Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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VIEWPOINT

FREE COMPETITION, OR FREE-FOR-ALL?

Arno Sölter

Federation of German Industries, Cologne

The Study Centre for Economic and Social Progress (CEPES), has just completed an extensive memorandum on the importance of inter-firm co-operation across frontiers in European integration. One of its authors holds the view that "competition for the most suitable partner across the border" is the most important and fruitful new competitive concept in the Common Market. This assertion, which is based upon wide empirical investigation is diametrically opposed to the policy on competition so far developed by the EEC Commission on the basis of Article 85 - dealing with cartel legislation - of the Rome Treaty.

The Brussels authorities dealing with cartels have so far felt obliged to subscribe to the classic tenet of free trade and free markets, by which egocentric and independent competitors, like the fleetest atomic particles, are the most effective generators of integration between states. But in the meantime there has been a growing consciousness that the principle of completely individualistic competition is not only inadequate for the high-performance economy of today, but actually constitutes a considerable handicap on rapid progress towards organic integration.

It is true that the integration policy pursued so far has carried us a goodly stretch in the direction of the common market, to the stage where the point of no return has long since been passed. But we are still far removed in many respects from any real meshing of regional markets from a production point of view, from any rational division of labour between states and from the optimal exploitation of business structures over a wide area. Only through this co-ordination of productive capacity can conditions genuinely akin to those of home markets be created within the EEC, and the productivity of the area be so geared up that it is able to withstand increasingly keen world competition and maintain the living standards of its populations.

According to the doctrine so far preached in Brussels, based on the conservative theory of competition, abolition of customs duties and other obstacles to trade, the harmonisation of commercial legislation and the assurance of free play to economic forces by decree must automatically lead to a unified market. But what results in fact will this policy of "compulsory freedom" in competition have?

The immediate objective of every entrepreneur is to expand in his home market and secure a larger share for himself. His next step is to try to participate in the benefits of the larger market and he begins to push his export trade with other parts of the Community. But his competitors over the border are thinking along exactly the same lines. In order to stay in business in these sharper competitive conditions, these firms, condemned by law to operate in isolation, attempt to improve their internal organisation; investment in this sort of rationalisation today usually entails simultaneous investment in expansion.

The outcome of this process is the much-vaunted "business interpenetration in EEC markets", something which gives great satisfaction to the neo-liberals who think in terms of formal competitive categories, but achieves something very different from a rational integration of productive apparatus over a wide area. In fact the principle of "free exchanges" leads ineluctably to excess capacity, which, in its turn, sets off the cut-throat competition about which so many complaints are heard today in the Community. The natural consequence of these developments is that sectors of industry and individual firms try to resist them within a national framework. Pleas are made for the retention of existing national protective measures and for the creation of new ones and the end result of this policy of interpenetration is not integration, but disintegration.

As the post-war boom conditions in the Common Market gradually returned to normal there was a corresponding increase in anxiety about distortions of competitive conditions. Things that were acceptable in the euphoria of general expansion, revealed themselves as serious hindrances to integration as competition became keener.

Unfortunately, insufficient recognition has been given to the fact that the attempt to maintain true competitive conditions is only too often the corollary of a false conception of competitive integration. Member states do not cling to competitive "distortions" on nationalistic grounds or out of a sheer urge to discriminate, but with the aim either of protecting their native industries on the home market, or of making them more competitive on foreign markets, or both together.

Since national economic policies persist, and it is unrealistic to think that they can be done away with at the wave of a wand, they will continue to resist the removal of distortions or to invent new ones. No amount of imposition of competitive freedom by decree from above will remove this fatal handicap to integration, but only some form of organisation of the competition between states. The only way to overcome the dilemma is by co-ordination of productive capacities and marketing channels between states within the confines of the market economy, but without unacceptable sacrifices.

Co-operation and concentration across national borders are potent instruments for the adjustment of productive and marketing structures so as to achieve rational division of labour. It is becoming increasingly clear that it is an error to suppose that commercial and economic obstacles can be demolished on the one hand, without simultaneously constructing a positive competitive policy on the other. Experience over the past few years has shown that systems of, or mere devices for artificially restraining imports and stimulating exports can become so ingenious that they can only be brought to book and condemned under the Treaty of Rome after the most exhaustive researches; and by that time the system may well have been changed. In many cases this kind of device has been more effective than any tariff protection.

The sooner national enterprises and industrial sectors decide to aim for rational productive and marketing structures, related to the larger market, and draw the proper conclusions on co-operation or concentration across the borders, the sooner will the common market become a reality and considerations of distortions to competition cease to have any substance.

By EEC - or even wider standards - many branches of industry still exhibit almost antediluvian productive and marketing structures. But the inescapable pressure of economic necessity makes it utopian to suppose that structural reorganisation, effective rationalisation and optimal use of resources can be achieved within the walls of a single factory. There must be recourse to group action. Structural reorganisation on a national scale is perfectly consistent with the struggle to remain competitive in a larger market:

But if organic growth towards a real common market is the goal, then inter-state dialogues and the reform of whole industrial sectors must be the rule. In the final analysis only a combination of integration and expansion has any chance of lasting success in a "wide-screen" economy. This "cell by cell" integration has a further pre-eminent advantage; in the same way as marriage ties across the frontiers help the growth of understanding and fellow-feeling between nations, so a multiplicity of co-operative and concentration ties can lead to permanent unions.

In many cases concentration across frontiers will be preferred to looser contractual co-operation and happily the EEC Commission takes a thoroughly positive attitude to this kind of thing. And co-operation alone is frequently an inadequate basis for fundamental structural reorganisation. But, since there are a number of fiscal, and legal obstacles both in the commercial and social fields, to concentration, and since there are numerous forms of co-operation, between both large and small concerns, which can be permanently effective, the encouragement of co-operative agreements across the frontiers should be the cornerstone of EEC policy on competition.

Dynamic interpretation of Article 85 in accordance with the real spirit of integration leaves plenty of room for desirable and necessary forms of co-operation. The two criteria of "restrictions on competition" and "agreements tending to prejudice trade between member states" are decisive for the positive bases of integration.

If the concept of restrictions on competition is interpreted, not in the formal classical approach to competition, but on the basis of modern economic parameters, and if it is recognised that formal "restrictions" on competition between states, if placed in a group context, are really rational and progressive "limitations" on production, a very wide range of co-operative agreements between states become permissible under Article 85. The second criterion offers even wider horizons. The EEC Commission's interpretation up to now, that the necessary conditions (for annulment of an agreement) are fulfilled when trade between member states "proceeds in different conditions from those which would have applied if the restriction on competition were not there" is an unacceptable principle, inimical to integration, and the Court of Justice was right to rule against it.

If the positive and progressive function of group competition and "cell by cell" integration is recognised, it soon becomes apparent that a great many forms of co-operation across frontiers, so far from being prejudicial to trade between member states, actually promote it. Of even greater importance is that fact the "trade" in this context means not only inorganic interpenetration, but also organic division of labour and harmonisation of production on a rational basis. If this premise is accepted, it becomes a matter of secondary importance whether "cell by cell" integration is encouraged by new interpretations of Article 85, Section 1, by negative tests, by group approvals or by any other quibbles of this nature.

The EEC Commission is trying to document their more positive attitude towards co-operation which they have shown in the last few months by saying to European industry and commerce "Put up some test cases and we will see how far we can go along with co-operation"; but this is putting the cart before the horse.

It is a well-known fact that industrialists do not exactly enter into co-operative agreements with flags flying and bands playing; on the whole they tend to put things off until it is too late. It is also known that they are more ready to conclude these agreements within their own country than outside it (language difficulties, different habits, risks etc.) For the same reasons, they are more inclined to run to their own governments for help in the case of distortions to competition than to get to the root of the matter by co-operating with foreigners. But this leads all-to-easily to the creation of new distortions and to the formation of national protective cartels, which cannot be in the interests of integration. For all these reasons the EEC Commission should not confine itself to giving "close examination" to co-operative agreements across the frontiers and thereafter giving them "strictly conditional approval" but should be taking the initiative in encouraging and promoting them.

Rethinking of the EEC policy on competition is dictated not only by problems peculiar to the Community, but also by the fact that the Community is exposed to an ever increasing degree of competition from outside (a "vast wave of competition" as one industrialist recently put it) both directly, in goods and services, and also through direct investment. When one takes into account the difference in order of magnitude between the EEC and the USA, in size of undertaking, research capacity and patent portfolios, and when one has to watch, day in and day out, American investors snapping up bargains in firms which have bled themselves white through excessive individual competition, it can only be a matter of astonishment that neo-liberal myths about competitive processes still hold the field in EEC policy on competition.

The Federal Minister of Science, Dr. Stoltenberg recently said; "Unless there is some real improvement in European co-operation ... it is doubtful whether we have any chance of escaping the consequences of falling so far behind the USA." The problem which the EEC faces from competition from outside can be summed up in two simple but eloquent facts: European know-how is at least 20 per cent less than American and average productivity per worker is about twice as high in the USA as it is in Europe.

If we earnestly desire integration in the EEC, if we wish to make up the backlog in the productivity of European industry and above all, if we do not wish to be crushed in a competitive clash between the West and the East and, last but not least, if we wish to be relieved of the fear that state planners will take over where competition policies have failed, then we must take to heart the statement of the top industrial federation in the EEC in its recent memorandum on the problems of integration:

"European industry must reach a position with all possible speed where it can make up this backlog and, by reforming its structures, create productive units capable of operating on world markets. This is the real and essential problem of Community policy on competition."

* * *

BRITAIN AND THE E.E.C.

Britain Decides to Apply for Membership of the Common Market

The British Prime Minister, Mr. Harold Wilson, announced to a crowded House of Commons on Tuesday May 2, that the British Government would make an application to join the European Economic Community next week, and at the same time it will ask to join the other Communities: Euratom and the European Coal and Steel Community.

He confirmed that the British Government will try to limit the negotiations to a number of major topics, and "they ought not to be unnecessarily complicated with lesser issues, many of which can best be dealt with after entry". He also said that the Government was prepared to accept the Rome Treaty "subject to the necessary adjustments consequent upon the accession of a new member, and provided we receive satisfaction on the points about which we see difficulty". These are the famous essential British and Commonwealth interests, and Mr. Wilson stressed the following points as being of major importance:

The problems raised by the operation of the Common Agricultural Policy, and its effect on the structure of British farming and the cost of living; there were also the balance of payment difficulties caused by the system now used for financing the CAP. Britain must recognise the CAP, but an adequate transitional period for British agriculture would be needed.

Safeguards would be needed for Commonwealth agriculture interests, especially New Zealand and the sugar-producing countries, at present members of the Commonwealth sugar agreement.

With regard to the question of capital movements, Mr. Wilson believed that suitable arrangements could be made. He also thought that the British Government would be able to continue its policies for regional development, once Britain became a member of the EEC. Throughout the negotiations, which Mr. Wilson will master-mind personally, Britain will remain in touch with her Commonwealth and EFTA partners.

He pointed out the benefits to be gained from a market of 300 million people, and the advantages of "integrated technology on a Continental scale". Such a Europe could play a more active part in world affairs than she does today. Mr. Wilson stressed once again his determination to make Britain a member of the EEC, and replying to Mr. Heath, Leader of the Opposition, said "If we do not succeed, the House will be able to judge at the end of the day that it was not our fault".

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Reactions in Britain

The Confederation of British Industry, which has been advocating British membership for some time now, said: "This is the move that industry has been waiting for, and that the CBI has been urging the Government to make. The CBI's recent report, based on a year's analysis, concluded that, on balance, entry would be of benefit to British industry".

Society of British Aerospace Companies: British entry into Europe is a welcome step. Collaboration with Europe should result in interdependence, and expansion in European air traffic, thus developing a large home market for aerospace products.

Atomic Energy Authority: "Britain can make a valuable contribution to Europe through the experience it has to offer as a result of building and operating nuclear power stations in a commercial electricity supply system. The Authority and British industry are already conducting nuclear business and carrying out active sales campaigns in Europe which will be materially assisted by our entry. The Authority has also developed a substantial market in nuclear fuel and reprocessing services in Europe, which could be enlarged to the mutual benefit of the Community."

British National Export Council: "The political and economic advantages to the European Economic Community and to ourselves and the rest of Europe have been evident for many years, in a world in which the big battalions only can compete and co-operate with one another on equal terms."

National Farmers' Union: It would be necessary to secure changes in the agricultural regulations to meet the basic needs of the industry. If there were no modifications, there would be serious economic and social consequences for farmers and the nation as a whole. They note that Mr. Wilson is aware of the problem, and they will do all they can to protect the interests of farmers and growers.

A spokesman for British Motor Holdings said, "We have always strongly advocated entry into the Common Market. Europe is our main export marketing area and accounts for 44% of our exports. It is in Europe that the expansion of our sales has been greatest in recent years, and increasing difficulties have arisen through the 22% EEC external tariff".

Although the British Press has, as a whole, warmly welcomed the British bid, there are two discordant voices, The Morning Star (Communist) and the Daily Express (Right Wing Conservative). In closing its editorial, the latter says: "For Britain is now in the worst of all positions. Terms of entry acceptable to Europe must lead to ruin. Terms of entry truly acceptable to Britain must lead to another humiliating snub from General de Gaulle.

"So the Prime Minister can be assured on one thing. That throughout the negotiations that lie ahead he will meet steadfast and determined opposition - and not only from his own back benches."

* * *

Reactions from Abroad

THE E.E.C.

France: Although General de Gaulle received a few hours' advance notification from Mr. Wilson about the announcement in the House, official comment was slow to appear in France, and when it finally did come, it was only to say that the Prime Minister had not tried to hide any of the difficulties involved. French views in general seem to be not much less cryptic, though the present trend seems for emphasis to be laid on economic, rather than political, difficulties that might follow Britain's entry. The British "essential interests" clause arouses some scepticism, and there are those who claim that British membership, on strictly commercial terms, would sound the knell for real European unity. Opinion seems to vary on the reserve currency issue, but the threat to the form of the CAP, Britain's recent attitude at GATT, and the fear of over-burdening the machinery of the EEC by too large an expansion of it seem to be the main causes of concern.

Germany: Britain's attitude is regarded as "positive", but the Germans are not prepared to over-enthuse at this stage: they seem to be keen to get down to constructive negotiation, but are not prepared to step on anyone's toes in the process. In general, Britain has German support, of course, and its entry into the Community is seen essentially as a move towards the establishment of a viable economic and political bloc interposed between the USA and the East.

Italy: The move is generally regarded as somewhat precipitate, although it was greeted with satisfaction. The nearness of de Gaulle's press conference and the Rome Summit seem to make the announcement almost a challenge to the French President.

Netherlands: In The Hague, on the other hand, the announcement is thought well-timed: the entry process, should it become fact, is estimated at three years, and the attitude towards safeguards and transitional arrangements is sympathetic. At the same time, the Dutch believe Britain should enter alone, and let the other interested parties (Denmark, Sweden, Ireland, etc.) follow soon after.

Belgium: The move was warmly welcomed, in rather more ideological terms than anywhere else in the Community. It was seen as "the most important and economic step in the recent history of building Europe", and M. Luns, the Foreign Minister, felt the timing was right, and that there were no impossible problems.

The Commission: Reactions were varied, ranging from Professor Hallstein's view that the move has come rather too early, to Jean Rey's keen support of Britain's immediate membership. Dr. Mansholt, on the other hand, sees this as no less than the real opportunity for carrying through the task of uniting Europe politically.

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EFTA

Denmark: The announcement was greeted with satisfaction, and it was stated that Denmark would seek to link her own bid for membership with that of Britain: it was hoped that other EFTA members would follow suit.

Sweden: A cautious line was taken, but it was repeated that this was a step towards the single European market, the objective of EFTA. It was hoped that other members would follow Britain's example, and that the European idea could be furthered, but for her own part, Sweden still has the neutrality question to deal with.

Norway: Nothing definite was stated, though the Government undertook to study the question of Norwegian bid for entry, and would report back to Parliament on this.

Switzerland: A careful line was followed, and the Swiss pointed out that their application for associate membership was still in abeyance. It was thought that Mr. Wilson should have waited until after the Kennedy Round, and concern was expressed about its possible restoration of customs barriers removed under EFTA.

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THE COMMONWEALTH

Australia: The country is now felt to be in a better position to ride out the process of Britain joining the EEC. Japan is now her best customer, and the USA is rapidly overtaking Britain as the second. Sugar, butter and wheat are the main commodities threatened.

New Zealand: Concern about the consequences of British entry continues, and it is felt that exports currently sent to Britain must continue to go there or to the Common Market in general: unlike Australia, New Zealand stands little chance of finding adequate alternatives: transitional arrangements would not solve the problem. Associate membership might provide an answer, but lump-sum compensation from Britain, as has been mooted, would not.

Canada: Concern does exist, but this is not as critical a case as New Zealand: sufficient transitional arrangements would probably meet the case, though aluminium, paper pulp and farm produce exports are likely to suffer badly for some time, should the British bid prove successful, and Canada's Commonwealth preference be lost.

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U.S.A.

Official support continues, as it has since the time of the Kennedy Administration, but in some circles there are growing doubts about the European idea: recent developments in such fields as economic aid, world liquidity talks and attitudes towards the Vietnam war have given some Americans cause for concern, and it is sometimes feared that perhaps Europe, the moreso when enlarged, might follow her own devices rather more than could have been wished.

THE WEEK IN THE COMMUNITY

April 24 - 30, 1967

From our Correspondents in Brussels and Luxembourg

THE KENNEDY ROUND

Procrastination

The now familiar EEC pattern of each of the Six sticking solidly to their guns until a last-minute marathon ends in compromise looks like imposing itself on the GATT negotiations. At the time of writing, the EEC Council is hearing Jean Rey's report on the final state of things. The Community's representative returned from Geneva on the evening of Saturday, April 29. He spent Sunday discussing events with his most closely-connected colleagues, and Monday, Labour Day, with the full Commission. Unfortunately, despite this extra time, the EEC executive could only offer the Six cold comfort: apart from a few minor exceptions, the motto seems to be "standstill" at the Kennedy Round, and even though the Council's "decisive" meeting on the subject has been deferred from April 24 to May 2, there is still talk of a further session in Brussels on May 8 and 9, and again before Whitsun, that is, on the eve of the deadline for the Geneva negotiations.

Scandinavia and Britain: The news from GATT is certainly not good, but it has not caused any undue anxiety in Community circles. In fact this familiar eleventh-hour rise in temperature has long been awaited. The most positive aspect of Jean Rey's latest discussions in Geneva is the improvement in EEC-Scandinavian relations: it now looks as if both sides have decided to climb down from their positions of outraged dignity, although this does not mean that all troubles are over. Now relations with Britain have deteriorated, again on the psychological plane. And considering this country's position as a prospective member of the Community, some Europeans are frankly amazed at the sometimes "hostile" attitude of the British contingent. Although the British seem to have yielded to pressure from their own industry and now appear to be more flexible on chemical products, the Community still finds them particularly rigid in other sectors, including steel, where London's position, considered indefensible, shows no signs of change.

Recriminations: This lack of progress is generally imputed to Mr. Jay, President of the Board of Trade and senior British representative at the Kennedy Round, whose lack of sympathy for the Common Market may have resulted in some of the disputes becoming personalized. Moreover, he is not alone, and some English commentators went so far as to suggest that Jean Rey would be better named Janus Rey, what with the entirely differing fares he shows in Geneva and Brussels. This trust was countered by an official statement, indicating that things are hotting up, and the gist of which was that the EEC delegation to GATT is in constant touch with the Commission and the

Council of Ministers, and that therefore both attitudes are identical, no matter where they are expressed. Moreover, they clearly show the delegation's sincerity in trying to contribute towards solving the problems raised in the Kennedy Round provided that some attempt is made to meet them half way.

EEC-US Deadlock: But the main area of combat in the Geneva negotiations is still the EEC versus the USA. Nothing has been lost or gained on this front either and attitudes have in fact hardened on the two key problems: the world cereals agreement (where America is still evidently unprepared to include secondary cereals) and the American Selling Price, where the Six are still against a two-phase solution (tariff reductions followed by a reform of the system... if Congress can be persuaded to approve) which could leave them in a weak position. However, a possible final bargain is beginning to emerge. On the one hand, Washington would yield in practice to Community views on cereals and on the other the EEC would be satisfied with a "scaled-down" settlement on the American Selling Price, which is inevitable anyway because of the limited powers granted to the American Government under the Trade Expansion Act. In other words, a face-saving formula for both sides must be found, and according to informed circles, this might not be impossible.

THE COMMUNITY

European Summit Date Set

After much hesitation and complicated comparison of Government timetables, a date has finally been agreed for the "European summit": the Six will meet in Rome on May 29 and 30. How and for what, even the principals themselves are probably not very clear about. There is only one certainty at the moment: the academic ceremony in the Capitol to commemorate the tenth anniversary of the European Treaties. M. Renaat Van Elslande, Belgian Foreign Minister and the President in office of the Council of Ministers, is sure to attend, but there is some doubt about the Council and Commission holding a special meeting in the Italian capital to mark the event, as had previously been thought. So the matter will be a purely inter-governmental concern.

Critical Timing: But otherwise, the real discussions taking place on May 30 are considerably more complex although observers are unanimous in thinking that the atmosphere will be a peaceful one. The "summit" will undoubtedly be taking place at a time when world developments will present the Six with some major problems to be faced, or even solved, together. The final bargain of the Kennedy Round will have been struck, the discussions on the non-proliferation treaty will have resumed at Geneva and preparations for the next session of the International Monetary Fund will have made fresh progress. These are three matters directly affecting relations between the Community and the United States. Also, several of those taking part in the Rome discussions (General de Gaulle, Amintore Fanfani and Pierre Harmel, especially) will be then have made fresh probes in the Eastern countries or be preparing to do so. It will also be a few days short of the spring political session of the NATO ministers, which, in view of the situation in the Alliance, confronts Western Europe with the problem of its relations with America and with the USSR. Finally, unless something dramatic happens, Harold Wilson will have made his application for British entry into the Common Market.

No Commitment: These are all questions which it will be difficult to ignore at the Rome summit. But it is unlikely that they will be closely examined or that definite positions will be taken. General de Gaulle has expressed his preference for an informal discussion, that is without an agenda and not even the most supranational, or pro-British of his colleagues, can be expected to force a decision. The man behind the whole occasion, Sig Amintore Fanfani, has himself already limited the designs of the Six. He does not envisage any long talks, and would be quite satisfied to see the beginning of a road towards a political Europe. At any rate it is too early to hope for any more spectacular progress on EEC unity.

Therapeutic Value: Nevertheless, the Rome summit could be a useful stage in the long process of healing the breach caused by the great European crisis. It could be the start of an acknowledgement of political solidarity among the Six in the face of international problems. This attitude could be demonstrated especially by a decision to hold an annual summit and two sessions at foreign minister level (this decision would of course be much easier to take if the United Kingdom was allowed to join the discussions, but it is unlikely that Paris would accept this). Besides, the meeting at the Capitol could help to confirm the thaw which has taken place between the Six in the last few months, and especially in the last few weeks, and which has helped to revive a slowly fading Community. It could happen, for example, that the heads of government might instruct their colleagues to make resolute progress in the various fields where increased co-operation between the member-states is called for.

The Executives' Merger: Of course, the most concrete gesture which the General and his partners could make would be to finally settle the question of the merger of the executives. It is generally accepted that the matter will be resolved in Rome, or at least that the broad lines of a solution will agreed which leaves room to hope that the single Commission could come into operation by July 1. However this issue is still rather clouded and since the date for the summit has been set, the confusion has increased if anything. President Hallstein has intimated that he has not yet decided on his future and that he would not accept just any offer made by the governments. This seems to indicate that Walter Hallstein would not be prepared to head the single Commission for less than a year, and of course any other solution would look very much like camouflage. Considering that France would normally be keen to see an improvement in the political climate of the Community, will the General make this small concession? It is an open question.

Head of the Commission: But who is to succeed President Hallstein, be it now or later? Another Italian candidate is not out of the question, some people in Brussels seem to feel. Besides Sicco Mansholt has said in an interview that he would accept the presidency if it was offered him by a large majority of the six governments, which is the same as saying that he would not mind a French abstention. It remains to be seen however whether this abstention might not become a veto, in which case, and in the absence of an Italian, Jean Rey seems to be the most likely candidate.

The less said the better, however, about the vice-presidents and members of the future Commission. The most varied rumours have been circulating and soundings are being taken all round. So there is every reason to suppose that the Six are not yet out of the wood.

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EURATOM

A Belgian Diagnosis

The Belgian delegation at the Permanent Representatives Committee of Euratom has just tabled its suggestions for the future of the Atomic Community. Before examining these proposals to see if they provide an answer to the current atomic row in the EEC which is gradually growing more serious, let us reconsider the present situation.

The Six face two major problems: they have still to present their 1967 budget and decide on the five-year programme for 1968-72. On the first point it is still "no-go" for the following reasons:

1) Italy wants the PEC reactor programme to be included in the programme. This requires a unanimous vote but France is not in favour.

2) There is a deficit on the fast reactor programmes being carried out by Euratom in association with France and Germany. It would be possible to transfer funds from one account to the other, but Italy and the Netherlands will hardly accept this;

2) The Dutch are saying in effect: "Neither France, nor Germany, have given us an assurance that they will continue to make their experiments on fast reactors available to the Community after 1968. So we are not prepared to cover their 1967 deficit until their intentions are made clear to us. Also, we will make no moves until we know what is in the next five-year programme".

4) To complicate matters, the Italians are saying: "There is no question of mixing the two questions. First of all, and our partners have guaranteed us this, we want a decision on the PEC. Besides, we will only discuss future projects with the future single Commission and not with the Chatenet Commission".

Brinkmanship: In fact, the whole thing has come to a grinding halt which, if it continues, could lead to complete disintegration. Even if the Rome summit solves the question of the merger of the executives, there may be no time left to remedy the situation. Belgium has clearly tried to forestall this eventuality by suggesting that no immediate attempt should be made to draw up a third five-year plan, but that 1968 should be made a transitional year. It remains to be seen what joint work will be done in that year, so in some respects the Belgian formula may be just to replace one problem by another. But it does give the French and Germans a chance to make a gesture by prolonging their association with

Euratom on fast reactors, which would partly satisfy the Dutch. In this case, not only would time be gained, but the present muddle would become somewhat less involved.

The Belgian Scheme: Basically, the Belgian ideas are outside the "realistic" line first taken by the Commission. The purely Community jobs, that is those done jointly by the six countries, should be confined to those of a public service nature (safeguards to health, monitoring, testing of materials etc) and to those of the joint research Centre, since these will be considerably reduced. Research in the industrially mature fields should be left to the industry itself (like the Orgel project). The Belgians are also suggesting that bilateral action undertaken by only those countries involved in a project should come under the Community, and they go on to attack the "privileged situations" which have apparently arisen in certain establishments of the joint Centre. They are mainly proposing that researchers' contracts should not be renewed, that researchers should move between the various establishments according to need, that they should be gradually readapted to non-nuclear technological fields and so on. This attitude, arising not only from a desire to economise but from anxieties caused by a shortage of "grey matter", has already roused fierce protests from those concerned. But Brussels could still be the spokesman for the ideas which are gradually prevailing on the subject of Euratom's future.

* * *

ECSC

A Solution for Domestic Coal?

The present serious imbalance in the domestic coal market and the subsidy war which may result from measures taken in various member countries to increase outlets by granting exceptional price-cuts, will be discussed at the next meeting of the ECSC ministers on May 11.

Adjustments: The High Authority cannot easily intervene, as pricing policy is strictly a company preserve. In the end the problem can only be solved by adjusting supply to demand, that is, by a definite reduction of production and imports from non-member countries. France is at present the biggest importer of domestic coal from outside countries, but the minister for industry has stated that the Government is ready to negotiate with the Soviet Union on reducing imports of Russian anthracite which under a bilateral commercial agreement covering the period 1965 to 1969, are allowed at 1.3 million tons a year. This agreement is fixed until 1967, so possible reduction of French imports of Russian anthracite could only occur from 1968.

Prices: As regards prices, the High Authority is especially anxious to avoid itself and the coal industries of the other member countries being taken unawares by reductions in barometer prices or price cuts likely to upset the workings of the common market. It therefore intends to extend the deadline for referring price-changes for domestic coal to 20 days before they can come into effect. But this does not give the High Authority time to prove its findings, and in order to avoid price-cuts and seasonal rebates finally resulting in increased subsidies being paid to coal mines to compensate for loss of income resulting from the reduced prices, it intends to carry out a strict scrutiny of state aid on the basis of Article 6 of Decision No 3-65 relating to subsidies paid to coal mining. This is to prevent outlet subsidies being paid in cases where the industry has lowered prices below the level permitted by the market regulations.

Further measures: Although the High Authority's action seems to stop at that, producers and sellers of solid fuels within the Community are looking for measures which would go much further. In a joint communique which has just been sent to the High Authority on the question of domestic coal, they recommend the following measures:

1) Considering the disparity existing between the price per calorie of gas and fuel oil, and that of European coal, they feel it imperative that the various countries should take measures to reduce considerably the differences in price between coal and competing sources of power.

2) There is also a need to reduce transport costs, as has been done in some countries for transport of petroleum products.

3) The governments should strongly encourage the various public bodies to use coal.

4) In some countries where the taxation system is harder on coal than on competing sources of power, fiscal harmonisation should be sought.

5) Finally, in order to attain the desired aim (to maintain production of domestic coal), national products should be given preference over any type of imported product.

The High Authority has not yet taken a stand on the representations made by the producers and traders of the Community, but it is possible that one or other of these ideas may be discussed at the ministerial meeting.

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CONTENTS

ADVERTISING

** The London advertising agency SERVICE ADVERTISING LTD (see No 256) has just completed a deal in Paris giving it its third European affiliate by the name of H.C.F. SIGMA Sarl. This company has a capital of Ff 10,000 which is shared equally between the London subsidiary SERVICE ADVERTISING INTERNATIONAL and the French firm AGENCE DE PUBLICITE & DE VENTE A SERVICE COMPLET-SIGMA Sarl, Paris on whose premises it is based.

In Greece, the British company holds shares in the Athens agency Ergon Advertising Ltd and since three years ago has also been associated with the Swiss agency Brullmann & Contini, Bienne, Berne in the Italian publicity and marketing firm Brullmann, Contini & Service Advertising International SpA, Milan, known as B.C.S. (capital doubled to Lire 60 million since it was formed).

AUTOMOBILES

** The American diesel engine concern, CUMMINS ENGINE CO INC, Columbus, Indiana (see N 374), whose closure of the Milan branch to its subsidiary Cummins Diesel Sales Corp we reported last week (see No 406), has also wound up its branch in Paris. This was directed by M. J. P. Houdiniere, and its function was to promote sales of Cummins engines on the French market, thus supporting the business of the two companies handling distribution in France, SOVI SA, Clichy, Hauts-de-Seine (see No 323) and STE DES MOTEURS COUACH SA, Arcachon, Gironde (see No 335). On the home market, Cummins has the advantage of the widely-accepted system whereby buyers of heavy trucks can specify the make of engine they want, and this has secured for it a leading role as an engine supplier to the industry. The very fact that it makes only engines, however, has somewhat hampered its expansion in Europe, though recent developments have slightly improved its situation. Thus, at the beginning of this year, it bought up the Fried Krupp Motoren- & Kraftwagenfabriken division (see No 367) of FRIED. KRUPP, Essen, and this enabled it to keep its Essen branch, Cummins Diesel Deutschland, in business. Its latest coup was to secure the contract for supplying the British FORD MOTOR CO LTD, Dagenham, with V8 engines for its new D 1000 range of heavy lorries.

Through its London subsidiary Cummins Diesel International Ltd, the group recently formed Chrysler & Cummins Ltd, Kew Gardens, as a joint venture with Chrysler Motors Ltd (of the Detroit, Chrysler Corp - see No 379). It is further linked in Britain with the BRITISH MOTOR HOLDINGS group, through Jaguar Cars Ltd, Coventry (see No 323), in Jaguar Cummins Ltd, and it has a factory in Shotts, Lanarkshire, and a recently-formed Darlington subsidiary, Cummins Engine Co Ltd.

** The French subsidiary of the FIAT SpA group, Turin, F.F. SA, P (see No 400) has wound up the Brussels sales company SEVITA SA after having acquired complete control. Formed in 1959, this was headed by M. J. Caneele and acted as representative for Ste d'Exploitation de vehicules Industriels & Tracteurs Agricoles SA, Puteaux, the subsidiary of the former Simca Industries SA (see No 394) which became F.F.SA after the Italian concern had increased its shareholding.

** The French AUTOMOBILES M. BERLIET SA, Venissieux, Rhone (see No 400) has made an agreement with the Tunisian state concern S.T.I.A. - STE TUNISIENNE D'INDUSTRIE AUTOMOBILE, Sousse, to supply it with lorry parts (9 ton and over types), as a result of which it will be able to turn out 5 lorries a day.

The French group (see No 399) is already linked with the Tunisian state in Berliet-Tunisie, and in North Africa also has an affiliate in Algiers, Berliet-Algerie. It has Ff 210 million capital, and in 1966 made a turnover of Ff 1,150 million (11% up on the previous year), Ff 342 million of which came from exports. Production rose to 16,800 heavy trucks (as against 15,500 in 1965), almost 4,200 of which went for export (as against 3,900 in 1965).

** The PEUGEOT SA, Paris automobile group (see No 399) has strengthened the financial position of its subsidiary SA BELGE DES AUTOMOBILES PEUGEOT, Ixelles-Brussels whose capital has been increased from Bf 2.25 million to Bf 180 million. Control is shared with several of its French subsidiaries: Ste Industrielle Automobile du Nord SA, Lille, Ste Fonciere & de Participations SA, Paris, La Publicite Francaise SA, Paris, Ste Industrielle Automobile de Lorraine SA, Nancy, SLICA-Ste Lyonnaise d'Industrie & de Commerce Automobile, Lyons and Ste Industrielle & Commerciale des Automobiles Peugeot SA, Paris.

The French group's Belgian sales representation relies a great deal on a major network of concessionnaires and agents including Ets de Wilde SA, Brussels, and Ets Dernier, Liege which cover the provinces of Liege, Luxembourg and Limburg; Ets Britanniques, Antwerp and C.I.A.C. SA, Ghent Eastern and Western Flanders.

BUILDING & CIVIL ENGINEERING

** The London group CAPE ASBESTOS LTD (see No 401) has strengthened its Belgian interests by taking a shareholding in I.T.E.C.- Isolation Thermique & Acoustique dans la Construction SA, Brussels. This specialises in prefabricated plaster mouldings for interior decorating and already acts as Belgian representative for one of the group's subsidiaries, Cape Building Products Ltd, Uxbridge, Middlesex.

Cape Asbestos' other Belgian interests include Appareillage Technique & Industriel-Kismet SA, Uccle (see No 366) and Don International SA (see No 363). Following a recent association agreement with Johns Manville Corp, New York, the second Belgian company is being changed to Don Manville SA and from the autumn of 1967 onwards it will make friction bearings under licence from Small & Parkess Ltd, Manchester, in its factory at Seneffe, Mons.

CHEMICALS

** The building of an oxygen pipeline linking the steel plants of the Saar, Lorraine and Luxembourg has been the subject of a number of agreements between the French L'AIR LIQUIDE SA, Paris (see No 404) and the German MESSERGRIESHEIM GmbH, Frankfurt (see No 391). A factory making 1,000 tons of oxygen daily (the biggest in Europe) will be built on a joint basis and run by OXYSAAR HUETTENSAUERSTOFF

GmbH, Saarbrücken.

The latter (capital DM 20,000) is the former Messer Griesheim Tieftemperat-urtechnik GmbH, created in Frankfurt during 1942 and a 75% interest of Messer Gries-heim. The new pipeline will cost some Ff 40 million, and be linked to the one owned by Oxylor SA, Paris, the wholly-owned subsidiary of L'Air Liquide.

** The joint subsidiary of the two French groups PROGIL SA (see No 402) and PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA (see No 404) which specialises in chemical crop-protection products PECHINEY-PROGIL-STE POUR LE DEVELOPPE-MENT & LA VENTE DE SPECIALITES CHIMIQUES SA has decided to extend its interests to South Africa. A new company PECHINEY-PROGIL-SOUTH AFRICA PTY LTD will be formed near Johannesburg, with its registered office on the premises of Trimof Fertiliser & Chemical Industries Pty with which the French company has signed an agreement covering the building of an insecticides and fungicides factory. M. L. Luyt, who heads Triomf Fertiliser, will be a member of the board.

Pechiney-Progil (capital Ff 16.25 million) whose headquarters have just been moved from Paris to Lyons, already has a number of foreign subsidiaries: Pechiney-Progil Overseas SA, Geneva, Ravit Per L'Industria Elettrochimica & Metallurgica SpA (formerly at Milan) and others in Morocco, Portugal and Spain.

** STE DE MINES & DE PRODUITS CHIMIQUES SA, Paris (see No 259) has merged STE D'ETUDES TECHNIQUES & FINANCIERES SA, Paris (capital Ff 1.87 million) with its subsidiary MINES DE DIELETTE SA, Paris and Flamanville, Manche by making over assets held by the former (worth Ff 3.59 million) whose president is M. J. C. Lantz, to the latter.

This has been changed to DIELETTE-STE D'ETUDES TECHNIQUES & FINAN-CIERES SA (capital Ff 3.25 million) and can thus expand further into chemical analysis and mineral-ore broking. Dielette is affiliated to Entreprise Generale d'Engrais, de Vidanges & Produits Chimiques SA (formerly Cie. Richer SCA) which has a capital of Ff 10 million. M. J. C. Lantz is also president of this firm.

** In 1966 NV HANDELS- & TRANSPORT MIJ. VULCAAN (see No 366) signed an agreement with MIJ. TOT EXPLOITATIE VAN KOOKSOVENGASSEN-MEKOG NV covering the marketing, storage and transport of chemical fertilizers. As a result a joint Rotterdam subsidiary has been formed called NV VERENIGDE KUNSTMESTHAND-EL-MIJ. VULCAAN (capital Fl 5 million) and headed by M. G. Bout. Vulcaan is the Rotterdam subsidiary of Bank Voor Handel & Scheepvaart NV (part of the Dutch-Swiss group Thyssen-Bornemiza - see No 389), whilst Mekog has been since 1961 a division of V.K.F.-Verenigde Kunstmestfabrik Mekog - Albatros NV, Utrecht.

V.K.F. makes compound and nitrogen-based fertilisers at Ijmuiden and Pernis, and is a 20% affiliate of the Ijmuiden iron and steel group Kon. Ned. Hoogovens & Staalfabriken NV (see No 366). It is controlled (40% each) by Royal Dutch-Shell (through NV de Bataafse Petroleum Mij., The Hague) and Koninklijke Zout-Ketjen NV, Hengelo (see No 388).

** The Paris investment company SAGEPA-STE AUXILIAIRE DE GESTION & DE PLACEMENT SA, Paris is to take up a 33.3% shareholding in ETS RUGGIERI SA, Paris which is currently increasing its capital to Ff 6.46 million. This company (president M. Pol Paquin) specialises in industrial and agricultural pyrotechnics, flares and signal rockets as well as plastics and packaging.

SAGEPA (capital Ff 19.37 million) was formed in 1961 by the division of the Oran firm L'Algerienne SA and is closely linked with the Ste Nouvelle l'Algerienne SA, Paris and the Banque Industrielle de Financement & de Credit SA, Paris (see No 290) which is itself affiliated to MM Worms & Cie and the Banque de l'Indochine.

ELECTRICAL ENGINEERING

** A merger of part of the electrical interests of the Milan group MONTECATINI EDISON SpA (see this issue - Finance and Petrochemicals) is about to take place and will strengthen the Genoa concern ICEL-Impresa Costruzioni & Lavori SpA (capital Lire 36 million). It also has interests in two other electrical engineering concerns - SAES-ELECTRICITA SAVONA SpA (capital Lire 50 million) and C.I.E.-Costruzione Impianti Elettrici SpA (Lire 2 million).

** The Italian manufacturer of welding equipment FABBRICA ITALIANA RICOPERTI-F.I.E.R, DI RAG. LUCIO CORONA & CO, Bergamo (capital Lire 48 million), which is owned by the Corona family, has opened a Swiss branch at Chiasso.

** MAGNUS ORGAN FRANCE Sarl (capital Ff 25,000) has been formed in Paris to import, sell and manufacture electric organs and musical instruments produced in the United States by MAGNUS ORGAN CORP, Livingstone, New Jersey of which Mr. Finn H, Magnus is chairman.

Mr. Magnus is the inventor of an automatic electric organ (1952) and an all-plastic chromatic harmonium (1947). He also controls the companies MAGNUS OCANIC INC, MAGNUS RESEARCH INC and is chairman of ODIN PRESS INC.

** A joint agreement involving the Belgian central-heating and air-conditioning industry has been signed by the Dutch group MIJ VOOR INDUSTRIELE ONDERNEMINGEN GEBR. VAN SWAAY, The Hague (see No 368) and the Belgian MERCANTILE MARINE ENGINEERING & GRAVING DOCKS CO SA, Antwerp (see No 399): they have consequently formed a company in Antwerp called INSTALLATIE-BUREAU MELAIR NV (capital Bf 2 million). The directors of the new firm are Messrs G.A. Bakker and M.H. Lubbers (representing the Dutch group) and MM R. Schenk and R. Fontaine (for the Belgian side).

** M. Jean Knobloch has been appointed president of CUTLER HAMMER IGRANIC CONTROL SA (see No 397) which has been formally established in Paris with Ff 1 million capital under agreements recently signed by the American group CUTLER HAMMER INC, Milwaukee, Wisconsin and the British METAL INDUSTRIES LTD, Glasgow.

** The German manufacturer of public transport vehicles, welding and office equipment KELLER & KNAPPICH GmbH MASCHINENFABRIK, Augsburg is to profit from the increasing use of office equipment in Bulgaria as a result of an agreement signed with the Sofia-based State organisation ELEKTROIMPEX (see No 392). Keller & Knappich is a member of the QUANDT group through Allgemeine Gesellschaft für Industrie Beteiligungen mbH, Stuttgart-Feuerbach.

In 1965 the German firm (capital DM 10 million) had a turnover of DM 70 million. It has over 3,300 persons on the payroll, working in its head-office factory and in a repair-shop at Quadrath-Ichendorf bei Köln. In West Germany, it has interests in Roth Electric GmbH, Ganting, DWM Automatenbau GmbH, Berlin, AVG-Automatischer Verplflegungsdienst GmbH, Berlin and AVG-Automatischer Verpflegungdienst-West GmbH, Essen as well as in the Augusburg bank UTB- Teilzahlungs GmbH.

** Under an agreement with the British firm EXPERT INDUSTRIAL CONTROLS LTD, Ashby-de-la-Zouche, Leicestershire, the German firm ELEKTROTEILE GmbH, Oberuhldingen has obtained a licence for the manufacture of magnets for alternating currents. The British firm has an interest in the German company Expert Steuergeräte GmbH and the French La Telecommande Industrielle Sarl, Paris. It is a member of the William Baird group of Glasgow.

** MM. Jean and Jacques Jarret have backed a company, formed in Paris to carry out research and marketing of electric and electronic variable resistance equipment using Jarret licences and patents. The new TECHNIQUES ELECTRIQUES-T.E.J. SA (capital Ff 8 million) has its registered offices on the premises of Cie Francaise de Prospection Sismique (president M. Andre Tranie - capital Ff 3.5 million). Its other founders include Ste de Constructions Electromecaniques Jeumont - Schneider SA, Paris (see No 397) La Telemecanique Electrique SA, Nanterre, Hauts-de-Seine (see No 323), Ets Brissonneau & Lotz SA (see No 394), Moteurs Leroy Sarl, Angouleme, Charente (capital Ff 7,050,000), E. Damond SA, Paris ("Sinex" equipment) and Ets Pompes Guinard SA, St-Cloud, Hauts-de-Seine (see No 335) which were already linked by bilateral agreements with the Jarret brothers. The board of the new company (president M. Tranie) includes MM. Jean Jarret, president of the SEMTE-Ste des Moteurs Thermiques & Electriques SA, Les Mureaux, Yvelines; Jacques Bassot also a director of Ste des Generateur; Jarret SA and president of Entreprise Jacques Bassot SA, Nanterre and Pompe Guinard.

** The British E.M.I.-ELECTRIC & MUSICAL INDUSTRIES LTD, Hayes, Middlesex, which has just reorganised its Dutch record interests (see No 406), has carried out a similar operation in Italy. Manufacturing and marketing activities belonging to its Milan subsidiary LA VOCE DEL PADRONE-COLUMBIA MARCONIPHONE SpA (capital Lire 700 million) have been made over to its subsidiary ELECTRIC & MUSICAL INDUSTRIES ITALIANA, Caronno Pertusella, Varese (formed in April 1965 - see No 318), whose capital has been increased from its original figure to Lire 350 million. Headed by Mr George C. Alexander, La Voce Del Padrone was formed in 1917; it is controlled by two companies based at Hayes, The Gramophone Co Ltd (85%) and the Columbia Gramophone Co Ltd (15%).

Since October 1964, the British group has had another subsidiary at Pomezia, Rome, La Voce del Padrone Italia SpA, headed by M Francois Minchin. This company is in charge of a factory in the Mezzogiorno making records, tapes and sound reproduction equipment. Control is shared between E.M.I. and its subsidiary E.M.I. Overseas Holdings Ltd (majority interests).

ELECTRONICS

** STE GENERALE DU VIDE-SOGEN SA (see No 343) a member of the CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA, Paris has acquired from the French interests of the New York SCHLUMBERGER LTD (see No 384) its vacuum-measuring division at Colombes, Hauts-de-Seine, specialising in electronic equipment using vacuum techniques for the aerospace and nuclear industries. This division was formed in 1965 by Ste d'Instrumentation Schlumberger SA, Paris taking over Albert Le Boeuf & Cie SA, Colombes.

The president of SOGEN is M. Noel Pouderoux and it is 40% controlled by Thomson-Houston Hotchkiss-Brandt, with the remainder held equally by the latter's subsidiary C.G.R.-Cie Generale de Radiologie SA (see No 405) and Cie Financiere de Suez SA, Paris which made over to it a low-pressure laboratory when it was formed in 1961. It employs over 1,100 workers in its laboratories at Choisy-le-Roi and La Palud, Pierrelatte and its factory at Valence, Drome.

** The Luxembourg holding company OWEL & CO's INTERNATIONAL REGISTERED TRUST SA (see No 357), which is headed by M. H. J. Owel has formed a 94% Belgium subsidiary GENERAL ELECTRONICS NV, Schaerbeek-Brussels (capital Bf 50,000) to sell electronic navigation equipment for use in air - and spacecraft. With M. Owel as president, its directors are MM. J. Büchel, Triesen, Liechenstein and A. Sairin, Antwerp. Apart from M. Owel personally, the shareholders include Owel & Co's International Registered Trust Co, Schaan, Liechtenstein (80% parent-company of the Luxembourg holding concern), two Antwerp firms Saïrin & Cie and Sirin & Co KG (see No 383) and two other Schaan companies, Technical & Scientific Instruments Establishments and Euro Metal Works Establishment.

The new General Electronics has its registered office on the premises of Owel & Co's International Registered Trust Co SA pour la Presentation de Conseils Fiscaux a La Gestion de, et La Participation a Des Entreprises dans La Principaute de Liechtenstein, with a second office in The Hague, formed in March 1967 with a capital Bf 40,000 as the result of moves by the Luxembourg holding company, which is linked with Owel, Schaan and Sairin, Antwerp as well as the tropical products trading concern General Tropical Produce Trading Establishment, Schaan, Tropische Produkten Handel KG, Hamburg and Comdrihan V.g.N. The Hague, all headed by M. Owel.

ENGINEERING & METAL

** The German optical and precision engineering group, CARL ZEISS, Oberkochen, Württemberg (see No 383), which is expanding its Italian interests, has set up a branch in Rome to its Milan subsidiary Zeiss Ikon-Voigtländer Italia SpA (see No 364).

** DRESSER DUJARDIN SA, Lille (capital Ff 45 million, 50% owned by DRESSER INDUSTRIES, Dallas, Texas - See No 376), having taken over the manufacturing activities of ETS DUJARDIN & CIE, Lille, in 1966, the latter is now to be merged with VALLOUREC SA, Paris, which already controls it with a 52% interest. Before becoming just an investment company, Dujardin produced compressors in its own name and under a Clark licence, plus Allen diesel engines and Blaw Knox (Aetna Standard division) sheet-working machinery.

Vallourec is also to take over the "Tubes" department of the USINOR group (see No 396), entitlement to which follows its merger with LORRAINE-ESCAUT. The whole move will place Vallourec amongst the largest of the European steel tube companies, and will place it under the 50% control of Usinor and its parent company DENAIN NORD-EST LONGWY SA (see No 391).

** The Italian-American heavy construction plant firm LINK BELT SpA, Milan (see No 289), president Mr. C.M. Basile and director Mr. N.V. Chehak) has signed an agreement with the mechanical and hydraulic equipment group CLARK EQUIPMENT CO, Buchanan, Michigan (see No 405) thereby gaining the exclusive Italian agency for "Clark-Schied" road-rollers on behalf of Clark International Marketing SA, Caracas, Venezuela.

The Milan firm was formerly a Rome subsidiary of the German group Orenstein Koppel & Lübecker, Berlin and Dortmund, which set up a commercial network in Italy under its own name in 1964 (see No 356). It has a capital of Lire 4, 400 million and factories in Milan, Rome and Padua with branches in Turin, Bologna, Naples, Bari,, Catania, etc.

** German capital has backed the formation of a new French company which will import and sell standard parts for use in the manufacture of stamping and moulding tools. The new firm is called SUSTAN Sarl, Ivry sur Seine, Val-de-Marne (capital Ff 50,000) and it will be run by Herr R.F. Wenninger of Frankfurt. It is the 90-10 subsidiary of two Lugano companies, Moenus Holding SA and Sustan AG (see No 388).

Herr Wenninger is president of the second of these, and also heads the Zurich firm Sustan Vertriebs AG, a subsidiary of the stamping tool firm Hanns Fickert oHG, Frankfurt. The first is headed by Herr Rudolf Schindler of Frankfurt, and has no connection with the Frankfurt group Maschinenfabrik Moenus AG (subsidiaries in Belgium, France and the Netherlands - see No 388).

** The civil engineering plant concern KOCKUMS LANDSVERK A/B, Malmö (a member of the Swedish group A/B KOCKUMS MEKANISKA VERKSTADS (see No 373) has strengthened the position of its Paris sales subsidiary KOCKUMS LANDSVERK FRANCE SA (formed 1963) by increasing its capital to Ff 1 million. The French frim (president M. Helmer Halversen-warehouse at Longjumeau) is jointly controlled by the Malmö company (through its subsidiary Kockmus Landsverk Sales A/B) and Landsverk A/S, Landskrona.

The other foreign subsidiaries of the Malmo concern are: Deutsche Kockum Landsverk GmbH, Feldkirchen b. Munich whose control is shared between Sevonia SA, Geneva and Kockum Landsverk Sales A/B as well as various sales companies in Spain, Finland, Denmark, Argentina and Peru.

** SEFFELAAR & LOOYEN NV, The Hague (see No 334), which makes meat and fish processing machinery and equipment, has extended its foreign sales network by forming a subsidiary in Britain called SELO-BOLLANS Ltd, Birkenhead, Liverpool.

The parent company has been affiliated since 1964 with the Chicago group Oscar Mayer & Co Inc (see No 293), and it has sales subsidiaries in Scandinavia, Paris (Selo France Sarl, in which the American group has held a minority interest since 1965 - see No 313) and West Germany, Seffelaar and Looyen GmbH, Metzkausen.

** The internal reorganisation of the West German steel engineering group RHEINISCHE STAHLWERKE, Essen following its acquisition in 1964 of the heavy engineering concern HENSCHEL-WERKE AG, Cassel (now RHEINSTAHL HENSCHEL AG - see No 265) has been extended to France: the sales companies Henschel France SA, Les Plessis-Robinson, Hauts-de-Seine and Ste Francaise Rheinstahl-Hanomag Sarl, Levallois-Perret, Hauts-de-Seine have been merged. The former - a direct subsidiary of Rheinstahl Henschel AG (rolling mills, locomotives, diesel engines, machine-tools, generating sets etc) has taken over Hanomag-direct subsidiary of Rheinstahl Hanomag, Hanover-Linden (lorries, transporters, civil engineering equipment). Henschel France has therefore increased its capital to Ff 3 million and become HANOMAG-HENSCHEL FRANCE SA.

The German group already has other French interests: Ste Francaise d'Aciers Fins SA, Paris, an 80% interest of its subsidiary Edelstahlwerke Witten AG, Witten (see No 312) and SOFREST - Ste Francaise Rheinstahl Schmiedetechnik Sarl, Strasbourg (see No 363) whose capital was increased in February 1967 from Ff 10, 000 to Ff 50, 000.

** S.N.I. - Ste Nationale d'Investissement SA, Brussels (see this number) has paid Bf 15 million to acquire a 36.8% interest in ETS MEURICE SA, Ixelles-Brussels, a 70% subsidiary of the West German group making labelling and marking machines for goods, Wam Osterhof KG, Berlin-Spandau. Formed in 1960 the Belgian company, whose capital has just been increased threefold to Bf 30 million, is headed by M.J.P. Ferond; until now control has been shared between Wam Osterhof and two companies in the group controlled by the Osterhof family, Maschinenbau Wam oHG, Berlin and Karl Gronemeyer KG, Langen.

** The Cologne steel group OTTO WOLFF AG (see No 398) has wound up the activities of its French sales company STE H. HOMMEL Sarl, Neunkirch-les-Sarregemines (capital Ff 20, 000) which was under the direct control of H. Hommel KG, Cologne. The latter in turn belongs to one of the group's wholly-owned subsidiaries, Hommelwerke GmbH, Mannheim, Kafertal (capital Dm7 million). This concern specialises in machine-tools, measuring and cutting equipment: it has considerable West German interests with subsidiaries in Berlin, Hamburg, Hanover, Frankfurt, Mainz, Munich, Nuremberg, Stuttgart and Sarrebrucken.

FINANCE

** S.N.I.-STE NATIONALE D'INVESTISSEMENT SA, Brussels (an investment company backed by public and private capital - see No 396) and the BANQUE LAMBERT, Brussels have formed FININVEST SA (capital Bf 10 million). This will act as a leasing and finance company for capital goods required by all sectors of business life. The share of the Lambert group is shared between Cie Lambert Pour L'Industrie & La Finance SA (see No 398) and its Brussels subsidiaries Ste Immobiliere Bernheim-Outremer SA, URBEL-Ste Generale Pour L'Urbanisation en Belgique SA, Atlanta-Ste d'Epargne d'Hypotheques & d'Assurances SA and Ste Immobiliere de l'Avenue des Arts SA.

** The financial and banking subsidiary which DRESDNER BANK AG, Frankfurt (see No. 401) intended to form in Luxembourg to strengthen its position as a leading issuing establishment for Euro-dollars and Euro-currency loans (see No 394) has taken the name of CIE LUXEMBOURGEOISE DE BANQUE SA. With F. Lux 250 million fully paid-up capital, its directors are Herren E. Vierhub and G. Glück, both of Frankfurt, K. Bierbaum and H.J. Kühl, both of Düsseldorf, R. Jäckle, Stuttgart and H. Skribanowitz, Porto Ferraio, Italy.

The Frankfurt bank shares control of the Luxembourg concern with three banks forming part of its own group: Bank Für Handel & Industrie AG, Berlin, Deutsche-SudAmerikanische Bank Ag, Hamburg and Westbank AG, Frankfurt.

** The important concentration of interests recently decided on by MONTECATINI-EDISON SpA, Milan in order to simplify its organisation and reduced both administrative and financial costs (see No 402) involved - apart from the takeover of three affiliated investment companies (Orobia, Milan, Emiliana, Genoa and Cieli SpA) and the gradual increase of its capital to Lire 749,000 million - the taking over of 16 wholly-owned subsidiaries with widely differing interests.

These were property companies such as Miana Serraglia SpA (capital Lire 22 million), Fortuna SpA (Lire 125 million) Parnaso SpA (Lire 15 million), Sant 'Agostino SpA (Lire 200 million); mining companies such as Mineraria Prealpina SpA (Lire 1,000 million), Mineraria Presolona SpA (Lire 19.2 million) and Miniere di Ravi SpA (Lire 192 million); a chemical company RESIA-Resine Sintetiche & Affini SpA (Lire 500 million); two other investment companies Imprese Elettriche Scrivia, Genoa and Hermes SpA, Milan representing shareholdings worth some Lire 1.400 million at the end of 1966 (mainly in Brazil) and a petroleum company SORAP-Sta Raffinazione Petroli SpA, Milan (Lire 50 million).

** The Italian public investment and finance company IMI-ISTITUTO MOBILIARE ITALIANO SpA, Rome (see No 405) has set up an investment company in Luxembourg called EURAMFIN HOLDINGS-STE FINANCIERE SA. It has a fully paid-up capital of $3 million and the administrators will be Messrs G. Cappon (Rome), A. Oddi-Baghonie (Rome), A. Cao di San Marco, (Washington D.C.0 and A. Hirs (Zollikon, Zurich.

IMI has had Lire 100,000 million capital since last year and its final accounts for 1966 showed Lire 1.98 million loans outstanding and 1.45 million in bonds outstanding.

** A holding company for South African mining interests, the London CHARTER CONSOLIDATED LTD has formed a new Luxembourg investment concern (see No 405) CHARTER EUROPEAN HOLDINGS SA with an authorised capital of $1.3 million ($10,000 has been paid up by the London subsidiary General Mining Finance Ltd.) The board includes MM. S. Combard and J. Liegard (president and director-general of Ste Transafricaine d'Etudes & d'Investissements-STI SA, Paris, a subsidiary of Charter Consolidated through Union Investment AG, Zurich) W. D. Wilson (managing director of Central Mining Finance) and B. W. Pain (the financial director of Charter Consolidated).

M. Serge Combard is also president of Charter France SA (capital Ff 100,000 - see No 401) formally established in Paris by the same group (through Charter Consolidated Services Ltd). This will offer assistance in connection with the search for, exploitation and improvement of mineral ore deposits, as well as for their sale.

** The Frankfurt UNIVERSAL KREDIT BANK GmbH (formed August 1960 - capital DM 4 million) is about to be taken over by the New York group THE SINGER CO (see No 400). The bank specialises in financing capital goods purchases in West Germany (mainly American products) and was formed by C.I.T. Financial Corp., New York through its Swiss holding company Unifinanz AG, Zug.

The Singer group already has a number of direct and indirect interests in West Germany including Singer GmbH, Frankfurt (a sewing-machine sales company and needle-producer with a factory at Wurselen), Singer Nähmaschinenfabrik Karlsruhe GmbH, Karlsruhe (industrial sewing-machine manufacturer) Königs & Bucklers GmbH, Dülken (cotton thread) Singer Alemannia Maschinenfabrik GmbH, Creussen (industrial knitting-machines) Friden GmbH, Nuremberg (office equipment) Friedrich Schwab & Co KGaA Uberlandversand, Hanau, Hesse (mail-order sales concern) which was acquired by the group in 1966 (see No 347).

** With the aim of taking part in financial moves in Africa, the German bank DEUTSCHE BANK AG, Frankfurt (see No 401) and the Italian bank BANCA COMMERCIALE ITALIANA SpA, Milan (see No 404) have each bought from the CREDIT LYONNAIS SA, Paris (see No 395) a 7.5% interest in BANQUE TCHADIENNE DU CREDIT & DE DEPOT SA, Fort Lamy (whose capital of F.CFA 100 million is being raised). These shareholdings will come out of the 49% interests acquired by Credit Lyonnais in 1962 when the Tchad bank was formed. The remaining 51% is held by the Republic of Tchad.

** The London branch of the New York BANKERS TRUST CO, (see No 388) has taken the place of the Amsterdam HANDEL-MIJ H. ALBERT DE BARY & CO NV, (see No 328 - which forms part of the Ste Generale de Banque SA, Brussels group - see No 405) as a holder of stock in the issuing establishment INTERNATIONAL INVESTMENT TRUST - I.T.T. (see No 371) managed by I.T.T. - Ste de Gestion d'un Fonds d'Investissement SA, Luxembourg.

International Investment Trust was formed in 1960 as a result of moves by the financial group Investor Overseas Services Ltd (I.O.S.) - formed some ten years ago and largely managed by Mr. Bernard Cornfeld - whose 1966 turnover exceeded $1,000 million and has assets estimated to be worth $700 million.

** The New York company directed by Mr. Philip C. Wallach, WALLACH ASSOCIATES INC, has formed a 50% subsidiary in Paris called WALLACH-AUBOYNEAU INTERNATIONAL Sarl to execute financial surveys on behalf of the companies or their shareholders and to represent and promote companies. M. Gerard Auboyneau (50% partner) is manager of the new firm, which will have an initial capital of Ff 50,000.

** UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (see Tourism) is to absorb BANQUE PARISIENNE POUR L'INDUSTRIE SA (net assets of Ff 10.2 million), and thus strengthen links in France between the Belgian EMPAIN group (see No 398) and the French SCHNEIDER SA (see No 402). This move follows the decision, earlier this year (see No 393), that these two groups should pool their French banking interests, and it will mean an increase in U.E.I. & F's capital to Ff 61,060,000.

** FEDERAL SERVICES FINANCE Sarl, Paris, which specialised in dollar loans for US forces stationed in France, has lost a great deal of business, since the majority of these have left France, and has therefore been wound up. It was formed in 1963 with a capital of Ff 10,000 by the Frankfurt firm Federal Services GmbH, which has also wound the activities of its local subsidiary, Federal Services Credit.

FOOD & DRINK

** The London group of SHOWERINGS VINE PRODUCTS & WHITEWAYS LTD has consolidated its Belgian interests by increasing the capital of its subsidiary in St-Gilles, Brussels, SHOWERINGS BELGIUM NV (formed 1963) from Bf 1 to Bf 20 million.

The British group built a "Babycham" perry factory at Malines in 1964, and in 1966 bought control of the Belgian company Ets du Comte de Looz SA (re-named Looza SA) for around £600,000. In Belgium also, it has direct and indirect control of Coboissons SA, St-Gilles, Brussels.

** A merger has taken place in France in the sphere of imports and processing of tropical foods between CIE COMMERCIALE UNIS THES SA, Paris (capital Ff 250,000) and its parent company (81%), STE DES THES DE L'ELEPHANT SA, Marseilles, Bouches du Rhone. As a result, the latter has taken over the assets of the former (valued at Ff 1.94 million gross), and increased its capital to Ff 2.15 million.

Thes de l'Elephant (regional head-office at Clamart, Hauts-de-Seine) specialises in tea and similar plants, and is owned, like its sister company, Ste Nouvelle des Ets Emile Dammann, Paris, by the Compagnie Coloniale SA group of Paris.

** The West German group RUDOLF A. OETKER, Hamburg, has strengthened its Berlin interests by gaining control of the leading fish and shellfish wholesaler LINDENBERG & CO FISCH- & HUMMERHANDEL. The group already had a Berlin branch, plus interests: Hermann Meye & Co KG (chainstores) and in Berliner Brauerei AG.

** Mr. Paul H. Farrel has been appointed president of UNITED FRUIT SA (see No 400) now formally established in Paris as a sales subsidiary of the Boston group, UNITED FRUIT CO (see No 381). The latter has long been represented in France by Cie des Bananes, which specialises in importing African fruit produce.

The new company is run by Messrs Victor Emery, Parge S. Pratt and Dennis H. Brown and has a capital of Ff 10,000. The founder shares control with two of its Boston subsidiaries, Stuart Investment Inc. and St-James Investments Inc.

** The Dutch animal foodstuffs group TROUW & CO NV, Amsterdam has opened a Swiss sales subsidiary TROUW & CO AG, Kriens (capital Sf 100,000) headed by M. Alex Kater, Mijdrecht. The founder already has similar subsidiaries in Italy, Trouw SpA, Milan (in which Veevoeding Croudstoffen Mij. NV, Maasluis has a token share) and in West Germany Trouw & Co Nord GmbH, Krefeld formed in December 1964.

GLASS

** The French glass manufacturing group BOUSSOIS-SOUCHON-NEUVESEL SA, Paris (see No 401) will strengthen its indirect industrial interests in Germany when DEUTSCHE LIBBEY-OWENS GESELLSCHAFT FUER MASCHINELLE GLASHERSTELLUNG AG (DELOG), Gelsenkirchen-Rotthausen (see No 346) takes up a proportion of the share capital of the company EUGEN FREDERICH KG, Gütersloh.

DELOG is a licensee of the American group Libbey Owens Glass Ford & Co, Toledo, Ohio (see No 387) and covers about 40% of the German market in window-glass; it is in fact controlled by the French group, which has a direct 29.9% and an indirect 20% through its Belgian subsidiary (over 90%) Mecaniver-Cie Internationale Pour La Fabrication Mecanique du Verre SA, Brussels. It is also owned 33.3% by the German company Bergwerksgesellschaft Dahlbusch, Gelsenkirchen (in which Mecaniver holds about 10%) and 4% by SOFINA-Ste Financier de Transports & d'Entreprises Industrielles SA, Brussels (see No 401). Its principal holdings include the companies Glashütte Torgau GmbH, Torgau (100%), Unionglas AG, Fürth (90.2%), Deutsche Fensterglas Ausfuhr GmbH, Frankfurt (33.3%) and the Austrian firm Erste Oesterreichische Maschinenglasindustrie AG, Brunn am Gebirge (50%).

OFFICE EQUIPMENT

** The American office equipment firm UARCO INC, Barrington, Illinois has established a firm in Germany called UARCO VERWALTUNG GmbH, Prien am Chiemsee (capital DM 675,000). It will be run by Mr Gregson Barker, president of the parent company and its function will bo to take up shareholdings in any firm in the sector both in German and other European countries. Its first operation will be to take a holding in the German manufacturer of punched cards, Systemform Endlosdrücke Für Datenverarbeitung GmbH & Co KG, Prien.

The American company had a turnover of $67 million in 1966 and employs over 3,000 people. In the United States, it controls the Globe Register Co, Pico Register Co, Manifold Co, United Autographic Register Ci, Convelope Corp and Uarco Equipment Service Corp. It also has an affiliate in London, Fanfold Ltd and another in Sydney, Uarco-Fanfold (Aust) Pty Ltd.

** The Italian manufacturer of typewriters, calculating and accounting machines ING. C. OLIVETTI & CO SpA, Ivrea (see No 397) has given its Luxembourg holding company OLIVETTI INTERNATIONAL SA (formed 1961) the capacity to expand its foreign interests by increasing its capital to $25 million.

Olivetti is represented throughout the world: it has some thirty major subsidiaries or affiliates, as well as 110 agencies in countries where it is not actually represented. It also has eight foreign factories in Spain, Britain, the USA, South Africa etc, and has an overall payroll of around 30,000.

OIL, GAS & PETROCHEMICALS

** STANDARD OIL CO OF CALIFORNIA, San Francisco, further to the recent decision (see No 401) to separate its petroleum interests in twelve European countries from those of TEXACO INC, New York, and to exploit the "Chevron" and "Texaco" trademarks independently (this business was pooled in the joint New York subsidiary Caltex-California Texas Oil Corp, and its subsidiaries), has formed a Frankfurt subsidiary under the name of Chevron Erdöl Deutschland (capital DM 20,000). The new firm is managed by Herr Jan R. Smits, and has wide terms of reference for oil-prospecting, extraction and distribution. Its registered office is on the same premises as that of Texaco Oel GmbH, which has also just been formed in West Germany (see No 402) by Texaco Inc.

The San Francisco group, which until now has only used the "Chevron" marque for its chemical and petrochemical activities, this being used by its Richmond, Virginia special division, Chevron Chemical Co (see No 401), has also just formed an oil subsidiary in London under the name of Chevron Oil Co Ltd (capital £1,000). This firm will serve as an administrative company to supervise some of the assets the group plans to acquire by the division of REGENT OIL CO LTD, London (see No 342), in which Texaco's direct and indirect interests add up to 75%. A similar company is also to be formed in Dublin, to take over the administration of some of Regent's Irish activities. For its part, the Texaco group has completed its own sales network in Europe by forming Texaco Oil AG in Zurich (capital Sf 50,000) with Mr Richard Willoch as president.

** The MONTECATINI-EDISON SpA group (see Chemicals) has reorganised its Sicilian petrochemicals interests and merged two wholly-owned subsidiaries, Augusta Petrolchimica SpA, Priolo (Lire 975 million capital) and SINCAT-Soc Industriale Catanese SpA, Palermo (see No 364), which has absorbed the former.

Sincat has Lire 60,000 million capital, and was a subsidiary of the former Edison: it has two industrial complexes in the area, the one producing 280,000 tons of sulphuric acid and 850,000 tons of nitrogen fertilizers a year, and the other (at Priolo) producing 500,000 tons of petrochemicals (base materials from the Augusta refinery of the ESSO subsidiary, Rasiom SpA). The latter breaks down into 50,000 tons of ethylene, 35,000 of propylene, and 20,000 of butadene, solvents and aromatics etc. The Priolo plant is currently being enlarged at a cost of Lire 20,000 million to produce acrylic fibres and fabrics.

PHARMACEUTICALS

** The California group INTERNATIONAL RECTIFIER CORP, El Secundo (see No 365), which has pharmaceutical interests through its American subsidiaries Rachelle Laboratories Inc and Dallons Laboratories Inc, Los Angeles (see No 405), has acquired control of the Italian chemical and pharmaceutical firm FERMENT FARMA SpA, Buccinasco-Corsico. Sig. G. Trigona will remain president and represent the former majority, and the firm specialises in antibiotics and pharmaceutical cultures.

International Rectifier makes electronic components, special alloys for coatings and electrical medical equipment. It has subsidiaries in Geneva, Brussels, Paris and Copenhagen, and is linked to the British Metal Industries Ltd, Glasgow in several joint European ventures in Italy (International Rectifier Corp. Italiana SpA, Borgaro Torinese, Torino) in West Germany (Frankfurt) and Britain (Oxted, Surrey).

** The American chemical and pharmaceutical group ELI LILLY & CO, Indianapolis, which has five manufacturing subsidiaries in Europe and a sales network covering Scandinavia, Central Europe and the Mediterranean, intends to build two factories in France, where it is already established with Eli Lilly France SA, Paris (president M. F. Robinet). The first will be at Fegersheim, Bas Rhin (where it is negotiating the purchase of a 10 hectare site) and will be operating by the end of 1968 with a staff of 400: the second will be situated at Marckolsheim, Bas Rhin, and will be built later.

The American group's other main subsidiaries are: in Germany, Eli Lilly GmbH, Giessen, Lahn; Italy, Eli Lilly Italiana, Florence; Britain, Eli Lilly & Co Ltd, Basingstoke; and in Spain Lilly Indiana de Espana SA, Madrid. Apart from medicinal products, the group manufactures and sells herbicides, and agricultural and industrial chemicals in Europe.

TEXTILES

** The leading Italian linen and hemp firm LINICIFIO & CANAPIFICIO NAZIONALE SpA, Milan, has signed an agreement with the American IRVING AIR CHUTE CO INC, Lexington, Kentucky, covering the manufacture of webbing equipment (for parachutes, aircraft and car safety belts). As a result, a joint subsidiary has been formed in Aprila, IRVING MANIFATURA INDUSTRIALI SpA.

The American group holds an important minority shareholding in Ste Generale des Parachutes, Selles-sur-Cher, Loir & Cher, and its Paris subsidiary Irving-France has appointed Specialite G. H., Courbevoie, Hauts-de-Seine, as exclusive representative for "Irvin" safety belts. In Sweden it controls a subsidiary, Irving Fallskarms A/B, and in Britain Irving Air Chute of Great Britain Ltd, Letchworth. Since late in 1965, the British textile group Carrington & Dewhurst Ltd (see No 367) has held a 30% interest in the latter company.

** The French silk company SOIERIES F DUCHARNE SA, Paris, has wound up its West German sales company, F. Ducharne Deutschland GmbH, Säckingen. The French company, whose factories are at Neuville-sur-Saone, Rhone, still keeps one foreign sales subsidiary in Brussels, Ducharne Belgique SA.

TOURISM

** Four Paris finance establishments have formed STE FRANCAISE D' ETUDES TOURISTIQUES & DE REALISATIONS ASSOCIES-FRANTOUR SA, Paris, for tourism promotion, especially for the French Cote d'Azure, where it is to promote and run a number of holiday flat developments. It has Ff 500,000 initial capital, and its parent companies are: 1) BANQUE ALEXANDRE DE SAINT-PHALLE & CIE SNC - a 31% interest, including those of its managing partner, M. Charles Defreyn, and M. Andre Pierrel, president of the Paris Hotel Baltimore; 2) UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (see this issue) - 25%; 3) STE FONCIERE PARISIENNE SA, Paris (capital Ff 1 million), a subsidiary of the state group Credit Foncier de France SA, Paris, through Cie Fonciere de France SA - 24%; 4) CIE FRANCAISE DE CREDIT & DE BANQUE SA (see No 380), which is currently regrouping with B.U.P. - ANQUE DE L'UNION PARISIENNE SA. Its president is M. J. R. Toutain, and its board embraces all four founders, with M. Defreyn representing St-Phalle.

TRADE

** The Italian store-chain LA RINASCENTE SpA, Milan (capital Lire 18,000 million) which controls the "UPIM" chain of cut-price shops and had sales worth Lire 167,700 million in 1966-67, is to simplify its internal structure by absorbing six companies in Milan, most of them property or finance companies. These include SPRIA-Sta Per Ricostruzioni Immobiliari Per Azioni (capital Lire 1,000 million), Maria Grazia SpA (Lire 500 million), Santa Radegonda SpA (Lire 280 million) and S.I.A. SpA (Lire 105 million).

** A firm has been formed in Italy to import Russian coal from the Donetsk. Headed by Signor Arnoldo Dennati (president of the timber buildings firm S.A.I.F.A.C. SpA, Trieste) SIDCO SpA (authorised capital Lire 50 million) has been registered in Venice.

Italian interests formed Polcom SpA in 1965 and Polcarbo SpA in 1966 (both in Milan - see No 345) to import Polish coal.

TRANSPORT

** Sleeping partners in the Rotterdam stevedoring concern Hudig & Pieters C.V., the Rotterdam companies STUWADOORSMIJ. MASSMOND NV and HUDIG & PIETERS' ALGEMENE SCHEEPVAART MIJ. NV (see No 356) have formed a jointly-managed company for providing supplies at sea: INTERNATIONAL OFFSHORE SERVICES (NEDERLAND) NV (capital Fl 10,000). The directors are M. L. Pieters (manager of Hudig & Pieters C.V.), and Messrs R. E. England and B. Negre (both from London).

The new company operates as part of the international concern supplying North Sea oil-rigs Internationale Dienstverleining Buitengaats NV, Rotterdam (capital recently increased to Fl 5 million) which was formed nearly two years ago (see No 315) by Algemene Commerciële Associatie NV, Amsterdam and the Scandinavian shipping concerns Skips A/S Golden West, Oslo, Smedvigs Tankrederi A/S, Stavanger and Fearnly & Egers Befragtningsforretning A/S, Oslo. In the same field Hudig & Pieters' has - through the Franco-Dutch, Nederlandse-Franse Scheepvaart Mij, Rotterdam - a 50% interest in the maritime supply concern NV Dienstverlening Buitengaats (see No 352) formed in June 1964 with Cie Generale d'Equipements Pour Les Travaux Maritimes SA, Paris.

** JOKELSON & HANDSTAEM SA, Paris (cargo handling and consignments - see No 364), which has long been linked with the Paris CHARGEURS REUNIS group (see No 280 etc), has formed Nord-Manutention Norma SA atDunkirk, Nord, in association with Cie Maritime des Chargeurs Reunis SA (see No 395). The new company is for transporting and renting cargo-handling equipment and machinery: it has Ff 12,000 capital, and is headed by M. A. Beaudel, with M. V. Mignien as director.

Jokelson and Handstaem (capital raised recently to Ff 6 million) is an almost wholly-owned subsidiary of S.A.G.A. - Ste Anonyme de Gerance & d'Armement SA (of the Rothschild Freres group, Paris, and linked with PHS Van Ommeren NV, Rotterdam - see No 405). It recently joined with SAGA in forming a similar company at Le Havre, Seine Maritime, called Ste de Manutention de Basse-Seine - Somaba SA (Ff 12,000 capital).

** Two Copenhagen businessmen MM. B. Fogh and C. R. Peterson control on a 50/50 basis the new Milan concern COMMERCIALE PORTA GIOVIA Srl (capital Lire 980,000). This will carry out all types of commercial and financial operations connected with water-transport, both inland and maritime.

VARIOUS

** Following its recent acquistion by NV Philips Gloeilampenfabrieken, Eindhoven, the British company PYE OF CAMBRIDGE LTD (see No 305) has sold to its associate BESTOBELL LTD (formerly Bell's Asbestos & Engineering (Holdings) Ltd, Slough, Bucks - see No 293) its 60% controlling interests in BELL HOME APPLIANCES LTD, London which was formed in 1964 when Bell's Asbestos took a 30% interest. The London concern specialises in household waste disposal equipment, and it will be merged with another of the group's subsidiaries Venetian Vogue Ltd, Slough which makes "Sunway" blinds. These are made under licence in many foreign countries. Bestobell now wholly-owns Bell Home Appliance, in which its managing director also holds a minority interest.

** The American group ASGROW SEED CO, New Haven, Connecticut, has extended its European interests by joining with ETS K, RINGOT Sarl, La Chapelle d'Armentieres, Nord (grain seed and seed potatoes) in forming Asgrow-Ringot SA (Ff 300, 000 capital). The new firm has M. Andre Demonchaux as president (manager of the French concern), and it is to select, import and sell hybrid maize, vegetable seeds and grain or feed millet.

Asgrow already has two subsidiaries in the Common Market: Asgrow GmbH, Hamburg, and Asgrow Italia SpA (which has three production centres).

** One of Germany's leading porcelain and ceramic manufacturers ROSENTHAL AG, Selb, in which the majority shareholder, with over 25%, is Bayerische Hypotheken-& Wechselbank AG, Munich, has increased its Dutch interests (see No 365) by forming a sales subsidiary in Amsterdam, GEUBELS INTERNATIONAL NV (president Mr. P. Rosenthal, president of the German group's supervisory council). The directors of the new firm will be Messrs Albert Kaltenthaler and J. Noteborn. Its Fl 100, 000 capital is controlled 90% by one of the group's Swiss holding companies, AG Für Keramische Unternehmungen, Zurich and the rest is held by one of its Dutch sales agents, the Groningen company H.J.A. Geubels (director Mr. Hendricus J.A. Geubels).

Messrs Kaltenthaler and Noteborn are directors of the Amsterdam sales subsidiary Rosenthal Porzelaan (BE-NE-LUX) NV which has had a branch in Brussels since 1964 (see No 248), Rosenthal's other foreign interests include companies in Italy France (Porcelaine Cristaux Sarl, formed in Paris in 1965 - see No 308), Switzerland, Sweden, Britain (two subsidiaries in London - See No 310), Austria, USA, Canada, Brazil, etc.

** The leading secondhand aircraft sales firm in Europe, the German company TRAVELAIR GmbH & CO KG, Bremen (see No 404), headed by Herr Alfred Ostermann has formed a subsidiary called Travelair AG (capital Sf 50, 000; director Mme Enid Ostermann) on the premises of its Swiss holding company ROTHEL AG, Zug.

The company's most recent moves include the formation of Travelair France Sarl, Paris (see No 402), 50-50 with the French company SERVICE-Ste d'Etudes, De Representations & De Vente a l'Interieur de la Communaute Europeenne SA, Paris (president M. Alexandre Couvelaire).

INDEX OF MAIN COMPANIES NAMED