Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

January 22 - January 28, 1968

THE COMMON MARKET

WEU: Something to Chew On

The Brussels meeting of the Western European Union brought the Foreign Ministers of the Six and Britain together for the first time since the French decision to block even the start of negotiations with London in December. In fact France was again the odd man out, for her representative was only the State Secretary for Foreign Affairs, M. Andre Bettencourt, as the Foreign Minister, M. Couve de Murville, does not attend WEU meetings. The main topic dominating the proceedings both within and outside the formal discussions, was the proposal by Belgium, the Netherlands and Luxembourg - the Benelux Plan - for closer economic and political co-operation with countries who have applied to join the Community, provided this does not damage the Community.

Despite warnings in Strasbourg from the Commission's president, M. Jean Rey, against doing anything that might hinder the functioning of the Common Market, there is no doubt now that the plan, which the British Foreign Secretary has accepted, may be able to make a considerable contribution to the closer integration of Europe in both the fields it covers. France will probably start raising the threat of a serious split in the Community, should the Benelux proposal really look like getting off the ground, but at present the policy of the Elysee is to play the matter down and minimise its importance. The plan does, however, present an effort to outflank French opposition and the fact that even Paris accepts that one day Britain will become an EEC member must to some extent make it harder for her to object to all of the proposals. The three little countries of the Community have taken great pains - and here they are certainly backed up by the public attitude of the British government - to stress that they do not intend to upset the harmonious development of the Treaty of Rome, rather they want to make it easier for eventual British membership to be achieved quickly.

The Benelux countries are more or less supported by the Italian government, and the majority of observers believe that the latter will rally to the idea of a conference grouping all the interested countries at a later date. However, the West Germans are being non-committal until the Chancellor, Dr. Kiesinger, has met General de Gaulle in Paris in mid-February for talks under the five-year old Franco-German Treaty of Friendship.

The proposals contained in the plan for political consultations between the Benelux states on major questions of common interest and on foreign policy will be extended to include other countries in Western Europe - including France - should they wish to take part. If this can be achieved, a significant step may have been made along the road towards European political unification, and the effect might well be to stimulate the European ideal once again, something which many consider is urgently needed. This political commitment to Europe would mean losses of sovereignty if it was accepted that decisions should be taken with a majority vote, but this is likely to require some time to work out. However, a joint political approach by the Five plus the Four speaking with a common voice and through a single body would not only help to give Europe greater say in world affairs, but also reduce the impression often given that General de Gaulle alone can make a policy for Europe. Although it is early days yet, such a political grouping might well prove to have a strong attraction for West Germany, in her search for improved relations with the countries of Eastern Europe, which is a major objective pursued by the Federal coalition Government. Furthermore, this might even provide the West German government with a reasonable excuse for lessening the dependence, which, in the view of observers including members of the Bundestag, it seems to have on Paris, lured by the latter's policy of forging as many links as possible with the Socialist countries of Eastern Europe.

As we said in "Comment", the Benelux plan could yet prove to be little more than a "trial balloon", put up to draw reaction and, hopefully, concrete action from the rest of the Six. Be that as it may, the proposals served to add much grist to the mill in this week's WEU meeting, and even though the plan as such will not receive the formal ratification of the Benelux heads of state before June, it looks like becoming a vital working document for the political activities surrounding the Community in the months to come. Mr. Brown suggested that, as the WEU does not take in all the countries likely to be interested in current suggestions, not only from Benelux, for forms of consultation and concerted action outside the strict realm of the Community Treaties, a meeting should be held in the near future to discuss these issues. Such a meeting seems likely to come about at the end of February or the beginning of March, after the Benelux ministers have had time to consult with governmental heads of the countries involved. (Joseph Luns will visit Britain with the Dutch prime minister on February 19 and 20) and in particular after the important meeting of Kiesinger and de Gaulle in Paris has taken place. M. Bettencourt was non-committal about France's position over the proposals and no hint was given as to what her attitude to the proposed meeting might be, even though Mr. Brown insisted that he wanted France to participate in these extra-Community links. However, to judge from reactions, one can be fairly sure that the Five will in fact attend, along with Britain and the present Scandinavian candidates, and quite possibly Switzerland and Sweden as well.

At present, the plan is useful putty in the hands of the parties involved, as they can draw upon, or emphasise, this or that aspect as it suits them. This goes, too, for Herr Brandt's suggestions last week about other forms of contact with Britain and the candidates, for in his speech on January 30, Mr. Brown dovetailed both the Benelux plan and the German idea of extending Euratom in both membership and scope into his established case for British membership, coupled as always with a renewed demand for practical action immediately and a reiteration of Britain's "all or nothing" approach (some had thought that the Benelux plan might temper this attitude somewhat). Some of the fields in which Mr. Brown thought action might be taken forthwith were company law (see Industry, below), patents and safety standards, industrial rationalisation, more joint technological projects, and the formation of a European Technological Institute.

Both he and the Benelux countries, Belgium notably, tended to stress these technical aspects, which despite certain utterances from the Commission really fall outside the immediate scope of the Community; this being a way of avoiding friction with France, which, when she has had time to digest the Benelux plan (this was the reason given by Bettencourt for offering no specific French comment) may, indeed probably will take strong exception to its political implications.

To certain of the others involved, the plan has been, it seems, a useful medium for delaying tactics, always the instinctive recourse when divergent loyalties seem to be heading for a crisis. This would appear to be the stand taken by Germany and Italy, who at least have some breathing space until the meeting proposed by Mr. Brown takes place, or perhaps for a slightly shorter time, until the next Council of Ministers meeting in February, when one of the three Benelux representatives is expected to propose further study work by the Commission on the problems raised by British entry.

As usual, after a WEU meeting, we are left waiting to see which way the cat will jump: the Benelux plan is deliberately vague, it is true, but this can equally be said of the Rome Treaty - its real importance resides in the nature and strength of the following it attracts. There are those in Europe, especially Germany, who may be expected to get "cold feet" over its wider implications, but at this moment in time it stands very much as the thin end of a wedge: it has general support, and if pursued, that support can be channelled through it to the most far-reaching changes in the pattern of European affairs.

* * *

EUROPEAN PARLIAMENT

Mitterand Warns Against Forcing Britain into the Arms of the USA

During last week's Strasbourg meeting of the European Parliament, which groups representatives of the six Common Market countries, the leader of the French Federation of the Left, Francois Mitterand, delivered a forthright speech in which he attacked Gaullist policy on the question of British entry into the Community. He was amazed that the Community, which had had no doubts over negotiating with Greece and Turkey, should have refused even to hold talks with Britain, "the very example of democracy". According to him "the refusal to work closely with Britain, the refusal to admit her into the Community, the refusal to hold talks, was to force her to strengthen her links with the United States". He agreed, however, with the approach taken by the Commission's president, Jean Rey, in opposing any attempt by the Five to take reprisals against France, or any separate move by Britain and the Five. M. Mitterand, who may well be General de Gaulle's successor in France, thought that every possibility offered by the Treaties should be looked into and utilised. The European Parliament should take active steps to increase co-operation and integration in the spheres of monetary, technological, social and cultural policy. He thought the Communities should be used in the quest for solutions to problems of peaceful co-existence between East and West.

M. Mitterand nevertheless warned his listeners against the assumption that the Five were free from taint of nationalism, especially when it comes to nuclear and transport policies or free competition for agricultural products. He wanted to see the European Parliament reflecting the composition of the national parliaments of the Six, without waiting for the assembly of the Six to be elected by direct universal suffrage, and he would like to see Communist deputies taking part. M. Mitterand further called for an effective common social policy, allowing workers to play their full part in the development of the Community.

M. Mitterand took up his reference to the Communist party and Europe a couple of days later, when he said that he "hoped they would have the realism to recognise that a Europe based on a vast market was the only way of achieving social progress for the workers..." During this second speech, to members of his party in Strasbourg, he again called for British entry, but also considered the possibility of enlarging the Common Market to take in countries in Eastern Europe, such as Czechoslovakia and Poland. The question of British entry is one of the major areas where there are differences of policy between the Federation and the Communists, since the latter seem prepared to support such a move only if Britain "renounces her priviliged links with the USA" and does not renew the NATO treaty.

*

The Urgent Need for a Common Coal and Nuclear Policy

The rapidly worsening state of the coal and nuclear industries within the Six were the main topics for discussion by the European Parliament on January 25. A report dealing with the coal industry was presented by the Belgian Liberal member, M. Leemans, and the general lines behind this were also stressed by a Gaullist deputy, M. Bousch. "After fifteen years of existence, the coal policy of the Community still depends principally on the decisions taken by national governments, which are not in any way effectively co-ordinated by a Community approach". The Parliament called for the establishment of a practical short and long-term policy for the coal industry. This should take into account the need to stabilise production according to supply and demand, and should also, on a Community basis, define the aid to be given to the industry.

Lack of Community solidarity was also the reason given for many of the difficulties now facing Euratom. The Parliament regretted that the institutional body in control of the nuclear common market had been stripped of much of its initiative in the field of technological co-operation, by the decision of the Science Ministers of the Six on December 8 (see No 439), and that national programmes were being expanded and developed at the expense of Community projects. Once again the need to ensure a satisfactory future for Euratom research staff came up, and the unanimously adopted resolution dealing with the subject declared that Euratom should have independent sources of finance and the right to co-operate much more closely with both international research organisations and non-member governments.

* * *

FINANCE

M. Werner's Monetary Plans for the EEC

In a report published last Thursday under the auspices of the government of Luxembourg and entitled "Perspectives on a European Financial and Monetary Policy", M. Pierre Werner, the Luxembourg Prime Minister and Treasury Minister, laid out a five-point plan for monetary policy reform within the Community. The report, which was issued as a government paper, will be submitted to the EEC Council of Ministers in the near future. It was followed by a speech by M. Werner last weekend, in which he argued in favour of a monetary policy having affinities with the removal of customs duties in the Community, due to take place on July 1.

The policy, which should be implemented as soon as possible, was divided into the following five sections:

1) Definition of monetary problems which the member countries could solve only after consulting the rest of the Six. Such consultations would take place in the Council of Ministers in the Monetary Committee, or in a special committee including the Finance Ministers and the Central Bank governers.

2) The definition of the unit of account should be confirmed. Until now, there has been a certain divergence between the various definitions, due to variations in the weightings given to different European currencies in the event of a change in their parities. (The unit of account is basically one dollar's worth of gold.)

3) With or without reference to the unit of account, the Six should define in detail their mutual obligations to maintain a fixed parity between their currencies.

4) Co-ordination of monetary co-operation within the Six, enabling the Community to show a common front at the International Monetary Fund meetings.

5) The mutual assistance obligations that individual members have to each other in the balance of payments field under Articles 108 and 109 of the Rome Treaty should be defined in more detail. Parallel to this measure, a joint fund for monetary co-operation should be set up, to act as a pool for ironing out balance of payments discrepancies between members, and also as a credit institution for the rest of the world.

M. Werner was of the opinion that the members of the Community should co-operate as much as possible to achieve these aims, and he outlined four major factors which made this co-operation especially necessary: the application of the United Kingdom to join the Community, the Johnson Programme to counteract the American balance of payments problem, the problems posed by international liquidity and gold parity, and the common agricultural policy.

* * *

AGRICULTURE

Significant Progress on Beef and Dairy Products

For the first time since the Community was crippled by the French veto on the British bid for entry last December, the agricultural ministers of the EEC met in Council on January 22 and 23, to discuss the critical matter of beef and milk products, for which the single market is due to be instituted on April 1 (see No 445, page 2). The Six can only be heartened by the spirit of co-operation and constructiveness that seemed to prevail throughout the session, although much of the discussion was held in camera, on the matter of the Commission's, or rather M. Sicco Mansholt's suggestions for coping with the Community's butter surplus problem (some 150,000 tons will be in stock on April 1), and the measures to be applied in controlling the single markets. The issues here are complex, because of the close interaction of the sectors in question: any action taken on milk products must inevitably affect the beef market, and if measures regarding butter are adopted, vegetable oils are also affected.

All Six of the ministers, however, were more optimistic than the Commission about the prospects of solutions being found to these problems without undue hardship being suffered by any one agricultural sector. None felt it would be necessary to reduce dairy product prices in order to increase demand, particularly to cope with butter surpluses, which could rise to 40,000 tons a year, according to Mansholt. M. Faure of France disputed this theory, and felt that even deficits were possible, but at all events fairly modest measures should suffice. There was general agreement that the dairy farming community should not have to suffer price lowering measures, and again that incentive tactics should be used to stimulate the transition to greater beef production and lower dairy output. Again, no-one disputed the fact that a prime objective should be the removal of veterinary and other legislative differences between the Six, in order to ease still further movements of beef about the Community: this in itself would be an incentive to dairy farmers to go over to beef.

There was, therefore, fairly general agreement between the Six ministers on the long-term issues, and much hard work by the special agricultural committee between now and the forthcoming meetings on February 19 and 20 (and, probably, 26 and 27) seems likely to lead to agreement on the precise market machinery to be established for controlling these two vital sectors. However, the real test of the political will of the Six to make progress - and agriculture, which, more perhaps than any other sector, has the momentum of a common policy and pursuant legislation to help it along - will come, as usual, when the deepest vested interests of the Six come to the fore. This was foreshadowed in the meeting, for the general drift of the debate, with agreement on the prevention of hardship for dairy farmers and so on, led the majority towards such conclusions as the desirability of raising the tax on margarine and vegetable oils so as to direct demand towards butter. The Dutch and Germans could well suffer by such a move, and it is probably in such spheres as this that we shall witness the eleventh hour cut-and-thrust session that has come to be expected of the arrival of an EEC deadline. Much could happen politically in the Community at large before April 1, but it will be interesting to see, regardless of events on that plane, whether the momentum of the CAP will prevail.

* * *

E.E.C. ECONOMY

Modest Upward Trend in 1968

The latest economic survey issued by the Commission indicates that during the coming year there will be moderate growth in the Common Market countries. However, the survey was prepared before the announcement of President Johnson's measures, and those for stimulating the French economy. Although it is accepted that the countries of the Common Market are likely to be hard hit by the American restrictions on overseas investment, the signs are that the Six will co-operate in trying to minimise their efforts, by acting to control interest rates, and through co-ordination, to reflate their economies. The measures announced by M. Debre in Paris last week are taken to indicate that this is the case.

*

Industrial production was showing an upward trend towards the end of the year. In West Germany demand for plant and machinery, as well as for consumer goods, was largely responsible, whilst in France, increased foreign and home consumer demand had a considerable influence. In both Italy and Belgium there has been little noticeable recovery, whilst in the Netherlands, restocking probably helped to induce a pronounced acceleration in production.

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In the Netherlands and West Germany the number of those unemployed dropped,with the largest decline taking place in the latter (just over 400,000 at the end of October). In Italy the trend towards lower unemployment continued, albeit at a very slow pace, whilst in Belgium it was slowly creeping up. In France, however, the number of those looking for jobs rose to just over 200,000. In fact, the latest figures available put this at 248,000, which on an adjusted basis indicates that there are now 450,000 out of work, the highest figure for France since 1936.

*

Consumer prices have been steady throughout the Community, and taking into account seasonal factors, it was only in France that a noticeable rise in prices occurred, but even this was largely the result of increased allowed for, or decided upon by the Government.

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The Community's balance of trade is higher than was expected when the previous survey was carried out. The backlog of export shipments caused by strikes and the Middle East crisis have virtually gone, and the "extraordinarily favourable result" of visible trade with non-member countries was also reflected in the trade balances of the Six. Thus the increase in the trade balance of West Germany and the improvement in that of the Belgian-Luxembourg Economic Union was mainly due to trade with non-member countries.

*

Trends during the last few months of 1967 indicate that the position of the metal products industries throughout the Community is improving. In Germany in particular there was a continuous rise in demand, and this in turn probably helped the Belgian industry. In the Netherlands, as the result of more shipbuilding and the start of production by a new motor factory, output increased, and in France expansion continued at a moderate rate, despite an upswing in consumer durable production. Although there are signs of a recovery in Italy, short-time working was introduced in the motor industry towards the end of the year.

*

Building permits for the Community stood at around 140,000 when the survey was carried out. The greatest increase over the previous year was recorded in Italy, rising from around 34,000 to 44,000. However, the highest Community figure was recorded in West Germany, with permits granted for some 52,000 buildings. In the Netherlands the figures were higher than in the same period in 1966 and in France the upward trend - especially in the public sector - continued. In fact the latest French measures mean than another 10,000 rent-controlled dwelling units (H.L.M.) are to be built on top of the forecast figure for the current year. In Belgium there has been a decline in building orders, and the future outlook is not hopeful.

Dealing with long-term interest rates, the survey says "If, despite the international tendency towards higher rates and its influence on the Euro-dollar and Euro-issue markets, long-term rates did not rise more distinctly in the Community, this is probably because the generally easy money and credit policy of the monetary authorities in the member countries has supported or promoted economic growth. Even where the public authorities made very substantial calls on the capital market, as they did in Germany, Belgium and Italy, no serious strains developed. Only in the Netherlands did long-term rates show a somewhat more pronounced upward tendency."

* * *

INDUSTRY

European Industrial Integration: French and British Ministerial Views

On Thursday evening at a "diner-debat" in Brussels, M. Olivier Guichard, the French Minister for Industry, held forth in favour of closer industrial integration for Europe. The elimination of customs barriers had taken priority over all other factors in the integration of Europe. This was natural, and possibly necessary, but the elimination of customs barriers should not be regarded as the ultimate aim of the Community - it was only a stepping stone on the way to complete integration. What M. Guichard held up as being of greater import in the long run was the formulation of a joint industrial policy which would lay the foundations for a more complete union in all fields. While such a policy was being formulated, the member countries should continue the medium-term joint economic programme and align their longer term economic strategy. This should be followed by a firm intention to embark upon, and, moreover, to see through the joint policy for transport, energy and taxation "in order to harmonise the functioning of companies within the Six countries of the Common Market".

The minister went on to exhort the European industrialists to forge ahead in the following fields:

1) To create the necessary legal framework for the setting up on the European company and to harmonise the legal structure of companies within the Community.

2) To adopt a common policy towards foreign investment (by third countries) and especially towards investment by the United States. "We are particularly concerned with the fate of the American firms in Europe whose capital sources lie in America, following the announcement of the President's new economic measures."

3) To inaugurate a common trade policy towards third countries which is "at one and the same time more clearly-defined and more strictly adhered to".

4) To inaugurate a common policy in the field of science and technology and to co-operate in certain of the more technical sectors of industry in development and investment.

M. Guichard went on to suggest that the ministers for industry of all member countries should meet in the near future to discuss such plans and anything else that might be of common interest. He concluded by giving a number of indicators as to what Europe might achieve with the aid of industrial co-operation: 1) she could catch up on the scientific and technological backlog from which she suffered compared with the United States; 2) the problem of competition with third countries could be attacked as a joint effort and with augmented funds; and, 3) aid to regions and sectors of the economy in difficulty would be much more easy to provide.

M. Guichard's speech in favour of closer ties in the industrial sector within Europe pas paralleled, ironically it might seem, by a rather similar speech by Mr. Anthony Wedgwood Benn at a meeting of the Consultative Assembly of the Council of Europe on Monday. He, like Mr. Wilson in past speeches, stressed the role of technology and the realities of modern industrial organisation in relation to the unification of Europe and the role of Britain in such a Europe. Mr. Benn said that the British Government welcomed the Benelux plans for consultation on a wide range of matters including technology, but Her Majesty's Government did not view this plan as a substitute for membership of the Community. Sooner or later Britain would find that her co-operation with the members of the Common Market was limited; only full economic union could ensure complete freedom of collaboration. Meanwhile, he said, "much can be done, for instance, in the creation of an infrastructure for European technological collaboration, for example, on industrial standards, company law and patents, on which the Council of Europe has already done useful work". In this context co-operation between national industrial organisations can play a very important part. This was precisely M. Guichard's line of argument, voiced in terms of the British role in European industrial integration.

* * *

EUROPEAN DEVELOPMENT FUND

Appropriations Under the Second Fund

The second EDF came into effect after the signing of the Yaounde Convention of Association between the EEC and the 31 overseas states, territories and departments in June, 1964. This Fund is at present working through a five year schedule, under which 730 million units of account will be granted for financial and technical aid to these developing associates of the European Community. Up to the end of 1967, the EDF Committee had met 28 times, and taken 223 financing decisions, accounting for some 462 million dollars' worth of aid (details of its 29th meeting, and the disbursements agreed therein are given below this article). Clearly, the 223 projects sponsored by the EDF are in many cases of modest scale, but the "way the money goes" can be broadly gleaned from the two tables that follow, which give the breakdowns, by sector, and by country, of the $462 million paid out or committed to date.

EDF APPROPRIATIONS BY SECTOR (Since June 1, 1964)
Units of account ($).

Sector	Type of Project	Project Total	Sector Total	Proportion
RURAL MODERNISATION	Aid to production Water supplies Irrigation Crop diversification Stock-raising Co-operatives Improvement schemes Research and assistance		222,790,000	48.8%
INFRASTRUCTURE	Roads Town Planning Ports Railways Telecommunications	94,018,000 26,982,000 29,014,000 7,173,000 4,000	157,192,000	34.1%
EDUCATION & TRAINING	Education Training	25,773,000 19,933,000	45,706,000	9.8%
HEALTH			26,792,000	5.8%
INDUSTRIALISATION			5,907,000	1.3%
MISCELLANEOUS			4,000,000	0.8%
TOTAL			461,887,000	

BREAKDOWN OF EDF APPROPRIATIONS BY COUNTRY

BENEFICIARY	COMMITMENT	
Associated African States	Units of Account (000s)	CFA Francs (000s)
Burundi	13,719	3,386,576
Cameroon	26,939	6,649,973
Central African Republic	18,002	4,443,848
Congo (Brazzaville)	13,733	3,390,032
Congo (Kinshasa)	37,905	9,356,363
Ivory Coast	47,471	11,718,359
Dahomey	17,789	4,391,268
Gabon	17,144	4,232,048
Upper Volta	16,787	4,143,921
Madagascar	46,686	11,524,579
Mali	15,693	3,887,864
Mauritania	13,605	3,358,435
Niger	19,961	4,927,432
Rwanda	10,860	2,682,305
Senegal	45,006	11,109,866
Somalia	14,877	3,672,432
Chad	29,452	7,270,315
Togo	5,113	1,267,096
Other Associated Countries (Territories & Departments)		
Netherlands Antilles	8,947	2,208,594
Comoro Islands	976	240,929
French Somaliland	625	154,283
Guadeloupe	375	92,570
Guiana	150	37,028
Reunion	8,102	2,000,003
New Caledonia	4,066	1,003,704
French Polynesia	869	213,515
St. Pierre and Miquelon	466	115,033
Surinam	1,176	290,299
Aid not distributed (or not broken down)	25,373	6,262,520
TOTAL:	461,887	114,018,191

First Appropriations for 1968

7 PROJECTS - $ 11 MILLION: The EEC Commission has now approved the decisions taken by the EDF Committee at its 29th meeting in December, and the projects and appropriations are listed below:

COUNTRY	PROJECT	APPROPRIATION (u.a.)
Mali	Improvement of 35 km Segou-Markala road; better links between main highway system and important rice, cotton and sugar growing region	851,000
Senegal	Extension of cotton-growing programme of 1965: 7,900 ha of rain-grown cotton to be added to scheme	2,679,000
Madagascar	Preliminary, nursery, planting and technical work on 4,050 ha coconut scheme at Sambava on east coast	4,071,000
Somalia	Education: furniture for some 90 classrooms	80,000
Surinam	Paramaribo port: construction of three transit sheds and three bonded warehouses	1,856,272
Central African Republic	Fifth annual instalment of production aid programme: price support for cotton and restructuring of this and coffee	709,000
Upper Volta	Seed treatment and crop preservation: knowhow dissemination and chemical supplies for infestation prevention	1,041,000
	TOTAL:	11,287,272

E.C.S.C.

New President for the ECSC Consultative Committee

M. Jean Martin of France, who has been president of the above body for the past year has been succeeded by M. Jean Ferry, the president of the French Steelmasters Association. Members of the Committee include representatives of those involved with the ECSC: producers, consumers and workers. In a speech after his election last Thursday, M. Ferry said that he hoped this year would see quicker progress towards a merger of the European treaties.

Last October he expressed his doubts about British entry into the EEC for the time being, "It might well worsen our existing difficulties; in the present circumstances, the entry of Britain into the Common Market could easily aggravate the position of Continental producers."

* * *

EXTERNAL RELATIONS

India Wants Trade Agreement with the EEC

According to reports from Brussels, the Indian Government would like to enter into a trade agreement with the Common Market. The aim of this would be to help lessen her trading deficit with the Six and facilitate repayment of the bilateral financial aid she has been granted by most of the Community countries. Although the Indian government has not made any formal request for the opening of negotiations, it is understood to consider that an agreement along these lines would provide a suitable framework to tackle the various questions.

Latest Community figures show that exports to India exceeded $260 million for the period January - July inclusive, whilst imports from India amounted to no more than $106 million. However, cuts in EEC tariffs as a result of the Kennedy Round should make it easier for India to export bags, sacks, carpets and footwear to the EEC.

* * *

A Cautionary Word from Monnet

"Situation tragique" - that is how M. Jean Monnet, the President of the Action Committee for the United States of Europe, described the French government's blocking of British entry to the Common Market. In a speech delivered before an appreciative audience of 600 at the Euroforum in Saarbrucken, M. Monnet spoke in glowing terms of the Europe that he hoped for, a Europe being frustrated by France's stubbornness. What the former president of the High Authority of the Coal and Steel Community and the earlier visionaries of the European ideal had envisaged was "a real economic union, uniting capital and interests in companies which are truly European - or organising scientific research or technological development no longer merely on a national basis but within an efficient European framework."

Britain had been denied one of the basic rights of our civilisation - "the right to be heard before being judged." Although Britain had not undergone the same trials as the Continent had, trials that had had a unifying force, she now realises that she cannot solve her problems outside Europe. What was so tragic was that Europe was now rejecting the only European country which could contribute technical development resources which were at least equal to those of France or Germany.

M. Monnet concluded with praise for the countries which were showing an increasing tendency towards supra-nationalism. More and more, he thought, the member countries of the Community were beginning to apply the same principles to their economic relations with other member states as they already applied to their own citizens within their national frontiers. Furthermore, he felt that the Six should work hard within the framework of the Rome Treaty to make it work and that the real path to unity was only through the Treaty. To seek solutions outside the framework of the Rome Treaty by means of such devices as co-operation or association in the old style might lead to the destruction of the Community.

VIEWPOINT

WRONG-WAY CORRIGAN FLIES AGAIN

Walter B. Wriston
President
First National City Bank

In some way, the world to-day reminds me of an almost forgotten event which took place 30 years ago. In 1938, a young man in a very antiquated airplane performed a remarkable feat of airmanship. But he did more than that. His actions illustrate almost perfectly the situation in the world to-day. That man's name was Corrigan and he announced with a good deal of fanfare that he was going to fly solo to Europe from the United States in his antique airplane. When word of this audacious venture reached the appropriate government authorities, they cancelled his permission to take off because his intended flight was too hazardous. Undaunted, Corrigan then announced that he had changed his flight plan. Instead of going to Europe he was going to fly non-stop across the United States of America to San Francisco. At the appointed time he took off from New York City, and to no one's real surprise landed later in Ireland. Newspaper headlines all over the world hailed him as "Wrong Way Corrigan".

Many will not even remember this minor incident in history, even though for a brief moment it captured the imagination of the world, as individual courage and inventiveness always do. It seems, unfortunately, to illustrate precisely the way in which the world is reversing the sound and constructive patterns that have been developed since the Second World War. There are too many people who say that we are going in a particular direction while they pursue policies that everyone knows will take us toward an absolutely different destination. In the last twenty years, the world has enjoyed an unparalleled prosperity, which was built upon a purposeful dismantling of the controls that had prevented the movement of men, money and ideas across international borders. The Treaty of Rome, which launched the Common Market in Europe, was one of the great events in our century, and it has been implemented faster than most of us would have thought possible. The success of the Kennedy Round after periods of deepest gloom has now been assured. National leaders continue to talk about international co-operation, international monetary integration and the expansion of world trade. While these shiny objectives are held before you, too many governments are pursuing policies that will take us in just the opposite direction.

In the USA, the President recently announced what amounts to foreign exchange controls. The program includes a mandatory moratorium on transfer of U.S. funds to Continental Europe for direct investment. It also requires U.S. subsidiaries and affiliates in Europe to bring back to the United States their liquid holdings and to repatriate earnings in excess of certain amounts. The restrictions on U.S. bank lending to Europeans were tightened and U.S. banks are not permitted to renew term loans but must allow them to run off as repayments occur and short term loans are also being sharply curtailed. Many of our friends in Europe applaud this program on the grounds that it represents a positive step toward a reduction in our balance-of-payments deficit. The objective of bringing our balance-of-payments into equilibrium is to be applauded, but the facts are that other than a short term effect, foreign exchange controls in peacetime never have operated effectively and, man being what he is, they never will.

Of all the people in the world, our friends in Europe know this the best. Once you start down this dismal trail you jeopardize the whole basis of our post war prosperity. We can say that our objectives are on the side of the angels. And they are. But the professional money managers of the world have known almost forever that as long as money is being created rapidly in the United States and can find a haven in other countries it will run out through channels that are not now and can never be controlled. As the French historian Michelet had tried to warn the world of what he had learned from the 18th Century Italian philosopher Vico, "Woe to him who tries to isolate one department of knowledge from the rest".

Another example of Corriganism is the current emphasis in the world upon a multi-national corporation, and quite recently an eminent scholar wrote an article proving to his own satisfaction that nationalism was dead. While the speeches are being made about the imperative necessity of true multi-national corporations in a changing world, many of the same people are at work privately deploring foreign capital in their particular industry or in their particular country. Once again we see an example of an announced destination while the real pilots are turning the world back to an age we hope we had left.

In our office at First National City Bank, we look across Park Avenue to see the U.S. corporate headquarters of Lever Brothers, which was the first major office building in upper Park Avenue, and sparked the entire renaissance of that area. This was foreign capital competing with American capital. As we look south next door, we see the handsome corporate headquarters of Seagrams Ltd., owned 100 percent by foreign capital, and competing with American capital in our own marketplace. If we look further south, we can see the Pan American building, one of the major structures in New York, put together and owned by foreign capital. As we look at the figures, we can say with certainty that European private investment in the United States is almost as much as our present investment in Europe. We are delighted with this foreign capital, for it is giving Americans jobs, products and ideas. But often when one itemizes these numbers or these facts for our friends overseas, they express amazement and then quickly say that that is different.

Still another example of creeping Corriganism is that we all vigorously support the lowering of tariffs and other barriers to trade. We have moved ahead with skill and courage on this front, but the facts are that there are those who build the non-tariff barriers as rapidly as we destroy the tariff barriers in fact, or in effect. For example, in the face of a profession for unrestricted international trade, there are numerous examples of countries that eliminate tariff barriers and then subsidize their own industries to the same effect. The Wall Street Journal recently reported that only three citizens of France bought Chrysler Imperial automobiles last year, and this in a country with $5 billion of foreign exchange reserves. The tax on an Imperial is $200 a year but on a medium-sized Simca it is only $18 a year. We see the same type of non-tariff restrictions in many countries around the world, including my own. They become mixed up with all kinds of protectionism, but they must be systematically eliminated if the world is to continue its progress. The world is too dangerous and too complex and changing too fast to go back to the narrow nationalism that produced so many civil wars in Europe.

Examples of Corriganism can be multiplied endlessly. In Freudian terms, however, Corriganism is a neurosis. It represents a sick behaviour pattern that is used to avoid facing reality. And I suggest that to-day's reality is simply that no one wants a deficit.

Following World War II, the United States acted in its own self-interest as well as that of its allies and chose to be the man in the middle of the international balance-of-payments game. It may have been fun for a while but it isn't any longer. If the United States has fumbled the ball a number of times, it is also a fact of life that no country is really eager to trade places with the United States.

Whether we like it or not, we must recognize that the world has learned to live off the U.S. deficit and enjoy it. Without the blessings of parliamentary or Congressional decrees, the dollar has become the world's currency. In free markets, where ingenuity has a way of bringing solutions to the surface, the Eurodollar market developed and the international bond market became a fact of life. The effect has been to impel international trade and investment, as well as expanding local economies which needed and developed useful money systems based on the dollar.

We seem to have forgotten that back in the years immediately after World War II, there was great concern over the dollar gap. The world encouraged the U.S. to produce a deficit in its balance-of-payments. There was even greater scepticism that the U.S. could do this easily. One of the great misreadings of recent economic history was the disappearance of the dollar gap and the emergence of a dollar surplus long before these were generally recognized. Even before the war, E.A. Goldenweiser, the top economist of the Federal Reserve Board, wrote that one of the great problems facing the world and the United States would be to achieve a redistribution of gold after World War II. We have achieved that redistribution but the demands for gold go beyond a mere redistribution. And since the dollar is the only currency linked directly to gold, the main burden of the gold scarcity falls on the dollar.

But there is a mistaken belief that the dollar is weak. It is not weak. Dollars are in demand throughout the world. Long-term bonds in the international money market are most favourably received if denominated in dollars. No one is talking about devaluation of the dollar against other currencies. The expression devaluation is a misnomer when used with respect to the dollar. What the world is increasingly anticipating is an increase in the price of gold in terms of dollars. What has happened over the past 30 years is that the scarcity value of gold has increased year by year. Gold production has simply not kept pace with the expansion of currency and credit facilities. It is possible that the dollar can succeed in passing through this crisis without a change in the price of gold. The chances would be greater if the Vietnamese war ended. But in any event, we must recognize that we stand on the threshold of the need to make orderly rational changes in the world's financial structure if we are to build a foundation for growth in world trade and investment for the decades ahead. This reform would be essential even if some other country indicated its willingness to become the world's major deficit country.

Thus, the IMF has been struggling with the problem of the gold exchange standard and the reserve currency system. An interim agreement was reached in Rio de Janeiro last September to provide for special drawing rights as a supplement to the present system. But some countries feel that before this program becomes operative, the U.S. must demonstrate its ability to solve its balance-of-payments deficit. Someone seems to have the mistaken notion that you can change the batteries in a portable radio without having the sound cut off.

We are similarly deceiving ourselves if we believe that the United States can so delicately adjust its balance-of-payments so that it will achieve just the right level of near equilibrium with a minimum discomfort to its friends overseas. This is not likely to be the case. The situation that we are dealing with here is highly volatile and if it continues to be dealt with through ad hoc measures and crash programmes, it may become explosive.

Thus, we find to-day that the world is unable to agree politically what to do about the international payments system. Major industrial countries have for several years engaged in intensifying competition to restrict and outsell others in order to avoid becoming a deficit country. Moreover, just a year ago, finance ministers of The Group of Ten met in Chequers, England and announced to the world an agreement to co-operate in reducing interest rates in their respective countries for the well-being of all economies. Central bank rates have been raised in the United States and Canada, in Sweden, Japan, France and The Netherlands. The British bank rate is at 8 percent, the highest in 54 years. In many areas rates have been increased despite sluggish economic performance. The whole idea is to avoid becoming a deficit country.

The United States must, of course, bring its balance-of-payments under control. But markets and world economies would adjust far better if the U.S. achieves this goal through monetary and fiscal policies instead of the proliferation of controls. To be sure, the world's axis is tilted - but in which direction? It is an ancient moral question as to whether the ends justify the means, and there are those who say that temporary controls to achieve specific objectives are tolerable. I suggest to you that history teaches that the means employed do, in effect, shape the ends, and it is almost impossible to have a good result achieved through bad means.

We believe in the viability of a free international money market and the closer economic and political integration of the world as the only feasible alternative to the kind of chaotic, dangerous situation that has produced so many wars, so many depreciations, and so many economic disasters. Like Wrong Way Corrigan, practically everyone articulates these objectives but we detect that privately there are forces at work in the world that might very well take us in precisely the opposite direction. We must all work toward the unity of the world if our great post-war achievement is not to pass into the history books as only a transient phenomenon.

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ADVERTISING

** The American advertising and public relations group BATTEN, BARTON, DURSTINE & OSBORN INC (see No 423) has decided to wind up its Milan subsidiary P.D.A. ITALIANA Srl, and Sig. Mario Bruno will be in charge of the operation. The group remains active on Italian soil in the presence of its agency, B.B.D.O. SpA.

P.D.A. Italiana (director Bruno Pieroni of Rome; president P. H. de Wertenholz, London) was formed only a few months ago with Lire 15 million capital by the New York subsidiary, B.B.D.O. International Inc.

AUTOMOBILES

** The Milan motor manufacturer ALFA ROMEO SpA (see No 427) has formed INDUSTRIA NAPOLITANA COSTRUZIONE AUTOVEICOLI ALFA-ROMEO - ALFASUD SpA (president G. Luraghi) in Naples to supervise the building at Pomogllo d'Arco of the car factory planned by the group several months ago, at a cost of over Lire 300,000 million. The new firm will also be concerned with the construction of a 500,000 tons per annum capacity thin sheet rolling mill in the Taranto steel complex of the Genoa group ITALSIDER SpA (see No 422).

Alfasud will be a 90-10 interest of Alfa Romeo and Finmeccanica SpA (holding company of the public I.R.I. group, which has 51% control of the Milan concern), and it has already obtained a loan for Lire 2,680 million from ISVEIMER, Naples, the Mezzogiorno Development Institution.

BUILDING & CIVIL ENGINEERING

** The Swiss wood and plastic building materials group ERNST GOEHNER AG of Zurich (mainly frames, doors and windows, etc), which has Sf 4 million capital, has extended its West German manufacturing interests by forming IBUS-WERKE GmbH in Lüneburg with Dm 6 million capital, to be managed by Herren Joseph Wissmann (Zurich) and Klaus Münzel (Lüneburg).

In West Germany, the Swiss group already held 100% control of Bartels-Werke GmbH, Langenberg üb Gütersloh (capital Dm 4 million), which employs some 1,200 people, for a turnover in 1966 of Dm 60 million. Since 1963, it has held an 85% stake in another, similar company, J. Brüning & Sohn AG, Lüneburg (employing some 700 people, for a 1966 turnover of Dm 43 million).

** NV.-MIJ. TOT EXPLOITATIE VAN ONROERENDE GOEDEREN WERELDHAVEN (capital Fl 15 million) has gained absolute control of the Amsterdam firm in the civil engineering sector BOUWBEDRIJF H. VAN SAANE NV. This firm has fixed assets estimated at some Fl 25 million; the new parent company will take over the administration of the company, and will set in motion a rationalisation programme with the aid of its own assets, which are in the form of offices, shops, apartments and workshops in Rotterdam and The Hague.

** The American building promotion and investment group GULF AMERICAN CORP of Miami, Florida (formerly Gulf American Land Corp), is to extend its trading activities in the Common Market and open a branch in Rome. The group is headed by Mr. Leonard Rosen (chairman), J. J. Rosen (president), who holds a majority interest of 57.2%, and by B. H. Herzfeld, who recently became vice-president.

Since 1963, the group has had a West German subsidiary selling sites, properties and trading centres in the USA (mainly in Florida): Gulf American Land Corp GmbH, Frankfurt, which is directed by Herr Martin Ungar of Berlin.

** The STE GENERALE DE BELGIQUE SA, Brussels, group has rationalised its interests in the building materials sector within the province of Liege. The capital of GRAVIBEL SA, Liege (see No 405), has been increased to Bf 15 million and STE DE CONCASSAGE DE GRAVIERS DE LA MEUSE-BELGICA SA has been wound up. This last named was directly under the control of Gravibel in association with Ste de Terrassements & de Constructions-Saterco SA, Auderghem (see No 394), a subsidiary of the civil engineering group Cie d'Entreprise CFE SA, Brussels, and also shareholder with Generale de Belgique (majority shareholder) in Gravibel.

** The Swiss holding companies DORINOM IMMOBILIEN AG, Glarus, and BERMOBAG AG, Zug, have linked, the former with a majority, in the formation in Milan of LUBIANA Sas, to finance building projects. The shareholding manager is M. Raymond Guggenheim of Geneva, and the share capital of the new company (directed by D. L. Daveris) is Lire 540 million.

CHEMICALS

** STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA - S.B.A., Renory-Ougree (see No 424), has made over its detergents division (assets of Bf 50 million) to its 60% subsidiary STE DES PRODUITS TENSIO-ACTIFS - TENSIA SA, Liege, thus raising its stake in the latter to 65%. Tensia (capital raised in two operations to Bf 92.75 million) has two other main shareholders: Ste Carbochimique SA, Brussels (see No 444), whose interest has been reduced to 43.4%, and U.F.I.L. - Union Financiere & Industrielle Liegeoise SA, Liege (see No 416), which is a new shareholder.

S.B.A. also recently made over to Elf Belgique SA, Anderlecht (see No 422), its liquid gas division (12% of the Belgian market with "Azogaz" and "Azotane"), thus giving it an interest in the latter of over 50%. Elf's capital thus rose to the Bf 434 million mark, and it passed from the former control of Elf Union SA, Paris (17% affiliate of S.N.P.A. - Ste Nationale des Petroles d'Aquitaine SA, after the wind-up of the group G.E.P. SA - see No 439), and its subsidiary Elf Distribution SA, Paris.

S.B.A. a few months ago made the following rationalisation moves: 1) it made over to National Lead Co of New York its 12% interest in the Belgian Derives du Titane SA, Langerbrugge (see No 416); and 2) it pulled out of the French S.N.E.S. - Ste Normande d'Extraction de Synthese SA, Anthouillet, Eure (former 27% affiliate - see No 424), which was absorbed recently by Sapchim-Fournier-Cimag, SA, Paris (see No 420).

** Specialists in the manufacture of varnishes, solvents, preparations and colours for mixing, printing inks and lacquers, the Dutch concern N.L.V. INDUSTRIELAKKEN NEFABOLINE LAKFABRIEKEN NV., Voorschoten, has backed the setting up of the Antwerp sales firm NEFABOLINE-BELGIUM Pvba (with a capital of Bf 250,000). Its 80% holding is in the hands of Mr. Albertus J.H. Bie, Leidscheudam and it is linked to local interests directed by Mr. Gerardus B. Spoorenberg of Antwerp.

** The Swiss FELDSMUEHLE AG, Rorschach (see No 392) has acquired distribution rights covering the whole of the Swiss market for the complete range of chemical products offered by the Dutch group A.K.U. - ALGEMENE KUNSTZIJDE UNIE NV, Arnham (see No 444), but with particular reference to chemical textiles.

The Swiss company, which has no ties with the Düsseldorf paper group of the same name (see No 441), a member of the Friedrich Flick group, has Sf 7 million capital, and its main products are "Bodanyl" polyamids and adhesive tape. It belongs to the Glarus holding company SASTIG - SA Suisse Americaine pour L'Industrie de la Broderie, which also has interests in West Germany, Italy, France (Cellux France Sarl, Huningue, Haut-Rhin), Portugal etc.

** The LEPETIT Sas group of Milan (see No 436) has rationalised its activities around its direct Milan subsidiary LEDOGA CONCIANTI SpA, which has absorbed the wood chemical extracts and tinctures (for leather tanning) concern TANNINI DI PALABRIA SpA, Naples (formerly at Como-Pontechiasso), and thus raised its capital to Lire 1,232 million.

** A wholly-owned subsidiary in New York of the German group HUGO STINNES AG, Mülheim, Ruhr (see No 443), the sales company for coal and iron goods HUGO STINNES CORP. (capital $250,000) has formed an allied company to sell chemical products, HUGO STINNES CHEMICAL CO.

With VEBA-VEREINIGTE ELEKTRIZITATS & BERGWERKS AG of Berlin and Bonn, holding 98% of the share capital, the Mülheim group has an annual turnover in excess of Dm 1,400 million and very diversified interests: trading in fuels, iron and steel and chemical goods, transport by sea and river, the running of port installations etc. The group has several wholly-owned subsidiaries abroad, especially in the Common Market: Agenzia Carboni SpA, Genoa; Hugo Stinnes Beleggings Mij. NV. and NV Gelderland Handel -G Scheepvaart Mij., both of Rotterdam; NV Algemeene Rotterdamsche Mij. Voor Handel & Crediet, Amsterdam; Stinnes Belge SA, Montignies-sur-Sambre, etc.

COSMETICS

** DURBAN's Sarl (capital F 20,000) has been formed in Paris with Mme Gouillard-Hermans as manager to market "Durban's" dentifrices, cosmetics and toiletries, produced in Italy by the Milan group INTERNATIONAL CHEMICAL & COSMETIC CO SpA (see No 376).

The Milan concern (headed by Sigs G. Bolchini and V. Conter) produces "Durban's" and "Chlorodont" tooth pastes, "Amoha" hair preparations, "Tricofilina" and "Leocrema" cremes, "Aerpark" deodorants, and "Razzia" disinfectants. It is exclusive agent for the French Botot (tooth pastes) and Pento (hair-care), and the British Rimmel of London. It also controls the Milan chemicals and pharmaceuticals firm of A. Brioschi SpA (see No 421), and has indirect interests in France in the soap company, Safir SA, Marseilles, through the Milan company, Saponificio Durban's SpA, in turn through its Swiss holding company Sagrom SA (see No 370), and Sig R.N. Kahla, its own director.

ELECTRICAL ENGINEERING

** A.C.E.C. - ATELIERS DE CONSTRUCTION ELECTRIQUES DE CHARLEROI SA (Empain group - see No 444) and PHILIPS - CIE INDUSTRIELLE & COMMERCIALE SA, Brussels (of the group Philips' Gloeilampenfabrieken NV, Eindhoven see No 444) have made over their respective "electrothermie" divisions at Herstal and Eindhoven to their joint St-Gilles, Brussels subsidiary ELPHIAC (see No 410).

Elphiac SA was formed less than a year ago (see No 408), and it also receives various cash assets from its founders (roughly in the proportion 1-2 between the Belgian and the Dutch partner), which raises its capital to Bf 401 million).

** CONTINENTAL ELEKTROINDUSTRIE AG, the Düsseldorf electrical engineering company (see No 276) has formed a sales subsidiary in Paris called CONTI ELEKTRO FRANCE Sarl with a capital of F 100,000. The managing director of the new venture is to be M. Georges Gaudefrou of Montreuil who comes from the Promesür SA company (see No 421), which until now was responsible for the representation of some of the parent company's products in France.

Promesur's main shareholders are as follows: a) with more than 50%, Bergmann-Electricitäts-Werke AG, Berlin (capital increased from Dm 46 to 53 million in October 1967), which belongs to Siemens AG, Berlin and Munich, Deutsche Bank AG, Frankfurt and Bayerische Vereinsbank, Munich (each with 25%); b) with more than 25%, Deutsche Continental Gas Gesellschaft, Düsseldorf, whose capital of Dm 70 million is divided between Allianz Versicherungs AG, Munich and Berlin (31%), J.M. Voith GmbH, Heidenheim (more than 25%), Elektro-Watt Elektrische & Industrielle Unternehmungen AG, Zurich (11%) and Indelec-Schweizerische Gesellschaft für Elektrische Industrie, Basle (6.4%). With a range of products which includes heavy electrical equipment, cables, machine tools, control and regulation equipment etc, the company has a payroll of close on 11,000 in its Frankfurt, Berlin, Wattensheid, Wuppertal-Vohwinkel, Hanau, Langen etc. factories. In 1966, the group turnover reached some Dm 346 million.

ELECTRONICS

** The American MOTOROLA INC group of Franklin Park, Illinois (see No 431) intends to move the European branch office of its MOTOROLA COMMUNICATIONS INTERNATIONAL INC division from Brussels to Wiesbaden. The move has been decided on as a result of joint American German mergers in the electronics sphere, and it will be facilitated by the presence of an existing Wiesbaden subsidiary, Motorola Halbleiter GmbH, formed in 1967 (see No 385). This specialises in semi-conductors.

Motorola recently signed an agreement in Britain with L.S.M. Controls Ltd., Hitchin, Herts, which will make and sell throughout Europe its "Veritrak" electronic control equipment for a wide range of manufacturing processes. L.S.M. is a member of Scientific & Electronic Industries Trust Ltd., London, which also controls the French company Seina SA (see No 246).

** INTERCONTINENTAL SYSTEMS INC, Encino, California (see No 438 - mainly computer peripherals) has opened branches in Turin and Milan to its Rome subsidiary M.D.S. ITALIA SpA, the capital of which has been raised to Lire 200 million.

The Italian company, directly controlled by M.D.S. International Inc, Kerkimer, New York, and having Herr Otto Stitz of Cologne as president, was formed in August of last year. It has sister companies in Cologne, Forest-Brussels; St-Maur, Val-de-Marne; Zurich etc.

ENGINEERING & METAL

** The American duplicating, printing and packaging machinery manufacturer, STA-HI CORP, Newport Beach, California, has decided to wind up its own subsidiary in Europe, Sta-Hi Europe SA (capital Bf 250,000), formed in Brussels in January 1964, the president of which was J.G. Rypens.

** The Aalst concern FMC PACKAGING MACHINERY NV (see No 436), a member of the San Jose, California group FMC CORP (see No 441), and specialising in machines and tools for the paper, card and packaging industries, has opened a branch at Banstead in Britain under Mr. A.R. Little.

The Belgian firm (headed by M. E.F. Sanders), which was formed only recently with Bf 1 million capital, is under the direct control of a Canadian subsidiary of the American group, FMC Machinery & Chemical Ltd., Ontario, the balance of the capital being held by various affiliates in Belgium (St Niklaas-Waas); France (Paris) and Britain (Brentford, Middx).

** The American HAMILTON WATCH CO, Lancaster, Pennsylvania has formed a West German subsidiary to its VANTAGE PRODUCTS division (formerly VANTAGE PRODUCTS INC- taken over in September 1963) called VANTAGE INTERNATIONAL GmbH, Pforzheim. With Dm 20,000 as capital, this is managed by Henri Huguenin, Biel, Switzerland.

The founder has over 4,000 people on its payroll and in 1966-67 it had a turnover of $56 million. It has considerable interests in Switzerland with a majority shareholding (acquired in 1966) in Bürenwatch Co SA, Büren, Berne, as well as a wholly-owned subsidiary in Biel, Hamilton Watch Co SA (capital Sf 1 million) which itself controls Montres Huguenin SA, Brussels, A. Huguenin Fils SA, Biel, and Hamilton Watch Co. Ltd., London. There are also two wholly-owned Canadian subsidiaries Hamilton Watch Co., of Canada Ltd., and Wallace Silversmiths Ltd., (both based in Toronto) and a 60% interest in Nippon Hamilton Watch Co., Tokyo.

** The German machine tools and precision parts concern DOWIDAT-WERKE, WILLY DOWIDAT KG, Wermelskirchen, has formed a subsidiary in Paris to represent it and promote sales, called Dowidat-France Sarl (capital F 600,000), with Alfred Buchholz of Renscheid and Guy Lachmann of Boulogne as managers.

The parent company, which recently came under the 52% control of the Saarbrucken chemical and mining concern SAARBERGWERK AG (see No 436), is also a 26% affiliate of the Ingolstadt car manufacturer Auto-Union GmbH (of the group Volkswagenwerk AG, Wolfsburg), the remaining capital being held by the Dowidat family (22%). It has some 550 on its payroll, and in West Germany controls Dowidat GmbH, Remscheid, and Dowidat Saar GmbH, Hasborn.

** The Swedish GOMEX VERKTYG A/B, Kolmar (woodworking tools and machine tools - see No 433), has set up its second EEC sales subsidiary in Amsterdam. This is called Gomex NV (capital Fl 200,000 authorised), and will be directed by Gunnar Wikner, who also runs the German subsidiary Gomex Werkzeug AG at Harrislee, Flensburg, with a branch in Herford.

The Swedish company is also established in Britain, with Gomex Ltd, London.

** CIE ROYALE ASTURIENNE DES MINES SA, Brussels (see No 439), an affiliate of the groups UNION MINIERE SA, Brussels; NAGELMAKERS, Liege, and BANCO ESPANOL DE CREDITO SA, Madrid, and of a number of nationalised French insurance groups, is to rationalise its French business by absorbing one of its almost wholly-owned subsidiaries, USINES DE PRODUITS CHIMIQUES DE THUN SA, Thun, Marne.

The Thun company ran a zinc foundry (8,500 tons per annum) at Mortagne-du-Nord, complete with a blend-roasting plant and one for producing sulphuric acid by the lead-chamber process, but the parent company has a better equipped foundry of its own at Auby-les-Douai, Nord, which is not only larger, but is currently being modernised, especially by the incorporation of a fluoro-roasting blending plant (as already used by the group in its Norwegian factories). It has further made over its Tonnay, Charente Maritime, sulphuric acid and superphosphate works to a 50% subsidiary called Asturonia SA (see No 406), although it has retained its zinc works at that location.

** Founded in April 1966 (see No 348) as a result of a 50-50 association between the New York group RHEEM MANUFACTURING CO (see No 445) - through its subsidiary RHEEM INTERNATIONAL INC, New York - and the manufacturer of safety valves and control instruments NV FABRIEK & HANDELSBUREAU "NEDERLAND", Haarlem, RHEEM NEDERLAND NV, Haarlem (capital Fl 1 million), is planning to invest Fl 600,000 in the construction of a factory for the manufacture of natural gas water heaters for central heating at Bergum. These goods have been produced for the past six months or so in a section of a factory made available to the firm by Lichtmastenfabriek NV Nederland, Bergem.

The other interests of the American group in Benelux are Hoffman Rheem Machinehandel NV, Amsterdam (formerly Hoffman Machine Mij. NV), Hoffman Rheem Machines (Belgium) SA of Schaerbeek-Brussels, and T.M.T. - Travail Mecanique de la Toile SA, Forest-Brussels, which is also a direct shareholder in the group.

** DEMAG AG, Duisburg (see No 444), is to clinch its co-operation arrangements with ANKERWERK NURNBERG GmbH, Nuremburg, which makes plastics-processing plant, by making over to it its injection moulding presses division.

The Nuremburg company, which has no links with the Bielefeld office equipment concern Ankerwerke AG (see No 402), became a limited liability company late in 1967. It has Dm 15 million capital (shared 50-50 by Herren Norbert Chatelet and Herbert Goller), employs some 700 people, and had a turnover approaching Dm 30 million in 1967.

** The French civil engineering plant concern RICHIER SA, Paris (see No 435), has acquired a large majority holding in BENOTO - STE FRANCAISE DE CONSTRUCTION DE BENNES AUTOMATIQUES SA, Paris (factory at Bethune), wherein to date it has held only relatively few shares. This reorganisation of Benoto's capital has also made possible the admission of a new shareholder, STE CONTINENTALE DE MATERIELS DE TRAVAUX PUBLICS SA, Suresnes, Hauts-de-Seine, a member of the group R.N.U.R. - Regie Nationale des Usines Renault SA (through SAVIEM - SA des Vehicules Industriels & d'Equipements Mecaniques, Suresnes - see No 433).

Benoto has F 10 million capital, a turnover of around F 50 million (half for exports) and about 80 people on its payroll. Its main products are bucket grabs, augers, bulldozers, tipper-trucks, pumps, drag-lines, wharf cranes, continuous materials-handling plant, suction-dredges (La Mauve), drilling equipment, etc. In France it controls SICOMA - Ste Industrielle & Commerciale de Manutention SA, and it is associated in the United States with Benoto Inc.

** The German manufacturer of lifting and handling equipment, screens, welding equipment, etc. HEIN LEHMANN & CO AG, Düsseldorf (see No 426), has taken a 40% interest in the Barcelona company TAMICES & REJILLAS INDUSTRIALES SA (capital Pts 3.75 million), in association with the Spanish company Riviere SA, Barcelona (capital Pts 30 million), for the balance.

Belonging 50% to GEBRUDER STUMM GmbH, Neunkirchen, Sarre, and over 25% to PREUSSAG AG, Hanover (through its subsidiary Kohlen Säure Industrie AG, Düsseldorf), the German concern employs close on 2,000 people. Its principle subsidiaries abroad are: in France - Machines & Accessoires pour Criblage, Essorage, Tamisage, Preparation SA, Mauberge; in the Republic of South Africa - Hermann Screens Manufacturing Co and Perforation & Conidure (Pty) Ltd, both in Johannesburg; in Brazil - Vibrotex Telas Metalicas Ltda and Conidure Chapas Perfuradas Ltda, both of Sao Paulo; in India - Hein Lehmann (India) Ltd, Calcutta (in which the state-owned concern Deutsche Entwicklungsgesellschaft - D.E.G., Cologne, took a 23% holding in June 1967 - see No 426).

** The Italian farm machinery manufacturer RUTA SpA, Moncalvo, Asti (especially grain elevators and balers), has formed a subsidiary in the Mezzogiorno called Rota Sud SpA, Roccamonfina, Caserta. This has Lire 1 million capital, and its president is Sig. C. Antonini, sole director of the parent company.

** The Dutch oil and gas plant and equipment concern, BAAY-TARTARINI NV, Alphen a.d. Rijn, has formed a sales subsidiary in Düsseldorf called Baay-Tartarini GmbH with Dm 100,000 capital and Mr. Pieter K. Baay as manager.

** The American company NFC INTERNATIONAL INC of Mount Vernon, New York state, has set up its first European subsidiary in Rotterdam, NFC INDUSTRIES EUROPA NV with a capital of Fl 75,000. Directed by Mr. Walter Fischer of Acton Trussell, Staffs, the firm will concentrate on the machinery sector and on the complete fitting out of food factories with machinery and installations.

** The New York group A.M.F. - AMERICAN MACHINE & FOUNDRY CO (see No 424) has concentrated its Italian interests around its Milan subsidiary A.M.F. Italia SpA (president Rodney C. Gott), which has absorbed BOWLING D'ITALIA SpA, Milan, having first gained outright control of it.

Bowling was formed in March 1962 to build and run bowling alleys, and in 1966 it absorbed a similar company in the group called Bowling del Nord SpA, Milan.

** The Dutch chemical and pharmaceutical production plant concern, NAUTAMIX NV, Haarlem, has formed a Swiss subsidiary (administration) called Nautamix Patent AG, Zug (capital Sf 50,000), which is to be run by M. Antonio Planzer.

The parent company (150 on payroll - headed by Mr C. J. Nanta) has subsidiaries in West Germany, Nautamix (Deutschland) GmbH, Wesseling; in Britain: Nautamix (U.K.) Ltd, Witham, Essex, and in South Africa: Nautamix (Pty) Ltd.

** MACHINE FABRIEK C. NIHOT NV, Amsterdam, the manufacturer of ventilation and dust-extraction equipment for industry, has set up a sales subsidiary in the United Kingdom - NIHOT AIRTECHNICS (U.K.) LTD, with a capital of £100. The new company will represent the subsidiary, Nihot Luchttechnicken NV in Britain; the latter company produces air extractors (extractor fans, compressors, separators) for wool dust, steam, smoke, wood shavings, condensation, etc.

FINANCE

** Sig. Michele Sindona of Milan (see below), is an associate partner and sole director of the portfolio company MABUSI ITALIANA Sas, Milan, recently formed with a partnership capital of Lire 1 million, controlled by the holding company Mabusi Beteiligungs AG, Vaduz, Liechtenstein.

Director of Fasco Italiana Sas, Milan, and of the holding company Fasco AG, Vaduz, Sig. Sindona recently sold off his minority holding in the American paper group, Brown Co, which he acquired in 1964, to Gulf & Western Industries. In 1967 he sold off the holding which he had bought in the food group Libby, McNeill & Libby of Chicago in 1963 (see No 412) to Nestle Alimentana SA, Vevey, Switzerland. His most recent moves in Italy have been the formation of Spida SpA, Messina, Voripak SpA, Milan, and Ital-Amertec SpA, Milan (see No 428).

FOOD & DRINK

** The Belgian food-canning group LA CORBEILLE SA, Wespelaar, having decided in April 1967 to shut down production in Italy, is to sell the factory built in 1960 at Poviglio, Reggio Emilia, near Parma, by its subsidiary La Corbeille SA. This enterprise made a loss of Bf 4.94 million in 1966.

The Belgian group (capital Bf 40 million) recently intensified its manufacturing and sales co-operation with its Belgian affiliate NUCA - Nouvelle Usine de Conserves Alimentaires SA, Westmeerbeek.

** The American poultry-breeding group KIMBER FARMS INC, Niles, California (see No 443), has increased its sales coverage of the Common Market by forming a subsidiary in Bologna called Kimber Farm Italia Srl (capital Lire 900,000), directed by Mr. Roger A. Decraecker.

The American group, which is headed by Mr. Arthur C. Kimber, has a finance subsidiary in Switzerland, Agresco SA, Lausanne, which has a Brussels branch; and Kimber Farms or Kimberchiks subsidiaries in the Netherlands (Amsterdam), West Germany (München-Gladbach) and France (Bercheres, Eure-et-Loir).

** SOFAG - SA FINANCIERE D'AMINISTRATION & DE GESTION, Brussels, a member of the Amsterdam group NEDERLANDSE OVERZEE BANK NV (through Nederlands-Overzee BeleggingsmijNV) and Mr. Johannes L. C. van der Eyken of Roosendaal have taken interests of 70% and 29.8% respectively in the formation in Belgium of a fresh and canned meat trading concern called OSKA NV, Essen (Bf 2.5 million capital).

Mr. van der Eyken also manages the Belgian Saubel Pvba, Ekeren, and the German Lupi Handels GmbH, founded in Duisburg in 1964 with Dm 20,000 capital, each of which have a token shareholding in the new venture.

** CORN PRODUCTS CO, New York (starch, glucose, dextrose, etc. - see No 444), has rationalised its French interests around STE DES PRODUITS DU MAIS SA, Clamart, Hauts-de-Seine. This has absorbed DESA - Deshydratation des Produits Agricoles SA, Clamart and Vieillevigne, Loire-Atlantique, which had gross assets of F 4.48 million, and which was already under the other's control.

Produits du Mais (capital F 52.7 million) has factories at Gennevilliers, Hauts-de-Seine; Haubordin, Nord; Nancy, Meurthe-&-Moselle; Arches, Vosges; Herqueville, Eure, and Illkirch, Bas-Rhin. It has a sister company named Ste Funk France SA, Clamart, formed in 1960 and specialising in seed grain.

** The Italian delicatessen concern SALUMIFICIO MILANO SpA, Milan, has made a reciprocal representation agreement with the French canning company WILLIAM SAURIN Sarl, Lagny, Seine-et-Marne (see No 364).

The Italian firm (capital Lire 800 million), which has Sig. A. Noseda as president and A. de Marche as director, is controlled by Swiss interests. William Saurin, which is linked with several other French groups in a sales promotion subsidiary for overseas marketing, Solimac Sarl, Paris (see No 352), has since the end of 1964 had its own sales representation in West Germany (see No 284).

** The Belgian BRASSERIE ARTOIS SA, Louvain, best known for its "Stella" beers (see No 400), and headed by M. R.Boon, has decided to wind up a 71% subsidiary called Brasserie Cavenaile - Ets du Rieu Saussez SA, Dour (capital Bf 38.5 million).

Brasserie Artois (capital Bf 800.12 million) in 1967 acquired from the Dutch Bierbrouwerij de Drie Hoefijzers NV, Breda, its controlling interest in the Belgian brewery of Brasserie de la Chasse Royale SA, Auderghem.

** In the Italian wine industry, V.I.V.A.M. - COMMERCIO INDUSTRIA VINI AFFINI MARSALA, Scafanti, Salerno has taken over BRUNO FERRARI Sas, Persico Dosimo, Cremona (see No 406). Civam has thus raised its capital to Lire 250 million, mainly through receipt of the Mezzogiorno wine concern, Bruno Ferrari Sud.

** The Dutch cheese export co-operative FRIESCHE CO-OPERATIEVE ZUIVEL EXPORT VERENIGING "FRICO", Leeuwarden, whose expansion programme has already been marked by its takeover of the Dieme sales concern, W.M. De Hoop NV (see No 444), has now gained control of two other firms in the sector. The first is the Alkmaar cheese company, KARPERTON KAASFABRIEK NV (capital Fl 250,000), which employs some 90 people, and the second is the export firm, EXPORTMIJ GRONDSMA NV, Leeuwarden which employs about 40 people, and specialises in sales of Dutch cheeses to European and other countries.

"Frico" is a subsidiary of Co-operatieve Condensfabriek Friesland, and is thus a sister concern to Friese Co-operatieve Zuivelfabrieken and Handelmij Friedland-Belgie NV, Brussels.

INSURANCE

** NV MIJ VAN ASSURANTIE, DISCONTERING & BELEENING DER STAD ROTTERDAM ANNO 1720, Rotterdam, a member of the group ASSURANTIECONCERN STAD ROTTERDAM ANNO 1720 NV (see No 266), has formed a wholly-owned property building and administration subsidiary in Rotterdam called Woningbouw- & Woningexploitatie-Mij "Hoofdpoort" NV, with an authorised capital of Fl 3.5 million.

Assurantieconcern heads a group that also comprises NV Versekeringmij "Azie"; Versekeri ng Mij Te Rotterdam Anno 1825 NV; Assurantiemij "Mosa" NV; NV 's GRAVENHAAGSCHE MIJ TER VERZEKERING TEGEN BRAND- & Zeegevaar and Zee & Brand Assurantie Societeit Te Rotterdam Anno 1817, all of which are in Rotterdam.

OIL, GAS & PETROCHEMICALS

** The Brussels PETROFINA SA group (see No 441) has rationalised its Belgian interests by acquiring complete control of one of its exploration subsidiaries PETROBELGE-STE BELGE DE RECHERCHES & D'EXPLOITATION PETROLIERES SA, Brussels (see No 294) and has dissolved it. The latter's exploration rights covered nearly 700,000 acres in the provinces of Namur, Liege, Limbourg and Luxembourg, and in 1965 its capital was reduced to Bf 175 million.

PAPER & PACKAGING

** The Milan group FASCO ITALIANA DI M. SINDONA Sas (see No 427) has, through its New York subsidiary Fasco Inc (see No 410) sold for $15.5 million its 23% interest in the Berlin, New Hampshire, paper company of BROWN CO (see No 388), to the New York GULF & WESTERN INDUSTRIES INC group (see No 399), which has Mr. David N. Judelson as president.

Brown Co (president Mr. Frank T. Peterson) planned a merger with the Riegel Paper Corp, but nothing came of the scheme. The group has branches in Brussels and Milan, and late in 1966 it gained control of the Italian paper and card concern SAIFECS - Industria Fibre & Cartoni Speciali SpA, of Milan and S. Giovanni Lupatopo.

** The German metal and plastic packaging concern, PANO-WERK, ING PAUL NOFER oHG, Brunsbüttelkoog, has formed a Swiss subsidiary, Panovac AG, Zug, with Sf 100,000 capital and Herr Paul Nofer as president.

** BARONE FRANCE Sarl (capital F 20,000 - manager M. F. Gonay) has just been formed at Aubervilliers, Seine-St-Denis, to import and distribute wallpapers and decorative panels made in Italy by SpA GIA BARONE AMBROGIO & FIGLIO, Turin and Milan.

The Italian company (capital Lire 108 million - president Sig Gianfranco Fedrigoni) is linked with the paper groups Cartiera Fedrigoni & Co SpA, Verona, and Cartiera del Varone SpA, Riva del Trento.

PLASTICS

** The Dutch ROYAL DUTCH SHELL group (see No 444), which is simplifying its structure in France, has had C.F.P.C.S. - CIE FRANCAISE DES PRODUITS CHIMIQUES SHELL SA, Paris (capital F 117.5 million), absorb S.E.S. - STE DES ELASTOMERES DE SYNTHESE SA, Paris and Berre l'Etang, Bouches-du-Rhone (see No 339).

S.E.S. is the largest French producer of synthetic rubber and elastomers (which are marketing by C.F.P.C.S.), and it has F 100.5 million capital and net assets of F 26.1 million. Since 1965 it has had a direct 25% interest in C.F.P.C.S. (a 40% subsidiary of Cie de Raffinage Shell Berre SA, itself a 60% subsidiary of Shell Francaise), in return for contributions of property assets to Berre. Control of it was until now shared between the Dutch group (64%), Produits Chimiques & Raffineries de Berre SA, Paris (71.37% subsidiary of Cie de Saint-Gobain SA - see No 439), and the British and French rubber groups Dunlop Rubber Co Ltd (through SA de Pneumatiques Dunlop, Paris) and Kleber-Colombes SA, Paris.

** An agreement on industrial rationalisation in the silicone chemicals sector has been concluded in West Germany between FARBENFABRIKEN BAYER AG, Leverkusen (see No 445), and TH. GOLDSCHMIDT AG, Essen (see No 418). Bayer's will concentrate from now on on the production of elastomers, whilst Goldschmidt will specialise in the manufacture of stabilisers for polyurethane foam.

PRINTING & PUBLISHING

** The West German record firm INTERCORD TON GmbH, Stuttgart, is about to establish a sales network in Austria and Switzerland. Formerly called Eurocord Ton GmbH, it is the wholly-owned subsidiary of DEUTSCHE BUECHERBUND KG, Stuttgart - a member of the Holztbrinck stationery group Karlsruhe (see No 439).

The latter has already a number of foreign interests: Aeropagus NV Nederlandse Lezerskring, Amsterdam; Coron Verlgas GmbH, Zurich; and Bücherbund, Buch- & SchallPlatterhandel Verlags GmbH, Vienna.

RUBBER

** The leading West German rubber group CONTINENTAL GUMMI-WERKE AG, Hanover (see No 443), has continued to diversify its activities with the acquisition of control of ALSA-WERKE ALFONS SAUM oHG, Verzell uber Schlüchtern. This makes casual footwear and materials for the shoe industry; with some 700 people on its payroll, its turnover in 1966 reached Dm 25 million.

The group's president is Herr Georg von Opel, and its latest foreign move was the formation of Continental Tyres & Robber Co Ltd, West Croydon, Surrey (see No 443).

SHIPBUILDING

** Two Milan firms, ITALMARINE Srl and MOTOMAR-SOC. CONCESSIONARIA MOTORI MARINI SpA, have backed the formation in the same town of STERN DRIVE Sas (share capital Lire 50 million), which will import and sell marine engines and sailing craft.

Motor Marini was formed in 1961 with a capital of Lire 10 million (now Lire 50 million) with the Liechtenstein holding company Cedar Trust, Vaduz, as majority shareholder. It is run by Signori A. B. Baldini and A. de Cristofano, who along with Signori F. Ceruti and A. Ceruti of Italmarine are in charge of the new firm.

TEXTILES

** The interests of one of the leading Italian wool groups MANIFATTURA LANE GAETANO MARZOTTO & FIGLI SpA, Vadagno, Vicenza (see No 386), have been strengthened through the acquisition of two new Valdagno subsidiaries INTERMAR SpA and MARATTES SpA. Both are headed by Signor Carlo Riedo and both have an authorised capital of Lire 500 million.

Marzotto began to use its new industrial complex at San Giorgio di Nogaro, Udine, in May 1967, when the subsidiaries created specially to operate from the complex (Autan SpA, Ausatex SpA, Ausapelli SpA and La-Nor SpA - see No 368) became operative. A short time ago Marzotto acquired two other industrial sites at Mezzocorona and Cles, Trento. As a result, two property and financial management subsidiaries, Emme Alfa SpA and Emme Beta SpA - both under Sig. C. Riedo - were set up.

** The Dutch family group SWAGEMAKERS-BOGAERTS NV, Tilburg (wool and synthetic threads) has vormed a sales subsidiary called FILES D'AQUITAINE Sarl in Paris, with a branch in Pessac, Gironde. This has F 100,000 capital, and is managed by Mr. E.P. Swagemakers, who takes over from J. Merklen, temporarily delegated to this office.

The Dutch group is based mainly on two companies, both in Leyden: Kamgarnspinnerij Afd. Swagemakers-Bogaerts NV (thread for curtains and knitteds) and Strijkgarenspinnerij Afd. Swagemakers-Bogaerts (carpets and furnishing fabrics).

** The German wholesale textiles trading concern WERKA TEXTIL GmbH, Osnabrück, has formed a Swiss sales subsidiary, Werka Textil AG, St Gall, with Sf 50,000 capital, and which is directed by Herren Karl-Heinz Schierberg of Osnabrück and Werner Schmidt of Quarten.

** The Turin textile group GRUPPO FINANZIARIO TESSILE Sas - headed by the Rivetti family (see No 402) - has decided to close down one of its French sales subsidiaries LINE & LANE SpA, Paris (see No 386) and Signor Stefano Rivetti of Maratea, Consenza, will be responsible for carrying out this move. The French firm was set up five years ago through the Swiss holding company Finanziaria Incremento Agricoltura & Industria SA, Bellinzona, Ticino, but was directly controlled by Lini & Lane SpA, Tortora, Cosenza. In late 1966 its capital was raised to F 425,000.

The Italian group also controls the Milan Lanifici Rivetti SpA (capital Lire 5,600 million). It still has an interest in Sovefi FA, Paris - through its subsidiaries Unione Italiana Tessuti Unites Srl and Esmeralda Srl, Turin - in which it is associated with the French group Prouvost, through the holding company based in Roubaix, Intexal SA.

TOURISM

** The German hotel concern, GRAND HOTEL CONTINENTAL -SILLIG, Munich, has formed an Italian subsidiary under the name S.A.B. -STA ALBERGI CALABRI of Tropea, Catanzaro, to run a hotel complex in Calabria. The new company has obtained a 5 hectare plot on the coast at Tropea on which a de luxe hotel with 560 beds will be built; the architects are the German, Hurlimann of Munich and the Italian E. Doraldo.

TRADE

** Belgian investors represented by M. Maurice van Dienst of Wemmel, and Moroccan backers under M. Georges Gray of Casablanca have taken 48.8% and 51.2% respectively in forming the fruit and vegetable import and trading concern O.C.A. BELGIQUE Pvba in Antwerp, with Bf 250,000 capital.

M. Gray formed a similar alliance last February with German interests, represented by Herr Willem van der Schalk of Hamburg, when they formed O.C.A. Frucht-Import GmbH in Hamburg with Dm 20,000 capital.

** The Dutch international trading concern BORSUMIJ-WEHRY NV, The Hague (see No 425) has backed the expansion of its two Belgian affiliates. The capital of the first, SOCOBENE NV, Molenbeek (formed in 1953 and directly controlled) has been raised to Bf 2 million, while that of the second SA GEO WEHRY & CIE SA, Brussels (controlled by Geo Wehry & Co International NV, The Hague) now stands at Bf 10 million.

** TRADEX INTERNATIONAL SA STE TRANSATLANTIQUE D'EXPORATION & DE DEVELOPPEMENT ECONOMIQUE, Paris (see No 440), the French international trading concern in capital goods, has formed a Milan subsidiary TRADEX ITALIA SpA (capital Li 25 million): the president of the firm is M. J.Bataille and the managing director M. M.Trellu.

Formed at the beginning of 1966 by M. Jacques Bataille, Tradex International already has a number of subsidiaries abroad, notably at Liege in Belgium, Vienna, Austria, Weybridge, Surrey, Montreal, Canada and New York.

TRANSPORT

** The Italian transport and freighting concern A. MERZARIO (CASA DI SPEDIZIONI) SpA, Genoa (see No 268), which is linked with the Genoese shipbuilding and repair group, INDUSTRIALE MARITTIMA SpA, has set up a subsidiary in Rotterdam called Andrea Merzario International Transport- & Expeditiebedrijf NV.

The new company (president Eugenio Belloni of Milan) has Fl 240,000 capital, 50% paid up, which is held by Sig Enrico Belloni (director of the Genoa group), and by the Swiss subsidiary of the group, SA Andrea Merzario, Chiasso, which has control.

** The German international transport concern ATEGE - ALLGEMEINE TRANSPORTGESELLSCHAFT VORM GONDRAND & MANGILI mbG, Frankfurt, has formed a similar company in Vienna under the name of Atege Transport GmbH (capital Sch 100,000), with Herren August and Karl Tree and Franz Kittenberger as managers.

The Frankfurt company (capital Dm 2 million), which has 25 branches in the Federal Republic, is affiliated to the Paris group Gondrand Freres SA (see No 417), through its Swiss holding company International Transport Co Gondrand Freres Ltd., Basle.

** Two warehousing and loading concerns, HEINRICH HANNO & CO, NV, and DEKA TRANSPORT MIJ. NV, (see No 362) have decided to rationalise their warehousing activities by amalgamating their divisions in this sector.

Heinrich Hanno belongs to the Hanno group and is thus a sister company to Hanno Delfstoffen NV, and Stuwadoorsbedrijf Hanno NV, both of Rotterdam. Deka is a wholly-owned subsidiary of the German chemical and metallurgical concern Duisberger Kupferhütte AG, Duisberg (see No 368); 90.52% of the Dm 42 million capital is divided equally between Farbwerke Hoechst AG, Frankfurt, Farbenfabriken Bayer AG, Leverkusen and BASF, Ludwigshafen. There is a sister company in Hamburg, Deka-Schiffahrtskontor GmbH, which specialises in sea and land transport and brokerage.

** Two rationalisation operations have been carried out within the French group, S.A.G.A. - SA DE GERANCE & D'ARMEMENT (see No 420) which is itself a member of the ROTHSCHILD FRERES SA group of Paris. The group has absorbed on one side its sea and inland waterway fitting out and shipping subsidiary, Ste Nationale d'Affretements SA (capital F 5.37 million - see No 397). On the other side, it has caused its subsidiary, JOKELSON & HANDSAEM SA, Paris (see No 407) to take over four affiliated administration, commission, transit and marine transport companies: Sobem Sarl, Bordeaux, Jokelson & Handtsaem, (Brest) Sarl Brest, Finistere, Ets. Paul Gauttier SA, (St. Malo, Ile-et - Vilaine) and Agence Maritime France Atlantique SA, Rouen, Seine Maritime.

Jokelson has also acquired control of the depository and goods handling side of Union Maritime SA, Rouen (capital F 3 million and affiliate to S.A.G.A.). As a result of these operations the firm's capital has been raised to F 7.88 million).

** SIDOR SA, Panama, set up in 1960 with a capital of $30,000 to buy, sell and charter out ships and to operate in all fields of marine transport, has opened up an office in Milan under Mr. Halim R. Hanna to represent its interests in Italy.

** HALL & CO. A/B, Halsingborg, the Swedish marine brokerage agency, has formed a company called TRAVE-LINE GmbH in Lübeck - Travemünde. With a capital of Dm 20,000, the new company will pursue the same line of business as its founder and its board will consist of Messrs. Carl Hall, Hälsingborg and Carl Meijer, Halmstad.

VARIOUS

** The West German producer of plywood WESTAG & GESTALIT AG, Widdenbrück, has now carried out the decision taken in September 1967 to sell a 67% interest in STE INDUSTRIELLE IVOIRIENNE DES BOIS -SIBOIS SA, Abidjan (see No 429) to CEGEPAR-CIE GENERALE DE PARTICIPATIONS & D'ENTREPRISES SA, Paris (a 16.34% affiliate of Banque de Paris & d s Pays-Bas SA- see No 444).

Sibois (the German firm keeps a 7.3% stake) was formed in 1963 to operate a barking factory which started up on 1964. With a capital of Cfa 600 million, it is a 27.7% affiliate of the Paris bank Rivaud & Cie Scs. Credit Commercial de France has recently become a 20% shareholder in the latter (see No 445).

** The Belgian manufacturer of kitchen equipment for catering establishments, TAVO NV, Reet, Antwerp, has signed a reciprocal agreement with the British firm ANTOCKS LAIRN LTD., covering manufacture under licence and sales.

Tavo has several Common Market sales representatives: Tavo Nederland, Coirle- Odeto GmbH, Neuss, and Ets. J. Kaufmann, Luxembourg-Bennevoie. It has also set up a British sales office TAVO (U.K.) LTD., High Wycombe, which will be run by Mr. G. Hermon, export director of Antocks Lairn.

** RECORDIA GmbH, an organisation and management consultancy concern formed a few months ago in Luxembourg by German investors, has opened a branch in London under Mr. John Bailey.

The Luxembourg firm (capital Lux F 240,000) is controlled by Herr K. Flaskamp of Frankfurt, and is managed by Herr Hansjörg A. Reinecker of Saarbrucken, who holds a 30% interest.

** The leading American computer consultancy, THE DIEBOLD GROUP INC, New York and Washington, has strengthened its interests in France by establishing an indirect Paris subsidiary, DIEBOLD CONSEIL Sarl (a 60% interest - capital F 20,000), whose manager is M. Ph. Leboucq, president of the subsidiary DIEBOLD FRANCE SA, Paris. This was formed in 1960 and has been affiliated for the past three years to the Rothschild Freres SA group. In 1967 it acquired control of the French market survey group IRCOM - Institut Francaise de Recherches Economiques & Commerciales Appliquees (formed in 1963 by M. Ch. Julienne).

The American group has several other European subsidiaries: in Brussels (Diebold Europe SA, headed by M. A. Chargueraud), Amsterdam, Hengelo, Frankfurt, and London. Some months ago it formed Diebold Computer Leasing to deal in third-generation computers under Mr. R. Weindling. The latter's equipment will be available to time-sharing firms in the United States and Europe. Other parties in the new company are Commercial Credit Co, Baltimore, and Bankers Leasing Corp (part of the Southern Pacific Co), and it has an initial working capital of $85 million.

** HARBERT ITALIANA Sas, the Lire 500,000 share capital of which is controlled by GIOFIN DI G. MARIA BRAVI & CO Sas, Milan, has been formed in the same town with Signor C. Zampolli and Mr. M. Pavia (an American) as managers. This will take over the business of the private company called HARBERT, Milan, which made building and constructional toys in wood and plastic as well as scale models of vehicles, aircraft and ships.

** American interests represented by Mr. Frederick F. Gardel, Paris, are behind the formation of STE ALGAR LICENSING CORP FRANCE ALGAR-FRANCE Sarl (capital F 20,000). This will deal in all matters connected with the manufacture and sale of toys, as well as granting licences, and the manager - who holds a 5% share - is M. Baccou-Le Ray.

** The Dutch manufacturer of furniture and mattresses DIKS & COENEN NV, Uden, has formed a West German sales subsidiary called DIKS & COENEN GmbH, Cleves (capital Dm 20,000), with Mr. Eduard Feenstra, Uden, as manager.

The founder has around 300 people on its payroll, as well as a timber-processing and trading subsidiary in the Netherlands, DOC NV, Uden. It has been represented in France since 1965 (see No 308) by DICO-France Sarl, St.Nabord, Vosges.

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