAUTS FOURNEAUX DE LA CHIERS, Longwy-Bas, (COCKERILL-OUGREE - BRUFINA subsidiary) buys majority share in TREFILERIE & CABLERIE DE BOURG (cables). STEIN & ROUBAIX, Paris (engineering) will take over CIE DES SURCHAUFFEURS, Paris. FIAT will increase its interest in SIMCA INDUSTRIES, Paris. Germany: The German steel company NEUNKIRCHENER EISENWERK is taking over the Saarbrucken wire-mill GEORG HECKEL. The state mining and metal company SALZGITTER will link up with other German metal groups. Italy: The German packing-machine firm UNION VERPACKUNGS makes its Milan branch into full subsidiary. The Italian printing machine maker NEBIOLO sells its 50% in CROMPTON & KNOWLES NEBIOLO, Paris to its American associate CROMPTON & KNOWLES. Netherlands: CESCO, Delft takes 25% in ASSOCIATED MARINE CONSULTANTS, Amsterdam (research and marine engineering). The German washing-machine company WILHELM HAFSPIEL forms Dutch subsidiary

M FINANCE

France: FONCIA CREDIT, Paris (medium and long-term loans) doubles its capital. Two Paris private banks LOUIS HERSCH and SELIGMAN are to merge. The Paris finance group PINTO buys SELIGMAN's 41% in FINANCIERE HAUSSMANN, Paris.

N FOOD & DRINK

Belgium: CALIFORNIA PACKING, San Francisco forms Brussels subsidiary for European trade in canned and frozen fruit etc. France: The French food storage firm ENTREPOTS & GARES FRIGORIFIQUES is taking over ENTREPOTS FRIGORIFIQUES DE L'OUEST in which it has 40%. The French sugar company SDS (sugar, baking-powder etc) is taking over another similar firm TERNYNCK. SODICREME, Paris (subsidiary of ARTIC, Brussels) will take over its sister-firm EVERY-DAY FRANCE, Paris.

O INSURANCE

Austria: DEUTSCHER LLOYD VERSICHERUNGS, Berlin (transport and insurance) opens Vienna branch.

O OIL, GAS & PETRO-CHEMICALS

Germany: TEXACO continues to negotiate for takeover of DEUTSCHE ERDOEL, Hamburg. SAARBERGWERKE, Sarrebrück will take over PETROSAAR (service-stations).

P PAPER & PACKAGING

France: LA ROCHETTE CENPA, Paris will make imitation parchment by process invented by PAPETERIES DE PROUVY, Nord. Germany: EUROPACK VERTRIEBGES is formed in Nuremburg (metal-packing). BAYERISCHE GES FUER MARKTFORSCHUNG, Munich is formed to increase trade between Germany and Eastern Europe. Netherlands: The HERCULES chemical group, USA and RIEGEL PAPER, New York will form joint Dutch subsidiary,

Q	PHARMA-CEUTICALS	France: The British pharmaceuticals company GLAXO reorganizes its French interests. Portugal: The British chemical and pharmaceutical group SCHERING gains control of its Portuguese agent through its German subsidiaries.
Q	PLASTICS	France: PHILLIPS PETROLEUM and RENOLIT, Worms will buy shares in KLEBER-COLOMBES PLASTIQUES, Trilport, Seine-et-Marne.
R	RUBBER	Italy: CEAT, Turin will take over its subsidiary CEAT GOMMA (insulated wires etc). Netherlands: The Swedish rubber-processing concern FORSHEDA INTERNATIONAL will form Dutch representation subsidiary with TRUST & BELEGGINGS KAHWEH, Amsterdam.
R	TEXTILES	Belgium: WARMER BROS, USA (ready-mades etc) raises capital of its Brussels subsidiary. France: Two French cotton firms JOURDAIN MIEG will merge.
R	TOURISM	Belgium: RESTAURA, Brussels forms branch to study and advise restaurant management. Germany: The Dutch tourist agency BUKA opens German branch. Italy: VALTUR, Rome will deal in holiday accommodation. STANDARD OIL forms Dutch travel and property firm ESSO BELEGGINGSMIJ.
S	TRADE	Italy: INTERNATIONAL IMPORT-EXPORT, Liverpool (controlled by LITTLEWOODS MAIL ORDER) opens Milan branch. The Italian finance firms SAI, IFI and MEDIOBANCA buy TURICUM's large minority share in LA RINASCENTE, Milan (retail stores). Netherlands: The Amsterdam finance firm VAN EMBDEN forms international trading subsidiary.
T	TRANSPORT	France: A Franco-Finnish shipping partnership forms FINFRAN-LINE, Paris, to operate between France and Sweden. Germany: The Copenhagen shipping agency MEYER, MOELLER opens Hamburg branch.
U	VARIOUS	France: MODERN CATERING SUPPLIES (PARIS), London opens Paris branch. The German footwear group SALAMANDER takes over ETS PAUL ARNOUX, Romans, Drome. Germany: NORDDEUTSCHE LEDERWERKE, Neumunster (leather goods) is being wound up.

AIRCRAFT & SPACE

** The technical agreement between the PRATT & WHITNEY AIRCRAFT Division of the UNITED AIRCRAFT CORP group of East Hartford, Connecticut, BRISTOL SIDDELEY ENGINES LTD, London and SNECMA-STE NATIONALE D'ETUDES & DE CONSTRUCTION DE MOTEURS D'AVION SA, Paris for the study and construction of a two-phase engine for the future Franco-German-British Airbus (see No 330) will now extend to the construction of the "JT 9 D" jet engine for the 500-seater "B 747" jet-liner to be built by BOEING CO, Seattle, Washington (see No 331). The draft agreement signed by Boeing and the other associates will involve expenditure of around Ff 8,400 million of which one-third will be shared 50-50 by Bristol Siddeley and Snecma.

** In accordance with the intergovernmental agreement signed on May 17, 1965 between Britain and France, BAC-BRITISH AIRCRAFT CORPORATION LTD, London (see No 237) and SA DES ATELIERS D'AVIATION LOUIS BREGUET, Paris (see No 340) have decided to form a 50-50 subsidiary to carry out and supervise the building of the "Jaguar" tactical support strike-trainer aircraft which will be tested at around Mach 1.8 in 1968 and will be in full production by 1970.

The new company SEPECATE-STE EUROPEENNE DE PRODUCTION DE L'AVION D'ECOLE DE COMBAT & D'APPUI TACTIQUE SA will have a board of six (including General H. Ziegler for the French side and Mr F.W. Page - director of the PRESTON Division of the British group); the technical side will be run by Messrs G. Ricard, M.J. Barge (Production), H.R. Baxendale (Finance) and A.H.C. Greenwood (Exports). The company will act as general organizer of the project and will sub-contract to other groups: the engines (RR 172 T turbo-jet) will be supplied by ROLLS-ROYCE LTD, Derby (see No 331) and TURBOMECA SA, Bordes, Basses-Pyrenees (see No 355) who have signed a technical agreement through a joint subsidiary now being set up.

BUILDING & CIVIL ENGINEERING

** The Geneva branch of BANQUE DE PARIS & DES PAYS-BAS SA, Paris represented by Mr Hans Leeman-Momier subscribed the entire increase recently made in the capital of SA IMMOBILIERE CAHEN, Brussels to Bf 7 million. Cahen was formed in 1948 and is already controlled by the Geneva firm. The rest of the capital is held by the Heuskin family of Liege and Soumagne.

** UNION ALLUMETTIERE SA, Brussels (see No 319), Belgian subsidiary of SVENSKA TANDSTICK A/B, Stockholm (see No 338) has gained control of CIMPAC-STE COMMERCIALE & INDUSTRIELLE DE MATERIAUX DE PARACHEVEMENT & D'ACOUSTIQUE SA, Brussels (aluminium and plaster insulating panels). Cimpac (capital Bf 10 million) was formerly called SOUNDEX SA, has a factory at Lessines, and until now was controlled by its president, M.K.E. Hedborg, M.A. L'Hoir, of Woluwe-St-Lambert and M.F. Rolin, Brussels.

Union Allumettiere has its chipboard panel Division at Overboelare. In France it has a minority shareholding in UNALIT SA, St-Usage, Cote d'Or (chipboard: see No 269) and it controls SERFO-STE D'EXPLOITATION DE RESSOURCES FORESTIERES SA, Paris.

** The Swiss investment company SOUTERN CO SA, Roveredo, Grisons (capital Sf 50,000; manager Dr S. Antonini, Lugano), which was formed last October, has financed two companies formed in Milan by Mr A. Weiss. It has outright control of the first, SOUTH-MOBIL Sas, which is a real estate firm (capital Ff 10 million), and holds 40% in the second, SALONE INTERNAZIONALE DELLA MUSICA DI MILANO Sas (capital Lire 1 million). The latter is concerned with the management and administration of music halls and theatres etc: its other backers are both Milanese, and hold 30% each: Sigs M.G. Arrigoni and P.D. Bonetti.

** The agreement recently made between REDLAND HOLDINGS LTD, Reigate, Surrey and its French associate CIE INDUSTRIELLE DES COMBUSTIBLES DE L'ATLANTIQUE SA, Nantes, Loire-Atlantique (see No 322) has led to the formation of STE FRANCAISE REDLAND SA, which will go into production next October at Orleans, making concrete tiles by a process developed by REDLAND TILES.

The Nantes firm (capital Ff 3.76 million) was formed in 1959 with a capital of Ff 20,000 (unchanged until 1964), equally shared between 1) BLANZY OUEST SA, Paris, whose principal shareholders are CIE GENERALE D'ELECTROMETALLURGIE SA, Paris (part of the C.G.E.- CIE GENERALE D'ELECTRICITE group) with a 27.7% interest, TRACTION & ELECTRICITE SA, Brussels (part of the STE GENERALE DE BELGIQUE group) with a 20.1% interest, and the EMPAIN group (through STE PARISIENNE D'ETUDES & DE PARTICIPATIONS SA) with a 21.7% interest. 2) STE NANTAISE DELMAS VIELJEUX & POWELL-DUFFRYN (COMBUSTIBLES DEL-P.D.) Snc, Nantes with a capital of Ff 1.3 million shared 70/30 (see No 212) between the DELMAS-VIELJEUX SA group of La Rochelle (see No 356), and POWELL DUFFRYN LTD, London (see No 354)

Redland Holdings is linked in France to UNION SIDERURGIQUE & INDUSTRIELLE - U.S.I., Paris for the manufacture and sale of "Deckon" concrete pipes under patents belonging to Redland (see No 317). Its other Common Market interests include REDLAND-BRAAS-BREDERO EUROPA NV, Utrecht (see No 244), a joint subsidiary of Redland Tiles and its associates and licensees in the Netherlands, VER. BEDRIJVEN BREDERO NV, Utrecht, and in West Germany, BRAAS & CO GmbH, Frankfurt.

** Talks are taking place on the subject of closer cooperation, or even a merger between two large Belgian brick-manufacturers. These are CIE INDUSTRIELLE DU RUPEL SA, Brussels (linked to STE GENERALE DE BELGIQUE) with a capital of Bf 20.46 million and BRIQUETERIES ET TUILERIES REUNIES DE BOOM SA with a capital of Bf 20 million. They are already closely linked and have common shareholders: M. W. Seydels, who is the president of Du Rupel is managing director of the De Boom, whilst M. R. Dewulf is president of De Boom and managing director of Du Rupel.

CHEMICALS

** TANATEX CHEMICAL (HOLLAND) NV, Amsterdam (formerly at Laren), has set up a sales subsidiary in the same city, by name of TANATEX INTERNATIONAL NV (capital Fl 50,000). The new firm, which will be responsible for all European sales, is directed by Messrs. H.L. Barentz and P.J. Scott, Westfield, New Jersey.

Tanatex Chemical (Holland), which is also directed by Mr Barentz, was formed in 1959 by the Lyndhurst, New Jersey company TANATEX CHEMICAL CORP. It makes and sells chemicals used in the manufacture of textiles, paper, leather and dyes for polyester synthetic fabrics.

** CHEMCELL (1963) LTD, Quebec, producer of organic solvents, cellulose acetates and petrochemical derivates (see No 238), a member of the CELANESE CORP OF AMERICA, New York (see No 346), has formed a direct sales subsidiary in the Netherlands. The new company, CHEMCELL EUROPA NV (capital Fl 250,000) will be managed by Messrs J.J. Caron and H. van der Henvel. Until now, Chemcell had been represented by HANDELMIJ. VOS & CO NV, the Hague.

In 1965, the Canadian company formed a subsidiary in London, CHEMCELL (EUROPE) LTD, responsible for its sales in the United Kingdom, the Continent, Turkey and Israel. However, its British distribution is still handled by A. REVAI & CO (CHEMICALS) LTD, London. At the beginning of this year a Swiss investment company CHEMSELL SA (capital Sf 400,000) was formed at Zug. Its European distribution network includes a large number of independent concerns such as CONCENTRA Sprl, Gand, R. BLUNK & DR.V.TADSEN, Hamburg, COMPTOIR D'EXPORTATION D'OUTREMER, Paris, UVISCO, Milan, INTERNATIONALE CHEMIKALIEN-HANDELSGESELLSCHAFT, Vienna, ANORGACHIM CORP, Athens, CHEMISCHE FABRIK SCHWEIZERHALL, Basle, EXTRADOS CURTIENTES & PRODUCTOS QUIMICOS SA, Barcelona, A/B METALL & BERGPRODUKTER, Stockholm, HANS POULSEN & SON A/S, Oslo. Its New York mother-company has an important network of subsidiaries and distributors on the Continent, and especially in the Common Market (see No 340). In the Netherlands it controls AMCEL NEDERLAND NV (see No 335) and it shares with KON. ZOUT-KETJEN NV an interest in KONAM NV, Hengelo, formed at the end of 1964 with a capital of Fl 100 million (see No 290), whose Rotterdam factory makes vinyl acetate, methanol, butanol, polyvinyl alcohol.

** BRUCOLOR SA, Brussels (capital Bf 1 million) has been formed 50-50 as the result of an agreement between BLEU D'OUTREMER ET COULEURS DE MONTSAINT AMAND SA, Gand and the chemical concern G. SIECLE & CO GmbH, Stuttgart, Fenerbach, for the sale in Belgium and Luxembourg of their respective and complementary products.

Bleu d'Outremer is a member of the EMSENS group which includes ETERNIT. It has Bf 20 million capital, with M. R. Limange as president and produces chemical colours and mineral pigments. Siecle makes all types of chemical products apart from organic and inorganic colourings, including varnishes, laquers, and setting compounds for PVC.

ELECTRICAL ENGINEERING

** The West German electrical engineering group BRAUN AG, Frankfurt (see No 286) has formed another Swiss subsidiary at Baden, BRAUN ELECTRIC OVERSEAS SA, (capital of Sf 100,000) for overseas sales of electrical, electronic and photographic equipment. Braun's Swiss holding company BRAUN ELECTRIC INTERNATIONAL AG, (see No 284), Baden has just increased its capital from Sf 6 million to Sf 10 million.

** As a result of the merger decided over a year ago (see No 281) between MERLIN & GERIN SA, Grenoble, Isere (see No 343) and the Franco-Belgian group EMPAIN/SCHNEIDER through CONSTRUCTIONS ELECTROMECANIQUES JEUMONT-SCHNEIDER SA, Paris (see No 353), the Grenoble firm has become responsible for the sales and technical side of the high- and low-tension electrical equipment of the group, to which it now belongs. Its other manufacturing activities have also been coordinated with those of the rest of the group.

This merger has caused some changes in the shareholdings held in the Grenoble concern. LEBON & CIE Sca, Paris (see No 356) has taken a 7.5% interest in STE PARISIENNE POUR L'INDUSTRIE ELECTRIQUE SA (controlled by EMPAIN through ELECTRO-RAIL SA, Brussels (see No 353) and has only kept a 10% interest in Merlin & Gerin (whose capital will shortly be increased to Ff 45.12 million). The other main shareholders are Constructions -Electromecaniques Jeumont-Schneider (a 12% interest) and A.C.E.C. -ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA, (an 8% interest). The Grenoble firm, whose president is M.P. Merlin and in which the Merlin family have a 5% interest, has a payroll of 6,500 and ten factories in the Grenoble area. Its capital was recently increased to Ff 32.23 millions as a result of shareholdings in LE TRANSFORMATEUR SA and ENTREPRISE GENERALE D'INSTALLATION & DE CONSTRUCTION SA-E.G.I.C.

** AEG-ALLGEMEINE ELEKTRICITAETS-GESELLSCHAFT AG, Frankfurt and Berlin (see No 355), which is the second largest German electrical engineering group, is merging with its main subsidiary TELEFUNKEN AG, Berlin (see No 342). The two companies will thus become ALLG ELEKTRICITAETS GES AEG TELEFUNKEN. This merger follows the recent organisation of the SIEMENS group, Berlin, which integrated the manufacturing functions of its two subsidiaries SIEMENS-SCHUCKTERWERKE AG and SIEMENS-REINIGER WERKE AG (see No 347).

Telefunken accounts for more than a quarter of AEG's net annual turnover, which was DM 4,140 million in 1965. It handles all the group's low-tension electrical work through about twelve specialist subsidiaries: two factories at Hanover for radio and television sets, factories at Hanover and Berlin for electro-mechanical apparatus, factories at Berlin and Ulm for cathode ray tubes, a factory at Heilbronn for semiconductors, and various factories at Nuremburg, Grafenburg, Ingolstadt, Zeil and Vöcklabruck, Austria for low-tension equipment. In addition to these, it has telecommunications installations and cable factories at Backnang and Offenburg. It was also responsible for the research and development of the "PAL" colour television system (Phase alternative line). It is associated 50-50 with the Siemens group in DEBEG- DEUTSCHE BETRIEBSGES FUER DRAHTLOSE TELEGRAPHIE mbH, Berlin, and likewise with the London group DECCA LTD (see No 254), through DECCA HOLDING LTD, Vaduz, in TELDEC-TELEFUNKEN DECCA-SCHALLPLATTEN GmbH, Hamburg. In France, it has a 20% interest in the international consortium which has been formed to build and maintain the American "Hawk" guided missile system, a group which is headed by SETEL-STE EUROPEENNE DE TELEGUIDAGE Sarl, Paris (see No 315).

** LES INDUSTRIES MUSICALES & ELECTRIQUES PATHE-MARCONI SA, Paris (see No 192), an 88% subsidiary of EMI-ELECTRIC & MUSICAL INDUSTRIES LTD, Hayes, Middlesex (see No 318), is reorganising. LES EDITIONS & PRODUCTIONS MUSICALES PATHE-MARCONI will thus be raising its capital from Ff 200,000 to Ff 1,850,000 by taking over STE FRANCAISE DE DIFFUSION MUSICALE & ARTISTIQUE SA, Paris (capital

Ff 3,050,000); CLUB DU DISQUE PM SA, Paris (Ff 1,520,000), and ARDENTE HEARING CONTINENTALE SA, Paris (Ff 400,000).

INDUSTRIES MUSICALES & ELECTRIQUES PATHE-MARCONI (formerly CIE GENERALE DES MACHINES PARLANTES PATHE FRERES & CIE FRANCAISE DE GRAMMOPHONE REUNIES) makes and distributes records on the "Pathe", "Columbia", "His Master's Voice" and "Trianon" labels. In 1959 it made over its radio, television and record-player division to STE DE DIFFUSION RADIO-TELEVISION SA, Paris, a subsidiary at some 98% of CIE FRANCAISE THOMSON HOUSTON SA (see No 356), in which company it now holds about 2% as its profit from the transaction.

ELECTRONICS

** The NATIONAL CASH REGISTER CO, Dayton, Ohio, (see No 231) intends to add to its Italian interests by forming a subsidiary specialising in electronic counting and calculating systems, until now the preserve of the NATIONAL CASH REGISTER CO OF ITALY SpA (capital Lire 400 million - formed in 1963) whose president, Mr G. Hayner, has taken over from Mr R.E. Cowden.

The American group (accounting machines, cash registers and computers) has already reorganised its interests in Italy, where it has sales agencies in all the main towns. NCR SOC. ITALIANA REGISTRATORI DI CASSA NATIONAL J.H. ANGLETON SaS, Milan has merged with National Cash Register Co of Italy and NATIONAL CASH REGISTER & ACCOUNTING MACHINE CO OF ITALY Srl, Rome was dissolved in 1965.

** NEGRETTI & ZAMBRA LTD, Aylesbury, Buckinghamshire (measuring and control instruments for aeronautics, television, meteorology etc), has made its Zeist, Netherlands branch a full subsidiary. As a result of the move, which was planned a year ago (see No 293), the branch will now become NEGRETTI & ZAMBRA CONTINENTAL NV (capital Fl 2 million) under the directorship of Mr V. Verburg.

The British group, which also has a branch in West Germany, at Michelstadt, Odenwald, had, until now, no other foreign subsidiaries except in South Africa, Toronto and Melbourne. The second and third of these are also distribution agents for the Amersfoort firm ELECTROFACT NV (see No 322), which makes control instruments for temperature, pressure, density etc.

** HONEYWELL INC, Minneapolis, Minnesota (electronics and automatic control equipment for aeronautics etc - see No 338) has increased its Common Market interests by forming a finance company in Amsterdam. The new firm, HONEYWELL FINANCIERING NV (capital Fl 2.7 million) has been placed under the direct control of Honeywell's Luxembourg subsidiary HONEYWELL INTERNATIONAL FINANCE CO SA (capital \$2.5 million), which was formed at the end of 1965, with Mr J.W. Morrison as president.

The American group already has two Amsterdam subsidiaries: HONEYWELL NV (capital Fl 900,000: director M. H. Hollema), and HONEYWELL INTERNATIONAL NV, which is directed by M. A.P. Taselaar: their manufacturing divisions are situated at Emmen.

** LITTON FRANCE INC, Wilmington, Delaware, a member of the LITTON INDUSTRIES INC group of Beverly Hills, California (see No 356), has turned its French sales branch (electronic equipment especially for telecommunications) into a subsidiary. The new company LITTON FRANCE SA (capital Ff 60,000) has Mme. M. Karlin as its president, and Mr B. Thornton, chairman of the American group is member of the board. Litton Industries have also recently changed another French subsidiary, MONROE INTERNATIONAL FRANCE Sarl, Paris (capital Ff 6,520,000) into LITTON BUSINESS SYSTEMS FRANCE.

** A co-operation agreement for production of electronic calculators for sale under the "Addo-Sabatronic" brand has been signed by the German radio, television, tape-recorder and electronic equipment manufacturer SABAWERKE-SCHWARZWAELDER APPARATEBAUANSTALT AUGUST SCHWER SOEHNE GmbH, Villingen, Schwarzwald (see No 302) and the Swedish office-machinery group A/B ADDO, Malmö (see No 343 - printing calculators, accounting-machines etc). Addo already has a German sales subsidiary ADDO DATA-VERTRIEBS GmbH, Frankfurt.

** PHILIPS GLOEILAMPENFABRIEKEN NV, Eindhoven which in 1965 strengthened its technical links with the electronic calculator manufacturer ELECTROLOGICA NV, Rijswijk (capital Fl 25 million - see No 298) by taking a minority shareholding, has now taken it over completely by acquiring the shares held by the insurance group NV LEVENSVERZEKERING MIJ NILLMIJ, the Hague (see No 301).

ELECTROLOGICA was formed in 1956 and has a payroll of over 750. With sales subsidiaries in Brussels, Düsseldorf, Geneva and Hamburg (see No 291), it will now become part of the Philips "Computer" Division at Apeldoorn.

ENGINEERING & METAL

** A joint Franco-Swiss agreement to set up installations to incinerate household and industrial waste and to work out programmes for purifying and sterilizing water has resulted in the formation of INOR-STE DE CONSTRUCTION D'USINES POUR L'INCINERATION SA, Neuilly-sur-Seine (capital Ff 500,000). The French interests are represented by S.F.A.C. -STE DES FORGES & ATELIERS DU CREUSOT SA (see No 349), CITRA-CIE INDUSTRIELLE DE TRAVAUX SA (see No 287) and ATELIERS & CHANTIERS DE DUNKERQUE & BORDEAUX (FRANCE-GIRONDE) SA (see No 166), who are all members of the SCHNEIDER & CIE group of Paris (see No 356). The Swiss representatives are VON ROLL AG, Gerlafingen (see No 206).

The latter has about 8,000 workers (factories at Gerlafingen, Klus, Olten, Choindez, Rondez and Berne), and is the leading metallurgical enterprise in the country, with most of its production in mechanical engineering. Its Swiss subsidiaries are GIROUD-ALMA AG, Olten, FRANCILLON & CIE SA, Lausanne, ROBERT AEBI AG, Zurich and WILLY BUEHLER AG and ARNORD NEUWEILER AG, Berne. Abroad it has interests in STE DES USINES LOUIS DE ROLL Sarl, Paris, VON ROLL SA BELGE, Brussels, L. VON ROLL GmbH, Düsseldorf, STA GENERALE MACCHINEEDILI MILANO, Milan, NIHON DE ROLL YUGENKAISHA, Osaka etc.

** The German machine-tool firm GUENTHER PAPENMEIER, MASCHINEN- & APPARATEBAU, Detmold has formed a sales subsidiary in Vienna, GUENTHER PAPENMEIER GmbH (capital Sch 100,000, manager Mr G. Papenmeier).

** MIJ.VOOR CIVIEL TECHNISCHE DIENSTEN CESCO NV, Delft (see No 345) has taken 25% in the research and marine engineering firm ASSOCIATED MARINE CONSULTANTS NV, Amsterdam. The new company is directed by Messrs W. Hupkens van der Elst of Amersfoort and W.R.C. Boers of Wassenaar, who respectively own 50 and 25%,and has a capital of Fl 1 million. The parent company is a 50-50 subsidiary of NV BILLITON MIJ, the Hague (see No 346) and KON. NED. MIJ. VOOR HAVENWERKEN NV,Amsterdam. It was formed in 1961 as a wholly-owned subsidiary of the Amsterdam group for oceanic, geophysical and hydrographic research. Billiton recently transferred to Cesco its geophysical research department for undersea ore-deposits including the ship "Bison", equipped with sonar equipment.

** S.N.R. - STE NOUVELLE DE ROULEMENTS SA, Annecy, Haute-Savoie (capital Ff 24 million) which makes roller and ball-bearings in its factories at Meythet, Annecy and Argonnex is negotiating a link-up with STE GENERALE ISOTHERMOS SA, Paris (capital Ff 6.1 million) which specialises in research and the manufacture of railway equipment and is an associate in this field of the international group "UNICUPLER" which is promoted in Germany by KNORR BREMSE KG, Munich, (see No 356). S.N.R. is an almost wholly-owned subsidiary of REGIE NATIONALE DES USINES RENAULT SA, Billancourt, Hauts-de-Seine (see No 354). The agreement will result in the formation of a joint subsidiary which will manufacture and sell crank-cases for the railways, a field in which its two founders have been closely linked since 1960.

** SA DES HAUTS FOURNEAUX DE LA CHIERS, Longwy-Bas, Meurthe et Moselle, an affiliate of both the COCKERILL-OUGREE SA, Seraing group and the BRUFINA SA, Brussels group (see No 355) has increased its stake in the cable industry. It has acquired a majority shareholding in TREFILERIE & CABLERIE DE BOURG SA, Bourg-en-Bresse, Ain, in which it already held an 18.1% shareholding. The latter increased its capital last year from Ff 6 million to Ff 6.78 million, so that it could take over the Angers wire-works, ETS BESSONEAU, and it is the leading French producer (over 40% of the market) of wire, and hardened steel cables.

In the steel wire sector, La Chiers had already been helped by TREFIMETAUX SA, Paris (see No 335); in 1964, it acquired the majority (61.87% interest) in the leading French soft steel wire manufacturer, ETS LEFORT SA, Mohon, Ardennes. The latter has factories at Montreuil-Belfroy, Maine et Loire; Casseneuil, Lot et Garonne, and La Plaine-Saint-Denis, Seine-Saint-Denis. In 1965, La Chiers acquired a factory at Havre, Seine Maritime, from Trefimetaux.

** ALBERT STUBBE, Vlother, Weser, West Germany (plastic-processing machines - see No 266) is in course of setting up a manufacturing subsidiary in Northern Ireland at Craigavon. Stubbe will be the (66.6%) majority shareholder in the new firm, whilst the London CHARTERHOUSE GROUP LTD (see No 356) will hold the balance. The German company already has two foreign subsidiaries, both of them at Zug, Switzerland: STUBBE AG, a sales company, and STUBBE & CO (administration).

** STE BELGE D'ASCENSEURS SA, Liege has increased its capital to Bf 2.5 million and become FALCONI -BELGIQUE SA. It is controlled by M.S. Borskmans Angleur, and minority shareholders are G. FALCONI & CO SpA, Novara and TRE-I SpA, Milan, both of whom are represented on the board by their director Sig. B. Martinelli, as well as the Swiss concern ALTIOR HOLDING AG, Zurich. Ste Belge D'Ascenseurs was formed six years ago (see No 66) as the exclusive agent for Falconi's lifts, hoists, elevators and lifing equipment.

Only recently Falconi took a minority shareholding in the formation of a distribution company, FALCONI EST-FRANCE, Sarl, Nancy (capital Ff 500,000), in association with ETS GUERINEAU SA (president M.J.E. Guerineau).

** STRICK EUROPE SA, Brussels (capital Bf 1 million) has been formed by the BANQUE LAMBERT Scs group, Brussels, for the manufacture, distribution and sales of rolling stock, containers and vans, and all types of transport equipment. The board of the new company is made up by Mr S. Katz, formerly director of the STRICK TRAILERS CO Division, Fairless Hill, Pennsylvania (part of the FRUEHAUF CORP, Detroit - see No 338), Mr L. Barkan, Philadelphia, MM.M. Litvine and F. Comte d'Oultremont. A sister company RENT-A-VAN (BELGIUM) SA, Brussels has also been formed for the sale of containers for seaborne, rail or road transport, and all types of leasing connected with this form of transport. The founders are CIE D'OUTREMER POUR L'INDUSTRIE & LA FINANCE SA (which has control), BANQUE LAMBERT, SOGES SA, Brussels, INTEROCEAN SA, Brussels, BANQUE EUROPEENE DU LUXEMBOURG SA, SA D'EXPANSION COMMERCIALE SODEXOM, Brussels and BUREAU D'ETUDES & DE GESTION BELGES SA, Brussels.

Fruehauf acquired Strick Trailers, (manufacture of trailers for lorries, vans and containers at Chicago and Fairless Hill) in 1955, and made it into a Division under its founder Mr S. Katz. In 1965, the group was ordered to be dissolved by the Federal Trade Commission. This was done at the beginning of this year, and the former directors of the Fairless Hill concern and various financial groups, including PRUDENTIAL INSURANCE CO OF AMERICA, Newark, New Jersey, paid $ 39 million for Strick Trailers. The HOBBS MFG. CO, Fort Worth, Texas, was also sold at the same time.

** The public mining and metal company SALZGITTER AG, Salzgitter and Berlin (see No 356) has postponed its plan to distribute part of its capital in the form of "popular" shares, and is negotiating closer links with certain other German metal groups. Salzgitter employs 82,000 people and has an annual turnover of something like Dm 4,000 million, which places it amongst the top ten German companies of its type. The firms with which it is now negotiating are: KLOECKNER-WERKE AG (payroll of 46,000), Duisburg; (see No 339); HUETTENWERK OBERHAUSEN AG, Oberhausen (27,000 workers - see No 324), and ILSEDER HUETTE, Peine (13,000 workers - see No 266).

** UNION VERPACKUNGS GmbH, Kempten-St-Mang, Allgäu (packing machines and materials for the food and agricultural industries) has made a full subsidiary of its Milan branch, and given it the name UNION PACKAGING ITALIANA Srl: M. M. Barcali has been appointed director.

The German firm, which was recently taken over by the AMERICAN CAN CO, New York, has branches at Radenkirchen, Rhein; Berne, Switzerland (see No 279), and Göthenburg, Sweden.

** WILHELM HAFSPIEL KG, Ludwigsburg (large-scale washing machines, spin-dryers and wringers) has formed HAFSPIEL NEDERLAND NV, the Hague (capital Fl 50,000) to take charge of importing and representing its products in the Netherlands. The director of the new firm, Mr P. van der Burg, is also its principal shareholder.

** STEIN & ROUBAIX, Paris (engineering - capital Ff 22 million), in which COMBUSTION ENGINEERING INC, New York, has a minority shareholding, is about to take over CIE DES SURCHAUFFEURS SA, Paris (capital Ff 2.6 million), which it has almost completely owned since 1963, having bought it from Combustion Engineering and ESCAUT & MEUSE SA, Paris (see No 245).

** The leading Italian printing machine manufacturer NEBIOLO SpA, Turin, (see No 243) has sold its 50% shareholding in CROMPTON & KNOWLES NEBIOLO Sarl, Paris (capital Ff 250,000) to CROMPTON & KNOWLES CORP, Worcester, Massachusetts. The Paris company was formed jointly in 1964 with the aim of selling textile machinery, and it now becomes a wholly-owned subsidiary of its American founder, changing its name to CROMPTON & KNOWLES INTERNATIONAL Sarl. Half of the shares are held by Crompton's Canadian subsidiary, CROMPTON & KNOWLES INTERNATIONAL LTD, Westmont, Quebec.

Nebiolo has an equal share with ELTRA CORP, Brooklyn, New York (see No 353) through its London subsidiary LINOTYPE MACHINERY LTD, in LINOTYPE NEBIOLO SA, Paris (capital just increased to Ff 5 million). This company, formed by the merger in 1962 of NEBIOLO STE FRANCAISE SA and LINOTYPE FRANCAISE, deals in the import and maintenance of printing machines.

** The West German steel company NEUNKIRCHER EISENWERK AG, Neunkirchen (capital DM 135 million - see No 314) which has a payroll of 12,000 and an annual turnover of DM 430 million, is negotiating the take-over of the Saarbrucken wire-mill concern GEORG HECKEL GmbH, Neunkirchen. Eisenwerk is the joint subsidiary of GERBRUDER STUMM GmbH, Neunkirchen, and EISEN & HUETTENWERKE AG, Cologne, itself a member of the OTTO WOLF group.

Georg Heckel has an annual turnover of DM 20 million, and in 1962 it took a 50% interest in the formation of an Indian company, MOHATTA & HACKEL LTD, Thana (capital Rupees 10 million) with the aim of building and operating near Bombay a wire-mill with an annual capacity of 3,600 tons. It also has a 78% interest in a sales subsidiary HECKEL WERKSHANDELS GmbH, (capital DM 300,000) and the balance is held by SAARBRUCKER DRAHTWARENFABRIK GmbH, Saarbrucken.

** FIAT SpA, Turin, which recently increased its interest in SIMCA INDUSTRIES SA, Paris (capital Ff 120 million) to 57% (see No 349) is about to strengthen it still further. When Simca merges a short time from now with its own subsidiary STE METALLURGIQUE DE L'ETOILE SA, Paris (capital Ff 18 million), it is also going to absorb the Italian group's wholly-owned Paris subsidiary, FIAT FRANCE SA (capital Ff 15 million).

** BEAULIEU SA, Fontenay-sous-Bois, Val-de-Marne (capital Ff 800,000), which employs 150 people at its Romorantin, Loir-et-Cher factory, making cinematographic equipment (especially cameras), has placed its British sales in the hands of BEAULIEU CINEMA LTD, London. The new firm (capital £100) is a further link in the worldwide chain of distributors which is controlled from Paris by MAISON BRANDT FRERES SA (capital Ff 4,320,000), which holds exclusive distribution rights for Beaulieu.

Brandt Freres, which distributes Swiss "Omega" and "Tissot" watches in France, is actually linked with the Geneva holding company STE SUISSE POUR L'INDUSTRIE HORLOGERE SA (capital Sf 7.4 million). The latter, as well as controlling a dozen overseas distribution companies (see No 299), is at the head of the following Swiss watchmaking firms: OMEGA LOUIS BRANDT & FRERE SA, Bienne; FABRIQUE D'HORLOGERIE LEMANIA (LUGRIN) SA, L'Orient; FABRIQUE D'HORLOGERIE CHARLES TISSOT & FILS SA, Le Locle; MANUFACTURE D'HORLOGERIE RAYVILLE SA, Villerette; MANUFACTURE D'HORLOGERIE MARC FAVRE & CO SA, Bienne, and, since the end of last year, UHRENFABRIK LANGENDORF (LANGENDORF WATCH CO) AG, Langendorf, Soleure.

Maison Brandt Freres also has the exclusive distribution rights for France of photographic equipment made by NIPPON KOGAKU KK, Tokyo (see No 192), which has its own marketing subsidiary in Zurich, NIKON AG (see No 134), and another in New York, NIPPON KOGAKU (USA) INC.

FINANCE

** Following a reorganisation amongst the private interests controlling the Paris bank, FONCIA CREDIT SA (medium and long-term loans - see No 244), Foncia has doubled its capital to Ff 10 million. It has acquired a 10% interest in LOCAFRANCE SA, Paris (see No 347), a 12% interest in CREDIT UNIVERSEL SA and another in PLURICREDIT SA (capital Ff 2.5 million). Credit Universel finances the credit-selling of all types of capital investment goods; cars, lorries, business, industrial and touristic equipment, whilst BANQUE FRANCO-CHINOISE POUR LE COMMERCE & L'INDUSTRIE SA holds a 12% interest in Pluricredit.

** Two Paris private banks, LOUIS-HIRSCH & CIE ScA (see No 320) and SELIGMAN & CIE Scs (see No 265) are to merge. A new bank, SELIGMAN-LOUIS-HIRSCH SA, will be formed, with M.A. de Gunzburg (associate manager of Hirsch) as president, assisted by MM. O. Michel and G. Roulier (associate managers of Seligman). Seligman Cie is to become a public company, and Hirsch will take a 40% interest before taking it over later on. When the move is completed, the owners of Hirsch will have a 67% interest in the new bank (capital Ff 7 million).

** The Paris finance group PINTO & CIE SA with a capital of Ff 2.2 million since the acquisition of a company from the TOLEPINTO group (see No 146 and 325), has bought from SELIGMAN & CIE Scs, Paris (banking-see below) its 41% interest in the investment company CIE FINANCIERE HAUSSMANN SA, Paris (capital Ff 5,040,000 - see No 292).

Over the last few years Haussmann (formerly CIE FRANCO-HELLENI QUE DE MATERIEL DE CHEMIN DE FER SA) has concentrated its investments in property development in Southern France (Castellaras, Port-la-Galere). It is linked by technical agreements with the property group JOHN ARTHUR & TIFFEN SA, Paris (see No 290) and these links are going to be strengthened in the financial and property fields. Haussmann and Tiffen have had a joint subsidiary since 1963, EUROFRANCE FONCIERE SA, Paris.

FOOD & DRINK

** CALIFORNIA PACKING CORP, San Francisco (see No 88) which already has several manufacturing and sales subsidiaries in Europe, mainly in Italy, Britain and Spain, has now formed a subsidiary in Brussels to supervise its European trade in canned, frozen, fresh and dried fruit and vegetables. The new company, DEL MONTE EUROPE SA, director Mr Floyd A. Stanislaus of Wassenaar, Netherlands, has a capital of Bf 1 million which has been almost completely subscribed by one of the group's subsidiaries DEL MONTE INTERNATIONAL INC, Samturce, Puerto Rico.

California Packing is well known in Europe for its "Del Monte" preserves and "Alymer" fruit juices. It has a large manufacturing subsidiary in Italy, CALPACK SpA, Milan (capital Lire 800 million) which has a factory at San Felice Sul Parano. Its other main holdings include: a British sales subsidiary BRITISH SALES LTD, Feltham, Middlesex (director Mr John Massey); and a 55% share in CALPACK ESPANOLA SA (in partnership with CIA GENERALE DE TABACOS DE FILIPINAS SA, Barcelona).

** The leading French food storage company CIE DES ENTREPOTS & GARES FRIGORIFIQUES SA, Paris (see No 227) is taking over its 40% subsidiary, CIE DES ENTREPOTS FRIGORIFIQUES DE L'OUEST SA, Paris (capital Ff 3.15 million). The latter, which has a storage capacity of 113,000 cubic metres compared with 248,000 cubic metres for Gares Frigorifiques, trades mainly in Western France. Other main shareholders in Frigorifiques de l'Ouest (20% each), include CHARGEURS REUNIS SA (see No 342) and STEF-STE FRANCAISE DE TRANSPORTS ENTREPOTS FRIGORIFIQUES SA (see No 226) itself a 67% interest of the SNCF.

Gares Frigorifiques is a 51% interest of CIE DU CHEMIN DE FER DE PARIS A ORLEANS SA, Paris (part of the MM. DE ROTHSCHILD FRERES SA group - see No 351) and is 6.8% linked with the Belgian firm SOFINA-STE FINANCIERE DE TRANSPORTS & D'ENTREPRISES INDUSTRIELLES SA, Brussels (see No 354). Gares Frigorifiques has a wide interest in other French food storage concerns: GLACIERES D'ARRAS (92%), SA LILLOISE DE LA GLACE PURE (97%), GLACIERES & ENTREPOTS FRIGORIFIQUES DU MANS SA (56%), FRIGORIFIQUES DE MOULINS SA (40%) and ENTREPOTS FRIGORIFIQUES DE PARIS-VAUGIRAD SA (99%).

** The French sugar company SDS-SUCRERIES & DISTILLERIES DU SOISSONAIS SA, Soissons making sugar, baking-powder and molasses extract is taking over another French sugar concern SA DES SUCRERIES TERNYNCK, Coucy-le-Chateau, Aisne (capital Ff 4.5 million, president M. A. Ternynck). As a result SDS has raised its capital to Ff 8,430,000 and changed its name to SUCRERIES DU SOISSONAIS & TERNYNCK SA.

** SODICREME-STE DE DISTRIBUTION DE CREME GLACEE Sarl, Paris (capital Ff 100,000), an 85% subsidiary of ARTIC SA, Forest-Brussels, is negotiating the takeover of its sister-company EVERY-DAY FRANCE Sarl, which was formed in Paris in June 1964 with Ff 10,000 capital.

The Belgian company, in which SNI-STE NATIONALE D'INVESTISSEMENT SA, Brussels, has had a 30% interest since 1964 (see No 326), has another French concessionaire for its "Artic" and "Every-Day" ice creams, CIE COMMERCIALE DES CREMES GLACEES Sarl, Paris (see No 298). The latter is a 98% subsidiary of VIVAGEL-SA POUR LA VENTE DES PRODUITS VIVAGEL & DE TOUS AUTRES PRODUITS CONGELES ULTRA RAPIDEMENT, Paris, which is linked with the Oslo firm NORSK FROSSENFISK FRIONOR A/S.

INSURANCE

** DEUTSCHER LLOYD VERSICHERUNGS AG, Berlin and Munich (transport and insurance: capital DM 2.5 million) has opened a Viennese branch (director-Herr E. Haring, Vienna). It is the joint subsidiary of two insurance groups which are closely linked by various cooperation agreements, (see Nos 335 and 344), ASSICURAZIONI GENERALI DI TRIESTE & VENEZIA SpA, Rome and Trieste and MUENCHENER RUECKVERSICHERUNGS-GESELLSCHAFT, Munich. It has agencies in all major German towns, a payroll of about 600 and an annual turnover of DM 50 million.

OIL, GAS & PETROCHEMICALS

** The negotiations started some months ago by TEXACO INC, New York (see No 350) for the take-over of DEA-DEUTSCHE ERDOL AG, Hamburg, and then interrupted by the German government, have entered a new phase. The American group has now offered the shareholders of the Hamburg concern an exchange of their shares for bonds issued by DEUTSCHE TEXACO GmbH, Frankfurt (see No 350).

DEA (capital DM 357 million) has a payroll of 26,000 and interests in all sectors of the oil industry: test-drilling in Algeria, Canada, Libya, Peru and Syria; production (it is the second largest German producer of crude oil); refining (refinery at Holstein), distribution and transport. It also has considerable interests in petrochemicals; RHEIN-PREUSSEN AG FUT BERBRAU UND CHEMIE, Homberg, Miederrhein (see No 292). It is linked with its subsidiary DEA MINERALOLVERK AUF GmbH, Hamburg (capital recently increased from DM 5 million to 8 million), in STE FRANCAISE DES PETROLES DEA Sarl (see No 332), a 4% shareholder in STE DU PIPELINE SUD EUROPEEN SA. DEA also controls DEA MINERARIA SpA, Rome, DEA ERDOL GmbH, Vienna and A/B KOBENHAVENS BRANDSELS KOMPANI, Copenhagen.

Texaco is one of the USA's ten leading companies in terms of turnover. It has invested some DM 200 million in West Germany for the construction of a refinery (capacity 200 million tons) at Ravheim, Frankfurt, which will be operated by TEXACO RAFFINERIE GmbH, Munich (see No 333). This concern has just sold its 49% interest in ERDOL-RAFFINERIE FRANKEN GmbH to WINTERSHALL AG. The American group is well represented throughout Europe: Belgium, Britain, France, Italy, the Netherlands, Spain and Switzerland (see No 332 and No 343).

** SAARBERGWERKE AG, Sarrebrück (see No 318), having gained 53% control of ERDOELWERKE FRISIA AG, Emden, has now taken over the company which markets "Frisia" products in the Saar, PETROSAAR HANDELSGES FUER MINERALOELPRODUKTE mbH, Sarrebrück, which runs twenty service stations. Erdöwerke Frisia (capital Dm 31 million) has the following principal shareholders: MIGROS-GENOSSENSSCHAFTSBUND, Zurich (27.27%); Herr E. Göhner, Zurich (18.18%), and UNIVERSE TANKSHIP INC, New York (18.18%). Saarbergwerke is a 74-26 joint enterprise of the West German State and the Saarland.

PAPER & PACKAGING

** The HERCULES INC chemicals group, Wilmington, Delaware (formerly the HERCULES POWDER CO - see No 335) has made an agreement with RIEGEL PAPER GROUP, New York, whereby they are to cooperate in European production and sales of special packing materials, made mostly from wood-pulp and paper. They will also be handling the machines used for the processing of these products, which are supplied by BARTLET ENGINEERING CO INC, Rockford, Illinois (a subsidiary of Riegel). In accordance with the agreement, a joint subsidiary is being formed in the Netherlands, at the Hague, which will be called TECHNICAL PACKING NV. It will have a branch in Brussels.

Riegel Paper controls BRYCE PACKAGING INC, Memphis, Tennessee, and has a 17.4% interest in DIXIE WAX PAPER CO INC, Dallas, Texas (which exploits the packing materials patents of the AMERICAN CAN CO). Some months ago it formed an alliance with the British group INVERESK PAPER CO LTD, Musselburgh, Midlothian, to build a paper paste factory at Port Huron, Louisiana, with a daily capacity of 400 tons: this will go into production in 1968, having swallowed up a total investment of $40 million.

** LA ROCHETTE CENPA, Paris (see No 347) is putting up installations to make the imitation parchment (whcih will be processed in its factory at Novillars, Doubs) developed by PAPETERIES DE PROUVY SA, Prouvy, Nord (capital Ff 5 million). A few week ago Prouvy transferred its sales business ("Super Blanc", "Sweden", "Pacfrais" and Aquafer" brands) to UNIPA-UNION DES INDUSTRIES PAPETERIES SA, Paris (capital Ff 2.8 million) which was formed in 1961 with a capital of Ff 100,000 by the Belgian company LES PAPETERIES DE GENVAL SA, Genval (see No 312).

** The newly-formed EUROPACK VERTRIEBGES FUER SPEZIALVERPACKUNGEN GmbH, Nuremburg (capital Dm 200,000) is to be managed by Herr W. Dettlan, Solingen. It was formed as the result of the agreement between the German metal packaging manufacturer GEBR KOELLISCH AG, Nuremburg, a minority shareholder, and the British precision engineering and cosmetic packaging firm, COPE ALLMAN & CO LTD, Bournemouth, Dorset (see No 344). The members of the board of administration are MM.G. and R. Gruske, managers of COPE ALLMAN FRANCE SA, Creteil, Val-de-Marne, M.B. Koellisch, M.E. Rothfischer and M.A. Egli, all of Zurich.

The new Nuremburg company is not linked in any way with EUROPACK VERPACKUNGSGES FUER INDUSTRIE-GUETR mbH, Bremen, formed recently by the international transport concern KUEHNE & NAGEL KG, Bremen (see No 348), to handle packaging of manufactured goods for sea-transport.

** BAYERISCHE GES FUER MARKTFORSCHUNG & INTERNATIONALEN HANDEL mbH, Munich has been formed to increase trade between West Germany and Eastern European countries, especially those on the Danube. The capital of DM 50,000 is split 90-10, between Herr T. Kreuz, a member of the board of administration of KNORR BREMSE KG, Munich, and Herr F. Schediwy, joint manager of KRUGER INTERNATIONAL FLUTING GmbH, Furth in Wald. Knorr Bremse manufactures forged pieces for rail and road transport (see No 356).

Kruger International was formed in 1965 (capital DM 50,000) as an extension of the interests of the Canadian group KRUGER PULP & PAPER LTD, Montreal. A factory, manufacturing 50,000 tons p.a. of wood pulp, partially supplied by wood from Eastern Europe, is to be built in the Bavarian forests.

PHARMACEUTICALS

** The British pharmaceuticals company GLAXO GROUP LTD, Greenford, Middlesex (see No 352) is reorganising its French interests: it's Paris subsidiary LABORATOIRES GLAXO EVANS SA (capital raised to Ff 6 million at the beginning of 1965) is to split some of its business. This will give rise to the formation of two new firms: LABORATOIRES GLAXO EVANS DIETETIQUES SA (capital Ff 3 million, 88% of which has been realised in the form of plant and equipment) and LABORATOIRES GLAXO EVANS RECHERCHES SA (capital Ff 1.5 million, all to be raised in cash).

** The Berlin chemical and pharmaceutical group SCHERING AG, (see No 318) through its wholly-owned subsidiaries DUCO AG and SCHERING ASIA GmbH, both of Berlin, has gained control of its Portuguese agent, QUIMIFAR LTDA, Lisbon (capital Escudos 2 million) and it has been renamed SCHERING LUSITANA LTDA.

The German group has thirty sales subsidiaries abroad, and nearly half of these are in Latin America. In West Germany, it is about to start making "Versalon" resins in its Bergkamen factory, under licence from GENERAL MILLS INC of Minneapolis, Minnesota.

PLASTICS

** PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 355) and RENOLIT WERKE GmbH, Worms (see No 259) are negotiating the acquisition of shares in KLEBER-COLOMBES PLASTIQUES SA, Trilport, Seine-et-Marne (capital Ff 31,875,000, factory at Trilport). This was formed at the end of 1965 (see No 343) to take over the "Plastics" Division of KLEBER-COLOMBES SA Colombes, Hauts-de-Seine (see No 354).

Renolit is owned 90-10 by Herren J. Müller and K. Meirer, and it manufactures plastic sheeting, packaging materials and linings. Since 1964, it has had a subsidiary in the USA, AMERICAN RENOLIT CO, whose ownership is shared with Phillips and NATIONAL DISTILLERS & CHEMICAL CORP, New York. In West Germany it shares with BROWN MACHINE CO INC, Veavertar, Michigan an interest in RENOLIT BROWN MASCHINEN GmbH, Worms (see No 230). Renolit also has interests in RENOLIT HOLDING GmbH, Glarus, Switzerland (see No 222) and in RENOLIT HISPANIA SA, Estella.

RUBBER

** The Turin group C.E.A.T. SpA (see No 335) is going to take over its subsidiary CEAT GOMMA SpA, Turin (capital Lire 4,000 million) in a move to rationalize management. Ceat SpA (Lire 1,000 million) manufactures insulated wires and cables, as well as processing rubber and plastics.

** The Swedish concern FORSHEDA INTERNATIONAL A/B, Gothenburg (rubber processing for industry, especially flexible joints for pipes) has signed an agreement with TRUST & BELEGGINGSMIJ KAHWEH NV, Amsterdam (formerly KOFFIEHANDEL MIJ KAHWEH, Haarlem) for its representation in the Netherlands. A joint subsidiary has been formed, called FORSHEDA (HOLLAND) NV, (capital Fl 175.000) in which the Swedish company is the majority shareholder.

TEXTILES

** WARMER BROTHERS CO., Bridgeport, Connecticut (see No 273) (ready-made clothes, lingerie and shirts) is furthering the expansion of its Belgian subsidiary, WARMER BROTHERS MFG (BELGIUM) SA, formed in 1964 at Schaerbeek, Brussels, by raising its capital from Bf 500,000 to Bf 25 million.

Warmer Brothers makes ready-to-wear garments in its factory at Framerie. Two years ago it gained control of its German agent, whose activities have been taken over by WARNER'S MIEDERFABRIK GmbH, Hamburg, and it has two other European subsidiaries, in Paris and Brussels.

** Two French cotton firms making hosiery, lingerie, sports wear etc, FILATURE & TISSAGE X. JOURDAIN SA, Altkirch, Haut-Rhin and ETS CHARLES MIEG SA, Mulhouse will combine when the latter is taken over by the former which will then increase its capital from Ff 1.8 million to Ff 2.6 million and change its name to JOURDAIN-MIEG SA.

TOURISM

** RESTAURA SA (see No 323) which was formed a few months ago in Brussels by a joint American and Belgian agreement is extending its business by forming a firm to study, organise and advise on restaurant management. The company is directed by MM J. Marsin and P. Laursen with president M. Yves de Monceau de Bergendal and it specialises in supplying and running food and catering services. It is owned 50/50 by GREYHOUND CO, Chicago and GRANDS MAGASINS AU BON MARCHE, Brussels, which are represented by two of their subsidiaries THE PROPHET CO, Detroit, Michigan and SABOMA SA, Brussels respectively.

** The Dutch tourish agency NV BUKA, the Hague (capital Fl 250,000) has opened a West German branch FERIENDORF MONT-ROYAL, Kroev, Mosel, which will be managed by M.H. Tjoointink.

** The Dutch interests of the STANDARD OIL CO OF NEW JERSEY, New York (see No 354) have been increased by a property and travel subsidiary ESSO BELEGGINGSMIJ NV (capital Fl 5 million) according to an agreement signed with the property group M. CARANSA & CO NV, Amsterdam (headed by Messrs A. Zwaaf, Naarden and M. Caransa, Amstelveen).

The new firm will build and run a hotel at Bolelaan, Amsterdam and is directed by Messrs M. Caransa, D. van den Blink, the Hague and E.P.M. Tervooren, Wassenaar. The last two are members of the board of ESGEMIJ-MIJ. TOT EXPLOITATIE VAN ONROENDE GOEDEREN NV, the Hague (see No 282) which was formed at the end of 1964 50/50 with a subsidiary of FRIESCH-GRONINSCHE HYPOTHEEKBANK NV, Groningen to run service-stations and garages.

** VALTUR SpA-STA PER VALORIZZAZIONI TURISTICHE, Rome is commencing operations in the holiday accomodation business: studies are going to be made with a view to building tourist villages in Southern Italy, Malta, Tunisia and other Mediterranean countries: these will at first sleep 600 persons, though 3,000 will be lodged in later versions. Building in Italy will commence in the next few months. Valtur was formed a few months ago by various Italian groups headed by ITALCONSULT-STA GENERALE PER PROGETTAZIONI, CONSULENZE & PARTECIPAZIONI SpA, Rome (see No 354) and the A.C.I. (Automobil Club Italien, president Sig. M. Bertett) and foreign groups represented by CIE D'OUTREMER POUR L'INDUSTRIE ET LA FINANCE SA, Brussels (part of the BANQUE LAMBERT group - see No 355) and S.G. WARBURG & CO, London (see No 350).

Valtur will manage these tourist centres, in a similar way to MEDITERRANEAN HOLIDAYS SpA, Milan which commenced operations last year (see No 250). Other Italian founders of Valtur, apart from Italconsult, include I.M.I.-ISTITUTO MOBILIARE ITALIANO SpA (see No 355) and FIAT SpA, Turin, as well as ALITALIA SpA, Rome, S.A.R.A.-SOC. ASSICURAZIONI RISCHI AUTOMOBILISTICI SpA, Rome (see No 265) and BANCO DI NAPOLI (see No 255).

TRADE

** The Amsterdam finance firm BANKIERSKANTOOR M. VAN EMBDEN NV (see No 214) has formed a subsidiary called NED. OVERSEAS TRADING AGENCIES NV, Amsterdam (capital Ff 25,000) to finance and organize all kinds of international trade deals.

** The Belgian import-export company formed in 1965, DREIECKHANDELS GmbH (SOCCOMTRI Sprl) has opened a Swiss branch, at Buchs. This will be managed by MM. W. Beck, of Schaan, Liechtenstein and M. Gast, of Grabs, St. Gall.

The Belgian company was formed by the Luxembourg holding company OWEL & CO'S INTERNATIONAL TRUST AG (see No 296). Last December it increased its capital from Lux.f 10,000 to Lux.f 1 million, and is itself controlled by OWEL & CO'S INTERNATIONAL REGISTERED TRUST, Schaan (an 80% interest) and the Dutch businessman M. H.J. Owel (an 18.5% interest), whilst there is a token holding by SAIERIN & CO, Antwerp (whose director is an Indonesian, M. A. Saierin) and TRANSITO-INTERNATIONAL GmbH, Luxembourg.

** INTERNATIONAL IMPORT & EXPORT LTD, Liverpool (see No 182), which is controlled by LITTLEWOODS MAIL ORDER STORES LTD, Liverpool, has opened a branch in Milan with Lire 500,000 working capital (director Sig R. Beghi). The new branch is to take over the business of INTERNATIONAL IMPORT & EXPORT ITALIANA SpA, Milan (capital Lire 1 million), which was formed by the parent company early in 1962, with Messrs J. Moores Jr and W.B. Hather as directors (see No 146).

A similar subsidiary was formed by the Liverpool firm in Düsseldorf in 1963 to handle its West German business, called MARKTERSCHLIESSUNGSGES DER INTERNATIONAL IMPORT & EXPORT CO mbH (manager Mr J. Moores).

** Several Italian finance groups, including SAI SpA (see No 335), IFI-ISTITUTO FINANZIARIO INDUSTRIALE SpA (see No 350) and MEDIOBANCA-BANCA DI CREDITO FINANZIARIO SpA (see No 353) have bought from TURICUM AG, Zurich (see No 338) its large minority shareholding in the retail stores group LA FINASCENTE SpA, Milan (see No 204). Turicum is a holding company in the Zurich group GRANDS MAGASINS JELMOLI SA (see No 338). La Rinascente, with Lire 18,000 million capital and a 1965 turnover of Lire 151,600 million, heads such chains of stores as the "UPIM" network, which numbered 109 at the beginning of this year.

TRANSPORT

** The Copenhagen shipping agency A/S MEYER, MOELLER (capital Kr. 500,000) whose chairman is M.P.F. Hartel, has opened a Hamburg branch, managed by Herr. E. Guenther and H. Danner, both of Hamburg.

** A Franco-Finnish association between two shipping lines, SUEMONEN HOYRYLAIVA ASAKEYHTIO FINSKA ANGFARYGS A/B, Helsinki (capital Finnish Marka - 12.58 million, - approx. $ 4.19 million) and SOCIETE NAVALE CAENNAISE SA, Paris, has resulted in the formation of FINFRANLINE-CIE FRANCO FINLANDAISE DE NAVIGATION SA, Paris (capital Ff 800,000), operating between France and Sweden. Several of the French founder's subsidiaries are taking a token share in Finfranline, and these include : SOMARCO-STE MARITIME D'AFFRETEMENTS & DE REPRESENTATIONS COMMERCIALES Sarl, Gennevilliers, Hauts-de-Seine (capital Ff 1.5 million), STE DE GERANCE & DE NAVIGATION-SOGENA SA, Caen, Calvados (Ff 2.25 million) and STE DE GERANCE ET D'AFFRETEMENTS - NAVALSA Sarl, Paris (capital Ff 50,000), which has no connection with NAVALSA SA, Strasbourg (see No 254), a subsidiary of SCHWEIZERISCHE REEDEREI AG, Basle.

Navale Caennaise (capital Ff 25 million) has a fleet of thirty ships (120,000 tons), with interests in BELFRANLINE NV, Antwerp (see No 247) where its main associates are UNION FINANCIERE D'ANVERS-BUFA SA (see No 346), WESTERLUND CORP. NV, ANTWERP NAVAL STORES CO (see No 252) all of Antwerp. In the Netherlands it is a shareholder in ROTRAMA NV. In Britain it is a shareholder in SOMARCO (LONDON) LTD, which operates coastal vessels, on behalf of the Gennevilliers concern, around Britain and Scandinavia. LLOYDS BANK CITY OFFICE NOMINEES LTD, London are also associated with Navale Caennaise in Belfranline.

VARIOUS

** MODERN CATERING SUPPLIES (PARIS) LTD, London, which supplies the catering trade with cutlery, crockery and kitchen equipment, has opened a Paris branch, run by M.M.I. Levine.

** NORDDEUTSCHE LEDERWERKE AG, Neumunster (see No 332 - leather goods), which employs about 800 people and has an annual turnover approaching DM 30 million, is being wound up. It had DM 9.6 million capital, and was controlled by the Adler and Oppenheimer families, whilst 25% of its capital was held by the Dutch firm AMSTERDAMSE LEDER MIJ NV, Oisterwijk (see No 222).

Early this year Amsterdamse Leder was taken over by the investment company HAGEMEIJER & CO's HANDELMIJ NV, Amsterdam, which heads four import-export companies (see No 292).

** The German footwear group SALAMANDER AG, Kornwestheim, has added to its French interests by taking over ETS PAUL ARNOUX SA, Romans, Drome. The latter makes ladies' shoes, and the German company already had technical and marketing links with it: it has Ff 640,000 capital.

Salamander's previous moves in France started with the formation in 1961 of the sales company SALAMANDER FRANCE SA (capital raised in December 1965 from Ff 800,000 to Ff 3.2 million). In April 1965 (see No 309), it added to this a manufacturing subsidiary at Niedermodern, Bas Rhin, SALAMANDER ALSACE-LORRAINE Sarl (capital Ff 250,000), whose factory at Einsisheim, Bas Rhin will, by 1968, have a labour complement of 2,000.