Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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September 19, 1968 — No 479

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PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED
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Printed and Published by EUROPEAN INTELLIGENCE LIMITED
at Europa House, Royal Tunbridge Wells, Kent, England

COMMENT

A Letter from Paris

Thoughts on the Wider Free Trade Idea

Part II

We have already seen that the Six would have no objection in principle to the establishment of wider free trade organisations: this is after all one of the basic concepts behind the European Community itself, and its members have participated fully in all recent moves to promote the liberalisation of world trade. This does not however mean that their endorsement of the creation of such a zone, encompassing the USA, Canada, Britain and the Scandinavian countries, would be entirely unreserved. Were the free trade philosophy to assume concrete form in this manner, many other factors would be set in relief. and Community approbation, not to mention the possibility of its actual membership, would be very much coloured by these.

First and foremost, the Community is obviously not yet sufficiently consolidated to be able to withstand the demolition of its external tariff wall, which is precisely what would happen with entry into such a free trading bloc, whereupon it would also have to dispense with its most tangible achievement to date - the customs union. Furthermore, this itself is still not complete: it reached the tariff union stage on July I , but there still remains the whole matter of reconciling the Six's customs legislation. A great deal of work remains to be done, especially on the customs valuation of goods at entry into the Community (see Nos 458-60, Studies & Trends). Methods of calculating this value at present vary from country to country, and this conduces to trade distorsion, with prices varying according to the frontiers through which the goods are admitted.

It is much the same with the Six's common policies: by far the most advanced is the common agricultural policy, but even this is far from complete. In other sectors, the work is only just beginning, and we have only to mention a few to illustrate this: industrial and commercial policy, transport and energy, regional development, monetary policy, anti-trust legislation, and so on. While it lacks definitive harmonisation in these spheres, the Community cannot boast of true economic union, and this is the very goal at which it must aim. Sound foundations have been put down, but it is going to take longer than anyone thought for the work to be completed. This being so, the Community is compelled for the time being to lean heavily on the common external tariff to ensure its progress. To dispense with it for the sake of entering a wider free trade area would be to place the whole of the Community venture to date in jeopardy: sooner or later it could well collapse under the strain, and who in the EEC would be willing to take such a risk?

The overweening economic power of the USA is another problem that would have to be faced if the Community ever joined such an organisation, though we should preface this hypothesis by a reminder that the official policy of the present American administration is by and large opposed to the creation of a major free trade area - and there are many good reasons for supposing that any subsequent regime will take a similar line. It is traditional in American economic thinking that the creation of such a bloc is less desirable than the strengthening of the Common Market. In the long term, the American economist would seem to favour the emergence in Europe of a trading partner more or less on a par with the USA, and with which there would be ample room for expanding trade, as against the watering down of the EEC into any vast free trading bloc.

Be this as it may, if the wider free trade area ever did come into being and if, against all expectations, the USA did decide to become a member of its, its overwhelming ascendancy in R & D, promotion, marketing and administration, and its unquestioned superiority in capital resources are such that every single member of the Common Market would find it very hard to keep its head above water if it, too, formed part of the organisation. The concept of trade partnership between America and Europe, to which the Community venture is attempting to give substance, would in this eventuality give way sooner or later to American domination, not a pleasant prospect. Moreover, whether or not it is justified, there is now a widespread fear in Europe of an invasion by American companies, and who knows how much more intense this would become if all customs barriers between the two shores of the Atlantic were removed and American industry had the gates to Europe thrown wide open to it?

These, then, are the sort of objections that would be raised in the Community to the possibility of joining such an organisation. The other side of the coin however is that if the project got going with no participation whatever on the part of the Six, they could not do otherwise than raise their voices against it, as a discriminatory arrangement, opposed to the spirit both of GATT and of the tariff agreements made at the Kennedy Round talks. We can only conclude therefore that the project would necessarily meet the opposition of the Community, at least if it takes anything like the sort of form that has been suggested in Britain and Canada, and if the problem is not further analysed. If we do so examine it however, we might perhaps be able to discern a way round hthe problems, an approach that would obviate the contradictions that have so far appeared between the basic principles of the Common Market and the concept of a wider free trade area.

The key to this is the fact that all the problems we have foreseen look forward to the time when such a trade area has completed its transitional, running-in period, and when it is operating in its definitive form, i.e. when all customs barriers between its members have been completely eliminated. In fact the disparities are a much less grave problem when we foresee them during this transitional period, when the barriers, and in particular the EEC's common external tariff, though diminishing, will still subsist: the danger of the "dilution" of the Community within a wider free trade area will, at that stage, still not be present. Thus the duration of the transitional period becomes a critical factor in any decision the Community might make on the free trade area question.

All proposals made so far about WFTA have had in common a relatively short transitional period - 10 or 15 years, or at most 20. But twenty years is virtually tomorrow, and if we began to think in terms of a much longer transitional period, say 50 years, the whole issue would assume a quite different complexion. It could be argued that to work on half a century - two generations - as a transitional period is hardly practical, but even spread over fifty years a 100% reduction in tariffs would come to 2% per annum, or rather 20% in ten years, which is not negligeable. Such an arrangement could be deemed in effect an extension to the Kennedy Round, but untrammelled by the exceptionally complicated bargaining that regularly recurs with GATT type negotiations. The arrangement would in fact be a device for the uninterrupted linear liberalisation of trade, and as such would embrace all GATT signatories.

Many things can happen in fifty years, but this very acceptance from the start of the uncertainties involved would be one of the surest guarantees of the eventual success of the scheme. Firstly, it would give the Six all the time they need not only to evolve steadily towards economic union, but indeed to form themselves into a wholly integrated political federation: something that despite present appearances is in fact a virtual inevitability. The Community would be quite able, without any risk to its achievements so far, to move over from its external customs protection to the benefits of trade liberalised on the full international scale, and at all events would have more than enough time to think things out before taking the ultimate step.

Of course, there is no telling what might happen in any of the other GATT countries taking part in the WFTA scheme, and as with customs unions, free trade areas make sense only if they encourage development towards a much more fully integrated large-scale trade territory, commensurate with the distance-slashing improvements of modern technology. History has shown us that unless moves are made in this direction also, trade agreements of such a kind are bound to be short-lived. No one is to say whether or not in the next fifty years Wendell Wilkie's dream of the 40s, of "One World", which now seems Utopian at best, may become a reality. If it does come about, the Common Market (whether Britain joins in the meantime or not) is certain to find its natural role in the world economic pattern.

THE WEEK IN THE COMMUNITY

September 9 - September 15, 1968

THE COMMON MARKET

From our own Correspondent
The Commission's First Meeting

Last week the Commission of the European Communities had the first of its weekly meetings. It was a long meeting lasting two whole days, dominated by a general resume of the economic and political situation within the Community - and beyond into Europe as a whole. It seems that this review of the progress achieved by the Community has caused the Commission to adopt a somewhat prudent line for the weeks to come. All these factors, as well as the events in Czechoslovakia, contribute to the creation of a somewhat fluid and complex situation, the majority of the Six's great problems being in some way interconnected.

Thus the Commission decided to postpone its decision on the fusion of the three European treaties for two weeks at least. It is well known that the Commission decided in July that this question should be wiped off the slate at the first meeting of the session. Wisely, it has preferred to wait until October before it imparts to the member states its initial conclusions on a question which is at one and the same time both highly political and highly explosive. The high degree of prudence exhibited at the meeting last week at The Hague, when the Finance Ministers discussed the Community's own resources (one of the key matters in the fusion of the treaties) could only have confirmed it in its policy of "wait-and-see". This examination of the European political situation has not however led to any public statement, which would lead one to believe that the problem of this announcement has already been studied by the Commission. The Commission for its part evidently wants to liaise with the European Parliament on the matter, and no doubt also sound out opinion at the first meeting of the Council of Ministers on foreign affairs, before finally committing itself.

The meeting of the Finance Ministers at The Hague (see below) has been anticipated for some time by the Commission, following a report by M. Raymond Barre, the vice-president. The Commission has voiced its approval at the announcement from Basle that Britain is to be granted $ 2 million credit by the Bank for International Settlements, and at the decision of the governors of the Central Banks to continue their efforts in the field of monetary cooperation within the Community. It considers that any intensification of this cooperation would be "highly desirable" at this time. The fourteen "Wise Men" have also examined the national budgets for 1969, at least those which have actually been published: Germany, Italy and France. The French expansionist budget was noted in particular in that it conformed well with the recommendations Paris was given in July (by the EEC and OECD authorities) on the form the budget should take.

The subject of the French economy has occupied not inconsiderable time at the recent Commission meetings. The Commissioners have said that they are "satisfied" by the way in which the French have organised the temporary safeguard measures (tariffs and quotas) to protect their economy, and are "very satisfied" by the way the French economy has developed over the recent months since the May-June crisis.

The final topic for discussion was the Commission's programme of work for the year to come, which it is to announce in full during the first session of the Council of Ministers on foreign affairs. The programme outlines the Commission's plans for the following sectors:

1. Energy. The Commission has already published a statistical table for Europe's energy production and energy needs; it now has to take the necessary steps to implement plans which will equate future production with future needs, or at least to draw up general guide lines and to chose a policy which will eventually lead to this end. The Commission's proposals will be passed on to the member governments before December.

2. Industry. During the coming months the Commission will be busying itself with the elimination of all hindrances to the free circulation of goods. The Council too has to adopt regulations on community transport, free ports and the classification of the common external tariff, as well as on the time schedule for harmonising technical standards. Before the end of the year, the Commission will pass on to the member governments its suggestions on how to combat the loss of tariff revenue, a problem which occupies the Germans much at this time. It will also put forward its suggestions on future guide lines for the development of industrial policy and for the implementation of planning for the individual sectors, and in particular for the so-called "sensitive" sectors - textiles and paper.

3. Euratom. In order to try and get out of the impasse in which the Commission has found itself over the last few months, it has decided to adopt some new plans with a view of formulating a fresh research programme before the beginning of October.

4. Agriculture. Apart from the proposals concerning structural policy and the scale of common prices which are to be published within the next few weeks, the Commission is to submit to the countries its suggestions on the organisation of the hops, potato, hemp, mutton and alcohol markets.

5. Taxation. From now until the end of December three subjects will have to be thrashed out by the Commission: alignment to the TVA system, a move which will put Europe unequivocally on the road towards fiscal unity, the re-organisation of certain direct taxes on property shares and finally the elimination of taxation obstacles to mergers and takeovers.

During this first meeting, the Commission also took the decision to propose to the member countries a two-year renewal of the Community support system for coking coal and (see ECSC below) coke production, a decision of the ECSC High Authority of February 21 1967.

FINANCE

Problems Ahead

The Finance Ministers of the Six met last Monday and Tuesday in The Hague for the first time since the summer recess and just after the heads of the Central Banks had decided to go ahead with the new $2,000 million standby credit for Britain. The decision to provide this support for Britain was one of the major points for discussion. It was welcomed as removing one of the main obstacles to British membership of the Community, and even the new French Finance Minister, M. Francois Ortoli was persuaded - especially by his Dutch and West German partners - to state that France "viewed with sympathy the agreement reached in Basle" and indicated the possibility of his government participating at a later stage. M. Ortoli did not however make any remarks with regard to the question of British membership, and it does not seem at present that General de Gaulle's views on this subject have changed. The size of the Community contribution to the $2,000 million standby credit was also revealed last week. The EEC has put up a total of $ 805 million, shared as follows: West Germany: $ 400 m; Italy: $ 225 m; Netherlands: $ 100 m; Belgium: $ 80 m.

There were three other main problems tackled by the Finance Ministers. To start with they discussed national budgetary prospects for the coming year. Both France and Italy have planned expansionist budgets, whilst West Germany has adopted a "neutral" budget since the economy is making quite satisfactory progress without any state encouragement. This should help the Community to achieve its objective of a reasonable steady growth without undue stress or an excessive rise in unemployment. The flourishing state of the West German economy did not however prevent Herr Walter Grund, the Finance State Secretary from once again expressing Bonn's doubts as regards the growth of Community expenditure. In particular he wanted a revision of the present FEOGA financing system during the course of 1969, for the system is due for partial renewal in 1970. Herr Grund also came out in favour of financing Community expenditure on a pluri-annual basis, which in the view of some observers might be an effective and practical way of limiting national contributions.

At the same time, Herr Grund repeated the view - which is increasingly held in all Common Market capitals - that the Finance Ministers should participate much more closely in any changes in agricultural policy likely to have considerable financial repercussions. He would like the Finance Ministers to be the first informed as to the Commission's proposals for financing the Community's agriculture in the period after January 1st, 1970, a matter which in the past has been largely tackled by the Foreign Ministers. However the renewal of FEOGA raises the old problem of creating the Community's "own resources"; in reality this is a delicate political rather than a technical question, for it was the proposals for such a "Community budget" allied to increased powers for the Commission and the European Parliament, which lead to the crisis between Paris and the rest of the Five in June 1965.

FRANCE:

Paper Pulp Aids Doubtful.

The Commission has expressed doubts as to whether the new system of aids for the French paper pulp industry introduced on July 1st, is in accordance with the decision of the Council of Ministers on this subject which was made in June 1966. The ministers had decided then that the lowering of tariff barriers with regard to third countries justified the use of national aid systems, aimed at encouraging the modernisation and rationalisation of the Community's paper pulp industry.

Under the Kennedy Round, the EEC tariff barrier has been halved from 6% to 3%, thus creating a case for the use of such national aids. However the Commission has doubts as to the legality of the French measures for the following reasons:

1. The new system means an increase in the aid figure, so that it is now at a higher level than before.

2. Whilst it is stated that the aid figure will be reduced, no indication is given as to the time-table to be followed.

3. The aid system applies to all production plants, although the Commission would prefer an emphasis to be placed on encouraging investments which would bring about a modernisation and rationalisation of the industry.

4. The financial backing provided for the aid system is raised in a dubious manner. A consumption tax is levied on all paper pulp, whether imported or produced in France, and the revenue thus obtained is used solely for helping French production.

The Commission has decided, whilst reserving its position, to invoke the procedure to be followed under Article 93, para. 2 of the Rome Treaty (State aids not compatible with EEC rules) and has asked the French government for its comments.

ECSC:

Coking Aid Extension

The Commission has just laid before the Council and the Consultative Committee a proposal for renewing until 1970, the decision taken by the High Authority (1/67) with regards to the aid provided for coking-coal and coke used by the steel industries of the Six. The Commission considers that the conditions which governed the adoption of decision 1/67 still exist and that the aid system has worked satisfactorily for all concerned. Furthermore since the adoption of a common energy policy dealing with all types of energy supplies is likely to take some time, the continuation of the present aid system is essential for coal-producing members to pursue their efforts to reshape production without running into labour and other social difficulties. The present aid system has also enabled Community coking-fines producers to align, without too much difficulty, their prices on American coking-coal prices. It has thus helped to eliminate the previous discrimination between those steel industries using American coking-coal,and those in Community coal producing countries who were unable to use this cheap supply source because of national regulations forbidding or limiting imports of coking coal.

The decision in question (1/67) has been in force since early 1967 and it is due to expire on December 31st, 1968 and was not just a policy measure in the energy field. It was not reached without strong pressure from the steel industries in Belgium, France, Germany and Luxembourg, which considered that the price differential between the two types of coke was incompatible, both with the rules and the spirit of the Paris Treaty. This discrimination has been overcome through the use of State aids allied to a multilateral compensation system operated by the member countries. The Consultative Committee was to have discussed the problem during its meeting on September 17th, when it was expected to give a positive answer to the renewal of the decision. However it is possible that the later meeting of the Council will not pass off so smoothly, as some member countries have always considered that the decision was an exceptional and temporary measure, and they may object; despite this, well-informed Community circles hope that these countries will not oppose the Commission's proposal.

The Commission now seems intent on preparing as quickly as possible its proposals for a common energy policy, based on Community as opposed to national requirements. This is due to be sent to the Council before the end of the year. The staff of the Brussels executive are also preparing a report on the Community's industrial policy, which is due for completion during October or November: this will concentrate on a limited number of problems such as strengthening intervention and action on Community basis, key industries, and will also tackle industrial reconversion - an essential corollary to an effective industrial policy. The report will cover the best means of providing finance and of organising companies (through holdings or "European" companies. But the main body of the report is still far from ready,and it is not until next Monday (September 23rd) that the Industrial Problems Directorate will meet for the first time to discuss the preliminary draft prepared by their staff.

COAL:

Decline Slows Down

The efforts of producers to adapt production to demand, allied to renewed economic growth, and a considerable expansion in output by Community steel-producers has helped to stimulate fuel consumption and thus cut back the rate at which the coal industry has been declining during the past few years. According to the reports and forecasts prepared by the Community's staff and the member governments, coal stocks which in 1967 fell by some 3 million metric tons, are likely during 1968 to have dropped by a further 8 million metric tons. Furthermore this year only 3 million should be lost by unworked shifts compared with 8.3 million in 1967.

For the last quarter of the current year it estimated that there will be a fall of some 7.7 % in Community production compared with the same period last year. Production is evaluated as follows for the last three months of 1968 (in 000's metric tons) West Germany: 27,800; Belgium: 3,650; France: 11,350; Italy: 100; Netherlands: 1,630; Community total: 44,530. Imports from non-member countries during this period are expected to reach 6.6 million metric tons compared with last year's figure of 6.5, whilst pit-head stocks will stand at 36.9 million tons by the end of December.

* * *

Helping Miners

As the result of the continual departure of men from the coal-mines, due to the industry's decline, the Community has paid out $ 19 million to help dismissed miners and thus limit some of the stresses caused by reshaping the industry. During 1967 the Community contributed a total of $ 20 million towards industrial conversion projects, and since 1961 a total of $ 104 million has been made available by the Community for this purpose. Furthermore, the Community has spent some $ 14 million on retraining workers who have lost their jobs, as well as making available funds for resettlement.

* * *

LABOUR QUESTIONS:

Jobs Through Expansion

The problem of unemployment is one of the major questions facing the Community's economic development, especially since the crisis in France during May and June when the situation in that country was considerably modified. If however, the West German economy continues along the course it seems set for, and the French and Italian economies fulfill the hopes expected of them for the rest of the current year and 1969, the labour situation may begin to improve.

A report issued by the Commission states that in October 1967 there were 1.7 million unemployed within the Six, including a large proportion of young people. The persistent unemployment since 1966 has lead to a reduction in the movements of labour on an international basis. In 1967 there were some 400,000 work permits issued in the Common Market countries to permanent and seasonal workers, a considerable drop from the 720,000 issued during 1966, although the decline affected mainly foreign workers from non-member countries. The main countries supplying workers to the EEC are Spain, Greece, Portugal, Turkey and Yugoslavia.

The outlook for employment in Belgium is probably better than in 1967. At the end of August, there were 68,964 persons out of work and the experts believe that a further rise is likely before the end of the year. In West Germany, there should be a fall in the number of unemployed before the end of the year due to the country's economic expansion. The number of those without work fell during August by 14 %, and was half the comparative figure for the same month in 1967. It is expected that the unemployment figure will average around 1 % to 1.5 % of the working population for the whole of 1968 compared with the 2.1 % recorded during last year.

Turning to Italy the report says that the labour market is relatively easy and should remain so. However more effective action is needed if the problem of a lack of qualified labour is to be over come. Luxembourg is the sole Community country, according to the Commission, which does not have an unemployment problem. The number of unemployed in the Netherlands is expected to remain at around the present level of 36,000 or 1.9 % of the working population. The government will need to take steps to control unemployment in those regions where the average is above the national level.

The Commission's survey was prepared before the advent of the May-June crisis in France and this has made its figures relatively worthless. However it is worthwhile noting that even without the strikes which hit the country, it was estimated that the number of those out of work might have risen to 425,000 by the end of the year. As it is the present figure - on an adjusted basis - stands at around 560,000 for August, although this was during the height of the summer and it is too early to judge the trend, but during the last three months the figures have continued to rise. After the publication of the September and October figures, a more accurate picture should merge and it will begin to be seen whether the French government's measures are working or not.

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YAOUNDE RENEWAL:

Preparing the Changes

The renewal of the Yaounde Convention linking seventeen African states and Madagascar which will expire at the end of May 1969, is under active consideration by all the parties concerned. The African states are now in the process of harmonising their demands, which are likely to lead a different type of agreement from the one now in force.

In Brussels the Commission's staff is also preparing a document setting out all the problems which need to be tackled and resolved.

Next week the president of the Organisation of African States and Madagascar, M. Hamani Diori, who is also president of the Niger Republic, will begin a series of visits to Common Market capitals - lasting till the middle of October during which he will attempt to resolve some preliminary problems.

Recently published figures show that between 1964 and 1966, imports from the associated countries by the Community rose slightly from $ 1,149.6 million to $ 1,319.1 million. Exports to the 18 also showed an upward trend from $ 820.7 m. in 1964 to $ 846.7 m. in 1966; the most striking factor here was the decline in French exports from 71 % to 67 %, whilst those from other EEC states rose: BLEU: 8.5 % to 11.1 %; Netherlands: 3.7 % to 4.9 %; Germany: 8.8 % to 10 %; and Italy: 4.9 % to 7 %. In fact between 1964 and 1967 the latter country has boosted its trade with the 18 states by 71 %.

Trade between the EEC and associated African countries 1964-67.

$ m.	Imports		Exports	
	1964	1967	1964	1967
France	609.67	609.90	583.39	627.25
Bel.Lux.	227.23	287.83	86.21	82.51
Neth.	55.58	61.87	32.85	50.70
Germany	158.21	179.84	78.37	92.95
Italy	98.89	164.58	39.89	72.11
EEC	1.149.58	1.304.02	820.71	925.52

(1967 figures provisional)

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THE BALANCE OF POWER:

Europe's Role in the World.

A number of conflicting opinions on the role of Europe and its constituent parts were voiced during the past week, in Britain, France and Germany. Mr. George Brown, speaking from the shadows of the Labour Party, spoke at a party meeting last weekend of the need for a unified Europe which could stand up to the two Super Powers. He declared himself to be "very much against a world in which there are two super powers who divide it up between themselves, and the rest of us have to put up with what they decide. That is how you get your Czechoslovakias and your Cubas, and I don't like this at all." Whether the existance of a third Super Power, which was in fact what he seems to have been advocating, rather than just having two, would really have solved any of the world problems, he does not seem to have made clear. The important thing is however, according to Mr. Brown, that Britain should lead such a new European grouping. As soon as Britain had become economically strong again, which he believed it would before long, she could then resume her age-old influential role in the world.

Slightly more realistic and less partisan in tone was a plan put forward by Willy Brandt on Wednesday before the German Cabinet with the intention of promoting Britain and the other candidate countries' membership of the Community. The German Foreign Minister proposed the formation of teams of experts which would examine the situation within the Community and in the candidate countries of various key sectors, such as coal, agriculture and transport. To begin with these surveys would be confined to the Six, but later would be extended to include the active participation of the candidate countries and particularly of Britain. They would be carried out independently of the discussions on the formulation of a trade arrangement between the Community and the candidate countries, which is another method of approach that has been suggested. Herr Brandt said that in spite of the difficulties which the British and French economies were experiencing, the efforts to push through European integration should not be allowed to die down.

At an S.P.D. party meeting the following day, Herr Brandt spoke of the need to evolve a separate European policy, original and independent of the two major power blocs. This would not be a policy directed against the United States, but where possible in cooperation with the United States. It would involve a recasting of the role of NATO to fit the new circumstances, but this would not however mean a NATO of the kind the French envisage. Furthermore Herr Brandt felt that the German government should do all in its power to develope the existing communities, and to enlarge, or at least to "extend their cooperation to other countries of Western Europe."

At a meeting the next day in Rome between M. Pierre Harmel and Sig. Giuseppe Medici, the Belgian and Italian Foreign Affairs Ministers, the matter was put even less equivocally. In their conversations they spoke of "the urgency of relaunching the process of European integration and of enlarging the Community." It appears that the two ministers were "in complete agreement on the urgency to seek all the methods possible to try and overcome the difficulties which are at present preventing efforts towards European integration and the enlargement of the Community, goals which have become even more pressing today following the recent events in Czechoslovakia".

Meanwhile, the French seem to have reacted to the Czech crisis in a manner diametrically opposed to all the other parties. The lesson that General de Gaulle seems to have drawn from the Russian invasion of Czechoslovakia is an enhanced dislike of the power bloc system, of the system of American and Russian spheres of influence. This has strengthened his determination to reduce Europe's involvement with the United States in particular, in the belief that this will pave the way for an eventual reunification. As M. Michel Debre pointed out in a speech to journalists on Monday, "the organisation of Europe is linked to the organisation of a detente." Anything that encourages the harmony of the two super powers contributes to tension in the world. Thus to invite Britain into the Common Market (with her other EFTA partners) would be to invite in an old ally of the United States and thereby to bolster her position in the world. It was the old argument used in 1963 to block British entry to the Common Market, dressed up in slightly newer clothes in the light of the Czech invasion. Now that Britain was making an effort to put that ailing economy of hers into order as the French had demanded as a condition of entry to the Market, the French have evidently reverted to the old argument of the Trojan Horse, which Britain thought she had already disposed of.

* * * *

STUDIES AND TRENDS

Eight EFTA Annual Report

From 1959 to December 1967, trade amongst the eight members of the European Free Trade Association rose by 130 % states EFTA's Eigth Annual Report. However the position last year was dogged by the difficulties facing world trade, as well as the economies of several member countries. EFTA's main task a year after the completion of the main tariff and quota dismantling, is now the removal of non-tariff barriers to trade. The future aims of the Association have been broadly fixed by the EFTA Council; these are improving the trading opportunities within EFTA, the promotion of a clearer understanding of the EFTA Convention and lastly extending EFTA consultation, especially "national economic developments which may affect trade in EFTA, as well as issues likely to arise in other international organisations".

When the Stockholm Convention establishing EFTA was signed in 1959, it was stated that the members were determined "to facilitate the early establishment of a multilateral association for the removal of trade barriers and the promotion of closer economic cooperation" with OECD members, "including the six members of the EEC". So far both attempts by EFTA members to join the EEC have been blocked, and the report says "The one major disappointment of 1967-1968 was the lack of headway in efforts to achieve wider European integration". Despite this lack of success EFTA countries intend to pursue this objective and at their London meeting in May (see OME No 461) it was stated that all EFTA countries "should have the possibility to participate from the beginning in any association, without renouncing the aim of their respective government policies to achieve either membership of the Community or any other form of participation in a wider European market. "However this appears to have been a compromise between the then hard-line British view, which some sources say has changed, and those Scandinavian countries willing to forge links with the EEC, without aiming at full membership.

EFTA TRADE IN 1967

Last year saw the effective advent of free trade in industrial products within EFTA, and the report describes as "particularly encouraging" that this trade continued to grow rapidly despite the deceleration in world trade. Intra-EFTA trade was 9.4 % higher than in 1966 and grew at a slightly faster rate. Since 1959, the last before tariff and quota dismantlement began, intra-EFTA exports have risen by 132 % compared with 58 % for exports to third countries. The reduced economic growth in the EEC countries and the United States was reflected in a decline in EFTA exports - 2.3 % and 1.4 % respectively - compared with the previous year. However imports from the EEC rose by 4 % and from the United States by 5 %, although this was a slowing down in the import rate the trade deficit with both areas rose to $ 3,903 million and $ 682 million respectively.

EFTA ECONOMIES

AUSTRIA: Due to the stagnation of domestic demand, there was only an increase of 2.5% in GNP compared with 4.6 % in 1966. Although weaker economic expansion occurred in the country's main export markets, exports to non-EEC states especially to EFTA states rose. As a result of the strong foreign demand and run-down in the home market, the balance of payments position improved: there was a surplus on the basic balance of $ 153 million compared with the 1966 deficit of $ 154 m. During the current year, a 3 % rise in GNP is expected, and imports will probably rise because of the stronger home demand. Exports of goods and services are expected to show an 8.8 % upswing compared with 6.6% in 1967.

DENMARK: In 1967, the country achieved a 3.5 % growth rate for the GDP, an increase of one per cent on the 1966 figure, although there was a slowdown in the second half of the year, mainly due to a more restrictive economic policy introduced to counter deterioration of the balance of payments and excessive pressures of internal demand. During the first of 1967 this was moderated by the international recession. Agricultural products account for 40 % of total commodity exports, and the fact that they continued to decline, whilst industrial exports picked up during the second half of the year, was a major reason for the 7.9 % devaluation. . This took place just after the sterling devaluation. The increase in the trade deficit from $ 558 m. to $ 661 m. was almost entirely offset by capital imports and thus foreign exchange reserves fell only slightly by the end of the year from 554 to 513 m.

FINLAND: The Finnish mark was devalued by 23.8 % in October 1967 despite a low economic growth rate during the year, for the country had run into serious balance of payment difficulties. The rate of increase of wages, prices and consumption was slowed down by a restrictive economic policy and real GNP rose by some 2.3 %, higher than in 1966. The falling-off in overseas demand was one of the reasons for the low rate of growth, although overall export demand was the most dynamic element with an increase of 4.9 % by volume and 8.6 % by value. During the year, the deficit on current account fell by $ 28.9 m. to $ 160.6 m., but it is expected that there will be a considerable improvement in 1968.

NORWAY: The report states that the rate of growth of the real GNP in 1967 at 5.3 % was above the 4 % of 1966. This high growth rate in "one of the few countries to have experienced continuous rapid economic expansion in recent years" came from fishing, mining and shipping where both tonnage and freight rates increased markedly. Import and export prices remained relatively stable, whilst the rise in domestic prices and wages continued with an increase in consumer prices of 4.4 % compared with 3.3 % in 1966. The country's trade deficit amounted to $ 711 m. and the current account deficit increased to $ 188 m., but despite this the foreign exchange reserves rose by $ 217 m. In fact during the early part of 1968, external reserves were sufficiently large for economic policy to be formulated without too much fear for the balance of payments.

PORTUGAL: According to official estimates, the country's GDP rose by nearly 6 % in 1967, compared with the 1966 figure of 3 %. The main factor here was the renewed expansion in agriculture, which rose by 3 %. The one possible dark spot is that total capital formation seems to have dropped by 10 %. In the external trade sector, the country's trade deficit decreased for the first time since 1950 following an 11 % rise in exports, and the balance of payments on current account recorded the highest ever surplus at $ 188 m.

SWEDEN: 1967 saw a weakening demand for both private investment and exports compared with 1966. During the latter year, the levelling of economic growth, the report states, was due to the restrictive economic policies adopted with the aim of improving the balance of payments situation, whilst in 1967 developments reflected the international economic situation. But in spite of this weak demand the rise of nearly 3 % in the GDP was similar to that for 1966. Although the country's foreign exchange reserves increased during the first ten months, after Britain's devaluation a considerable amount of foreign exchange left the country so that by the end of 1967, the reserves had fallen by $ 41 million to $ 1,113 million.

SWITZERLAND: The country's real GNP rose by only 1.6 % compared with the 1966 figure of 2.8 %, whilst domestic demand also expanded at a slower rate than in 1966 or 1965. This further slowdown recorded in 1967 was probably largely due to a falling-off in foreign demand; exports of goods and services rose by 4.1 % compared with 5.2 % in 1966 and imports also rose at a slower pace than in 1966. But despite this the trade deficit fell to $ 594 million, and thus there was a slightly higher surplus on current account than in 1966.

During the present year it is expected that there will be a moderate increase in the growth rate, and it expected that as a result of higher exports there will be a rise of 2.5 % in the real GNP. But a great deal of the Swiss recovery depends upon the strength or weaknesses of Switzerland's main export markets.

* * *

September 19th, 1968

ASSOCIATE COUNTRIES

Struggle for Economic Delight

The Turkish gross national product continues to expand at a rapid rate, according to an OECD Survey just published, although the rate of expansion for 1967 (+6.6 %) was down on the record 1966 figure of +10.1 % and all indications are that this year will also show a substantial rise in production. During the course of 1967 an overall growth rate of 12.5 % was marked up by Turkish industry, whilst steel ingot production rose over 18 %, electricity by 13 % and cement by 10 %.

In the important agricultural sector production rose by 1.5 % during 1967 and the outlook for the country's staple crops remains hopeful. The increased use of fertilisers (1.5 m. tons were used last year compared with 100,000 tons in the early sixties) and the favourable weather has meant a big increase in cereal production. The introduction of a new hardier and more productive strain of wheat on 275,000 hectares of land means a significantly larger output of this crop. Cotton, the country's biggest export, is also being produced in larger quantities following the planting of a new disease-resistant type. Tobacco, the country's second biggest export, continues to be one of the country's biggest problems. Output in 1967 was 17 % up on the previous year, but large stocks of the commodity remain to be sold. There is also a problem of controlling the quality of the leaves. Sugar beet is another crop suffering from similar problems. Production was up again last year by 28,000 tons to an estimated 4,500,000 tons and continues to be far in excess of internal demand. As stocks continue to rise the only solution seems to be to sell off large quantities of the commodity below cost to foreign countries. Much of the land at present used for sugar beet cultivation must then be converted for the cultivation of a more economic crop such as sun-flowers for vegetable oil.

Investment last year fell short of the targets fixed by the 1967 Annual Programme. Private investment increased by 9 %, significantly more than public investment (5 %). After 1966's bumper figures (+22 % and +17 % respectively), it is not surprising that there should have been a decline last year. In the private sector credit and import restrictions seem to have been the causes of the slower rises. The country has however benefited from quite important investment programmes of a scale that could never have been contemplated eight or ten years ago and in sectors very little developed at that time, e.g. the paper and board, cement, fertilizer, automobile assembly, rubber goods, synthetic textiles and electrical goods sectors. An important recent development has been the increasing tendency for private concerns to finance projects outside the traditional consumer goods sector. Such projects as the construction of the new dam at Keban on the Eurphrates, (due to be completed by 1971) the imminent construction of a copper smelter on the Black Sea coast, an aluminium complex and a new oil refinery at Izmir, are typical examples of this new trend.

Prices, and especially consumer prices, came under pressure during the course of 1967, although there have been some cuts in prices of manufactured goods following government intervention. In December 1967 wholesale prices were 6.2 % higher than a year earlier, the agricultural sector rising by 4.2 % and prices of industrial raw materials and semi-finished goods by 10.5 %. Some of these price increases can be traced to the increased prices and rates for goods and services sold by the State Economic Enterprises, whilst other contributory factors have been the speculative buying during the Cyprus crisis and the concentration of investment activity in the area around Istanbul. The latest information available for the first five months of 1968 show a levelling out of prices according to the normal seasonal trend.

TRADE.

Exports rose by 7 % in 1967. On account of the heavy emphasis on agriculture in the Turkish economy (over 30 % of the gross national product, compared with only 25 % in industry), there is a severe decline in exports during the middle months of the year, followed by an equally sharp rise during the final quarter of each year. Thus if the export season (September 1967 to March 1968) is taken into consideration, the rise was over 13 %. All this rise was due to agricultural products and mostly to cotton. Exports of minerals and of other products, mainly processed and manufactured goods fell. Although manufacturers are beginning to turn their eyes more in the direction of the export market, they are not sufficiently encouraged by the rates of export rebates. Those incentives that do exist have to a large extent been counterbalanced by the introduction of a system of export licensing, designed to prevent smuggling of foreign exchange.

Foreign Trade
US $ millions

	1964	1965	1966	1967	First quarter 1967	First quarter 1968
Exports, fob	411	464	491	523	134	157
Unprocessed agricultural commodities	311	351	377	416	112	132
Minerals	15	21	23	19	4	7
Processed agricultural commodities	48	48	39	46	12	18
Other commodities	37	44	52	42	7	18
Imports, cif, total	537	572	718	685	159	183
Basic materials	296	313	365	385	83	92
of which fuel	67	57	55	52	8	17
Investment goods	197	197	289	261	67	82
Consumer goods	44	62	64	39	9	9
of which agricultural surpluses	31	29	17	-	-	

In April 1968 exports fell back below their level a year earlier and it is too early to estimate prospects for the next export season. Exports to the OECD area rose by 7 % in 1967, by 8 % to bilateral members and by almost 3 % to the EEC. Imports of raw materials rose by 5 % after an increase of 16 % during the previous year, the increase in imports during the first quarter of 1968 being due, for the most part, to higher deliveries of items on the liberalised lists.

Under her treaty of pre-association with the Community, Turkey benefits already from special quotas and tariff treatment from the Six, although these trading advantages do not seem to have given much of a fillip to trade between the two parties. During 1967 exports to the EEC increased by less than 3 % and imports by less than one percent. This year for the first time, in addition to traditional exports such as tobacco, hazelnuts, dried raisins and figs, some new products (fresh fish, fresh grapes, citrus fruits, textiles and carpets) have now been added to the list. Whilst increased exports of manufactured products are certainly needed, Turkey cannot afford to neglect her traditional agricultural exports, or the new ones like cotton and the products of the processing industries based on them.

MERCHANDISE TRADE BY AREA
$ US millions

IMPORTS CIF	1963	1964	1965	1966	1967
TOTAL	690.7	542.0	576.7	724.7	690.7
OECD countries	543.5	412.5	435.7	561.4	521.9
European OECD countries	314.7	248.5	262.0	368.7	379.1
EEC	196.9	155.8	164.4	238.6	240.0
of which: Germany	104.4	80.9	84.7	113.7	134.8
Italy	35.0	32.2	36.9	54.3	50.5
EFTA	112.0	90.5	95.7	127.7	136.6
of which: UK	77.1	56.2	55.9	79.4	88.8
Other	5.8	2.2	1.9	3.4	2.5
North America and Japan	228.8	164.0	173.7	192.8	142.8
Third countries	147.2	129.5	141.1	163.2	168.8
Eastern Block countries	50.2	42.0	57.6	84.9	91.3
Middle East	44.1	44.5	56.8	48.2	44.3
Other	52.9	43.0	26.7	30.1	33.2

EXPORTS FOB	1963	1964	1965	1966	1967
TOTAL	368.1	410.8	458.9	490.5	522.3
OECD countries	294.6	324.2	337.4	370.4	398.1
European OECD countries	240.9	248.5	250.0	231.1	275.4
EEC	139.9	137.7	155.4	171.4	176.3
of which: Germany	61.9	52.1	71.5	76.5	83.9
Italy	43.4	28.8	30.0	31.8	36.2
EFTA	85.8	97.1	82.6	92.1	88.1
of which: UK	47.1	44.6	41.2	46.8	34.2
Other	15.2	13.7	12.0	17.6	11.0
North America and Japan	53.9	75.5	87.4	89.3	120.6
Third Countries	73.5	86.7	121.5	120.1	126.2
Eastern Block countries	35.4	37.8	69.0	74.5	37.9
Middle East	29.7	37.0	36.4	34.6	30.6
Other	8.4	11.9	16.1	11.0	7.7

In spite of the Association Agreement between the EEC and Turkey, there has not then been a major swing away from the old trading partners to new ones. The United States, West Germany, Britain and Italy are at the present time Turkey's major trading partners, and have been so for the past five years: together they account for 50 % of the country's total trade. The United States' dominant position in the league was last year forfeited to the West Germans, and taken as a whole, the Common Market is by far the biggest trading partner, accounting for over 33 % of all trade. As more tariff and quota reductions are negotiated under the Association Agreement, the EEC's trading position is likely to be even further strengthened.

The importance of invisibles on Turkey's current account must not be overlooked. First there is the importance of the income from the tourist industry. Public money is being poured into investments in this sector and it is hoped that 1968 will be a record tourist season. TL 150 million has been put into new hotel buildings and tourist programmes (lent at 6 % over long maturity periods) and the private sector is expected to invest a total of TL 350 million. Areas chosen for special development are the Aegean, Mediterranean and Marmara coasts. Unfortunately last summer's Six Days War had the effect to deterring tourist visitors to Turkey and so last year exhibited a drop in tourist income. This year however, especially with the new advantageous discount of $33\frac{1}{3}$ % paid to tourists who exchange foreign currency through authorised dealers, the authorities hope for a considerable increase in tourist traffic. Second, there is the importance of remittances from the large number of Turkish emigrants working in the highly industrialised nations of Western Europe, including especially Western Germany. The recent recession in the latter country was big enough to have a noticeable effect on the total emigrant remittances to Turkey. At the present time some 170,000 Turkish workers are employed abroad, many of whom are young and will return to their home country with new industrial skills. Turkey's aim to move closer to the European countries, notably the Common Market countries with which she is already in association, should also provide a stimulus to modernisation.

These two invisibles are important factors in the offsetting of the country's present balance of payments difficulties. Turkey's shortage of foreign exchange is her most immediate and pressing problem. She needs foreign exchange to help service her considerable outstanding foreign debts, foreign exchange to bridge her trade deficit and of greatest importance in the long run, foreign exchange to finance the formation of a more industrialised economy. If the second Five Year Plan (1968-1972) is successful in its building up of new industries and the development of domestic savings, the problem will no longer be pressing after 1972, but at the moment Turkey finds herself almost completely dependent on foreign investment for any major industrial development. With imports rising as (during the first four months of this year imports rose by 18 % and exports by only 7 %) they did at the beginning of this year, the position is likely to get worse before it gets better. With the seasonal character of Turkey's exports, most of which are agricultural, the need for foreign exchange to cover the seasonal fluctuations is particularly pressing, whilst the needs of development call equally for greater imports of capital equipment, amongst other things. For the time being the gap will be bridged by foreign aid, $ 314 m. of which will be paid this year as part of the Development Plan ($ 100 m. in credits for new projects, $ 184 m. in programme aid and $ 30 m. to build up reserves). The effectiveness of the aid programme, the Second Five Year Plan as well as the income from invisibles will have a direct bearing on the future viability of the Turkish economy.

AUSTRIA	OTTO DUERR establishes subsidiary	E
BELGIUM	ATKINSON VEHICLES (EUROPE) NV to expand EEC sales	B
	REUBEN H.DONNELLY forms co-ordinating subsidiary	J
	PSAL/SCALDIS transportation venture	J
FRANCE	MANPOWER establishes MANPOWER EUROPE	H
	CELANESE CORP. reshapes textile interests	M
	PONT-A-MOUSSON/SPRINLKER OF AMERICA bottling sales deal	K
GERMANY	ANSALDO SAN GIORGIO (electrical engineering) sales agency	D
	EUGEN HOERNER gains OSRAM fluorescent lighting	D
	TEXACO INC to control RHEINPREUSSEN AG, Homberg	G
	BUETTNER (Swiss) office equipment link with PELIKAN-WERKE	G
	INTEGRATED CONTAINERS (Alcoa group) sets up Hamburg agency	J
	SIEMENS/AEG-TELEFUNKEN extends and strengthen cooperation	J
ITALY	IGNIS/EMERSON INTERNATIONAL production link agreed	C
	BELL & HOWELL/3 M cinematographic distribution and sales deal	G
	ERNEST SCRAGG, Macclesfield backs Milan sales concern	K
	CFP forms off-shore exploration venture	L
JAPAN	KARL MAYER (textile plant) TAKEDA MACHINERY production link	H
LUXEMBOURG	BANK OF TOYKO forms holding company	F
NETHERLANDS	S.H.V. expands heating stake by MESSEMAECKERS take-over	D
	V.M.F./RIJN-SCHELDE to share WILTON FIJENOORD BRONSWERK	F
	RONEO (Vickers group) takes over Dutch firm	L

CONTENTS

AUTOMOBILE

** The marketing of 26 and 28 ton lorries made by the London group, ATKINSON LORRIES (HOLDINGS) LTD, which are powered by Rolls-Royce "Eagle" engines will be run from Belgium by a subsidiary formed for this purpose, ATKINSON VEHICLES (EUROPE) NV, Aartselaar (see No 473).

Headed by Mr. D. Hurry and Mr. R. Van Vyve (sales) this has a capital of Bf 2.5 million. The British group shares control with six other subsidiaries: Nightingale Engineering Co Ltd, Atkinson Vehicles Ltd, Atkinson Vehicles (Scotland), Atherton Bros. Ltd, Coach Bodies Ltd and Atkinson Vehicles (London) Ltd.

BUILDING & CIVIL ENGINEERING

** NV KONINKLIJKE SPHINX-CERAMIQUE, Maastricht (industrial ceramics, wall linings, sanitary ware and tiles - see No 442) intends to strengthen its Belgian interests by increasing its control of MANUFACTURES CERAMIQUES D'HEMIXEM & DE LA DYLE SA, Hemixem-lez-Anvers, in which it has recently become the 62 % majority shareholder.

The latter specialises in faïence, earthenware and glazed products used by the building industry. With a capital of Bf 100 million it controls two manufacturing divisions, one at Hemixem and the other at Wygmael.

** Count Patrice de Meeus is the manager of the newly-formed Brussels property development and adminstration company DE GROOT, COLLIS & CO INTERNATIONAL Sprl (capital Bf 200,000). This is an Anglo-Belgian concern in which the British share is held by Messrs. Ralph G. de Groot and Jacq Collis, both from London.

** FONDEDILE S.A.F. SpA, Naples (see No 416) which specialises in soil consolidation, has signed a joint agreement with the Belgium civil engineering concern ANTWERPE BOUWERKEN VERBEECK NV, Borgerhout-Antwerp (see No 323). A subsidiary has been formed based in Brussels called FONDEDILE BELGIUM SA (capital Bf 3 m) and headed by Mr. J. Seidenberg (representing the Naples founder) and A.T. Verbeeck, the Belgian firm's president; it will provide piles for foundations, moulded linings and structural consolidation work.

The Belgian partner is already linked (within Interbouw NV) with the West German civil engineering concern F. Albert Bau- & Beton, Mannheim, whilst S.A.F. shares with the Paris, Dumez SA group control of Fondedile France SA, Paris (see No 317).

CHEMICALS

** EURIPE INTERNATIONAL GmbH, Dusseldorf, (capital Dm 20,000) has been formed with Herr Emil Clemens, Krefeld, as manager to carry out timber treatment processes. The new company belongs to the Antwerp firm EURO INDUSTRY PLANNING & EQUIPMENT (capital Bf. 500,000).

** SILOMAR-ENTE SERVICI MARITTIMI SILOS LIQUIDI & AFFINI SpA, Genoa has backed the formation in Genoa of ITALITHCOTE SpA (capital Lire 5 m) whose purpose is market and sell in Italy polymerised resins, anti-corrosives and metal anti-abrasives made in Belgium by the Brussels firm LITHCOTE EUROPE SA (see No 389).

This was formed in 1966 by a 40-60 link-up between LITHCOTE CORP, Norwalk, Connecticut and the Belgian firm of Fours Lecocq & Ateliers de Trazegnies Reunis SA, Brussels for the exclusive manufacture within the Common Market of anti-corrosives resins. Fours Lecocq is represented on the board of the new Italian company made by M. Jean Fourmanoit, and it has made over to Lithcote Europe its "Ensecote" division based at Trazegnies.

CONSUMER DURABLES

** The Italian domestic appliances group IGNIS SpA, Comerio, Varese (see No 472) has signed a technical and commercial agreement with the New York concern EMERSON INTERNATIONAL CO under which Ignis will make Emerson's radios, TV sets and air-conditioners. However their sales will be carried by the American firm's subsidiary in Florence, Emerson Electronics SpA.

This was formed in late 1965 and it is headed by Sigs. C. Campagnano and A. Saccardi. Its initial capital of Lire 10 million has been raised in several stages to Lire 400 million. The Swiss holding company Marima Holding AG, Chur has direct control.

COSMETICS

** Signor Giorgio Woern is the sole director of the newly-formed MARBERT ITALIANA SpA (see No 478). This has been formally-established in Milan with a capital of Lire 1 million to manufacture and sell beauty products of the Dusseldorf firm MARBERT-KOSMETIK INGRID SENDLER in Italy.

This has recently been taken over by the Farbwerke Hoechst AG chemical group, Frankfurt (see No 466) and the latter's subsidiary Hoechst Italia SpA, Milan (formerly Hoechst Emelfa SpA) shares direct control of the new company with Casa Editrice Il Ponte Srl, Milan (minority stake). Marbert already has an Austrian subsidiary and a branch at St-Gall, Switzerland.

ELECTRICAL ENGINEERING

** The Genoa engineering and electrical engineering company ANSALDO SAN GIORGIO SpA (see No 452) has established an agency in Düsseldorf with the aim of boosting its West German sales of heavy electrical equipment. Ansaldo San Giorgio also belongs to the Rome state group I.R.I.- Istituto per le Ricostruzione Industriale SpA.

** The Danish manufacturer of hairdressing equipment CURLER, Kalundborg, plans to launch a pilot sales campaign in Germany with the aim of establishing the most effective method of entering this market. At present, the Danish company makes most of its foreign sales to the U.S.A. and in 1967 it had a turnover of Cr. 150 million.

** The West German electrical engineering firm EUGEN HOERNER, Eberstadt, Wurttemburg is to take over - as from October 1968 - the "fluorescent lighting" division of OSRAM GmbH, Munich (see No 386) although the latter will continue to sell its products in West Berlin.

Osram is thus relinquishing control of its factories in Berlin, Essen and Mannheim. The company has a capital of Dm 84 million and its consolidated annual turnover is around Dm 350 million. It is controlled by three shareholders: Siemens AG (42.77 %), AEG-Telefunken (35.78 %) and General Electric Co, New York (21.45 %). In May 1968, the almost-wholly-owned subsidiary Osram-Sta Riunite Osram Edison Clerici SpA, Milan brought into use new manufacturing facilities at Trevisio.

ENGINEERING & METAL

** The West German company VDO TACHOMETER WERKE ADOLF SCHINDLING GmbH, Frankfurt (6,000 on payroll - capital DM 15 m.; see No 340) has formed BEVAUGE AG, Zug (capital Sf 50,000 - M. Paul Gmuer as director). This is to manage its precision control and measurement instruments patents on the world market.

The founder has its main foreign subsidiaries in the U.S.A., Australia and Brazil.

** The Utrecht transport and fuel group S.H.V. STEEN KOHEL HANDELSVEREENIGING N.V. (see No 473) has strengthened its interest in the central heating, installation and maintenance sector, by gaining control of N.V. INGENIEURSBUREAU v/h STIGTER & MESSEMAECKERS which is headed by Mr. C.M. Messemaeckers van de Graaff.

S.H.V. controls another Dutch subsidiary in this sector Lohan van der Woude & Z.N.N.V, and it also controls two similar French firms in Champel Fils & Allaigre, and Cie Generale D'Enterprises De Chauffage, Paris.

** The West German engineering company PINTSCH-BAMAG, Butzhach, Hesse (see No 450) has formed a wholly owned subsidiary called Pintsch-Bamag AG (capital Dm 1.5 m.) This will supply equipment and accessories to the chemical industry and its directors are Herren Heinrich Axer, Kurt Hedden and Werner Schirmer.

The founder has some 4,600 persons on its payroll and its annual turnover is in the region of Dm. 160 m. It is an 80 % interest of the Dutch - Swiss group Thyssen-Bornemisza (see No 472).

** The Paris licencee and affiliate of COMBUSTION ENGINEERING INC., New York, the engineering firm, STEIN & ROUBAIX SA (see No 477) has made over its licence to manufacture the American company's "Aerol" equipment to the German concern, KOHLENSCHEIDUNGS GmbH, Stuttgart (see No 443).

The latter company, in which the Americans have a 40 % interest, has a payroll of around 900 concerned in the manufacture of boilers and mining equipment. Its other shareholders (50 % and 10 % respectively) are the German groups, Veba AG, Berlin (through Hugo Stinnes AG, Mülheim and Steinkohlenbergwerke Mathias Stinnes AG, Essen) and Gutehoffunungshütte Aktienverein, Nuremberg (through its 64.8 % subsidiary M.A.N.-Maschinenfabrik-Augsburg-Nuremberg AG, Nuremberg.

** The French manufacturer of fork-lift trucks, self-propelled electric and petrol-engine trolleys, hydraulic-lift inspection platforms, lifting gear, swing bridges etc., STE INDUSTRIELLE FENWICK MANUFENTION SA, Paris (see No 450) has formed a wholly-owned sales subsidiary in Zurich called FENWICK MANUTENTION AG (capital Sf.50,000), under the directorship of M. Kaspar Stiffler.

With a capital of Dm.30 million, the parent company has a payroll of some 1,300 in its factories at St-Ouen, Seine-St-Denis, Le Chesnay, Yvelines and St-Julien-les-Vullas, Aube. It belongs to the Fenwick SA group of Paris (under M. Jacques Fenwick), with which it shares manufacturing facilities at Liege (Fenwick SA), Milan (Fenwick SpA) and Barcelona (Fenwick Espanola SA).

** The new DUIKER FRANCE SA, Paris (capital F 100,000) is backed entirely by French interests: controlled 98.1 % by STE NOUVELLE DU PORT DE VILLENEUVE TRIAGE SA, Villeneuve-St-Georges, Val-de-Marne, it has M. Jacques Drouin as president. Duiker France will act as a sales representative for the heating and electrical equipment, tools and vehicle accessories made by the Dutch firm DUIKER APPARATENFABRIEK NV (see No 305). In 1965 the latter acquired control of an Arnhem company in the same sector Renova NV; this also has a West German subsidiary.

** The German surface treatment concern OTTO DUERR ANLAGEN FUER OBERFLAECHENTECHNIK, Stuttgart-Zuffenhausen (see No 441) has boosted its interests by the formation of a Vienna subsidiary OTTO DUERR GmbH, (capital Sch 150,000 - manager Herr Heinz Dürr).

The German firm is closely linked in France with the Paris group, Tunzini-Ameliorair SA (see No 478) which has a minority stake in Otto Dürr: they are linked in Interfinish-De Vilbiss-Dürr-Tunzini SA, Paris and De Vilbiss-Dürr-Tunzini Ltd, London, and Dürr controls two Swiss subsidaries.

** After a battle for majority control of the Dutch shipyard W.F.B. - WILTON FIJENOORD BRONSWERK NV, Schiedam, between V.M.F. - VERENIGDE MACHINE-FABRIEKEN NV, Hengelo (see No 477) and RIJN-SCHELDE MACHINEFABRIEKEN & SCHEEPS-WERVEN NV, Rotterdam (see No 471) an agreement has been reached by the two groups to take over jointly W.F.B., with which V.M.F. had decided to link a few months ago No 467).

Under the agreement, W.F.B.'s activities will be shared out between its new owners; V.M.F. will take on the engineering and plant installation interests until now the responsibility of BRONSWERK FIJENOORD NV (see No 471), whilst the shipping interests and shipyards at Schiedam will go to Rijn-Schelde.

FINANCE

** TRANSKAPITAL GESELLSCHAFT FUER ANLAGEBERATUNG mbH & Co WIRTSCHAFTSINFORMATIONEN KG, Hoya, Weser, which specialises in supplying economic and financial information has taken a 50% stake in the formation of TRANSKAPITAL GmbH, Glarus, Switzerland (capital Sf 20,000). The other 50% is held by the Liechtenstein holding company, SUEDKAPITAL ETABLISSEMENT, Vaduz.

*** The leading Japanese merchant bank, THE BANK OF TOKYO LTD, Tokyo, has set up a Luxembourg financial management subsidiary called BANK OF TOKYO HOLDING SA (capital S 1.5 m.)

The founder has European branch offices in Hamburg, Düsseldorf, Amsterdam, Milan and London. It recently signed an agreement with Banque Worms & Cie covering the installation on the premises of Banque Worms, of a banking subsidiary called Banque Europeenne de Tokyo SA (see No 476).

FOOD & DRINK

** The West German brewery HEINR. WENKER BRAUEREI KRONENBURG oHG, (Dortmund) which already has an interest in the Belgian sales company DISTRIBUTIE DORTMUNDER KRONENBIER Pvba, Wilsen, Brabant, has established on the latter's premises a new company called INTERDRINKS NEELS & CO NV (capital Bf 200,000). It is linked 50-50 in this with the Neels family.

The West German company is owned by Herren Heinrich and Günter Brand and it employs over 900 persons at the head office and at its branches at Aachen, Bielefeld, Brausche, Cleves and Rheine.

HOVERCRAFT

** A new concern has been formed in West Germany to undertake work on a "hovertrain" project. The firm, AUTOSCHIENENBAHN STUDIEN & ENTWICKLUNGS GmbH is a joint venture of the DEUTSCHE BUNDESBAHN, Frankfurt (see No 475), the civil engineering concern, STRABAG BAU AG, Cologne (a 30% affiliate of the Basalt AG group of Linz, Rhein - see No 469) and the BOELKOW GmbH aircraft concern of Ottobrunn (see No 471) - which is itself affiliated to Nord-Aviation SA, Paris and the Boeing Co., Seattle, Washington, and is at present in the process of amalgamating with the Messerschmidt AG aircraft concern of Augsburg (see No 467).

In France, the hovertrain principles and patents have been developed by and are the property of, Bertin & Cie, Plaisir, Yvelines (see No 472).

OFFICE EQUIPMENT

** An agreement to cooperate in research and in the exchange of technical information has been made between two firms in the office equipment sector. These are FRANZ BUETTNER AG, Egg, Zurich (capital Sf 2 m.) and the German concern, GUNTHER WAGNER PELIKAN-WERKE GmbH & Co KG, Hanover.

The German firm, whose products continue to be distributed in Switzerland by the subsidiary, Gunther Wagner AG Pelikanwerk, Adliswil, Zurich, has recently developed its holding company in Zurich, Pelikan GmbH, by doubling its capital to Fs 2 million (see No 473).

OIL, GAS & PETROCHEMICALS

** The New York oil group, TEXACO INC., (see No 464) is planning to buy up the 5.4% shares which it needs to take complete control of the West German company, RHEINPREUSSEN AG FUER BERGBAU & CHEMIE, Homberg, Niederrhein (see No 357). This company is the direct 96.5% subsidiary of D.E.A. - Deutsche Erdöl AG, Hamburg, itself a 97.4% subsidiary of Deutsche - Texaco Ltd., Delaware, and with a capital of Dm 100 million, has a payroll of some 11,500 employed in coal-mining, gas and electricity production and the processing of chemical products.

OPTICAL & PHOTOGRAPHIC

** Following an agreement made between the Amercian groups, the MINNESOTA MINING AND MANUFACTURING CO, St-Paul, Minnesota and BELL & HOWELL INC., Chicago (see No 474), Bell and Howell's new subsidiary in Milan, BELL & HOWELL ITALIA SpA (directed by Sig. L. Bonapace), has been granted the distribution and sales rights in Italy for the products of the cinematographic division of the 3M Company. Up till now it has been the Ferrania SpA company, a subsidiary of the Saint-Paul group, which has had exclusive representation rights for these goods.

PAPER AND PACKAGING

** BELOIT FIMSAI SpA, Milan (see No 366) is in the process of taking over another firm in the paper sector, BELOIT ITALIA SpA, Pinerolo (paper-machinery capital Lire 3,000 m.) which is owned 32.34 % by the paper group, CARTIERE BURGO SpA.

Beloit Fimsai (capital Lire 42.5 m.) is controlled by the American group, Beloit Corp. (see No 436), which is also a shareholder in the Pinerolo group.

PRINTING AND PUBLISHING

** The New York music publishers, CHAPPEL & CO. INC. have increased their coverage of the French market by forming a new company in Paris, CHAPPELL-AZNAVOUR SA (capital F. 1.35 m.), which under the presidency of M. Georges Roquieres, is almost wholly-owned by the Paris subsidiary, Chappell SA, a token holding being in the hands of Editions Sylva SA and Rumbalero Music SA (both subsidiaries of the group in Paris) and well as Charles Aznavour, himself.

The parent company, which also has an interest in the Paris concern, Editions Ipanema Sarl (see No 387), has various subsidiaries throughout Europe, Munich, Milan, Amsterdam, Volketswil, Zurich etc, as well as an associate company in London, Chappell & Co Ltd. In June of this year, NV Philips' Gloeilampenfabrieken, Eindhoven and Siemens AG, Berlin together entered into negotiations to take over Chappell's for a price of $42.5 million.

SERVICES

** MANPOWER INC., the Milwaukee, Wisconsin temporary personnel agency (see No 390) has rationalised its activities in France by setting up a second (wholly-owned) subsidiary in the country, MANPOWER EUROPE SARL, Paris. The new company will be concerned with advertising, marketing and public relations and with a capital of F 100,000, will be managed by M. Michael Grunelius.

The American group (1967 turnover $ 73 m.) has another subsidiary in Paris, Manpower France Sarl (capital F 5.31 m.) as well as several other direct European subsidiaries; Manpower SA, Geneva, and Manpower AG, Zurich; Manpower Ltd, and Manpower (Preston) Ltd., (all three in London).

TEXTILES

** The West German textile machinery manufacturer, KARL MAYER TEXTIL-MASCHINENFABRIK GmbH, Obersthausen, Offenbach has linked in Japan with TAKEDA MACHINERY MANUFACTURING Co to form the production concern TAKEDA-MAYER CO (capital Yen 40 million).

Mayer, which belongs to the Mayer family makes mainly weaving looms and knitting machines. It has some 1,800 employees and a turnover exceeding Dm 160 million.

** Two top Dutch blanket manufacturers accounting for 40 % of national production, KONINKLIJKE AAGE WOLLENSTOFFEN & DEKENFABRIEKEN NV, Tilburg and TWENTSCHE TEXTIEL MIJ. "TETEM" NV, Enschede (see No 314) have decided to cooperate closely in the technical, manufacturing and commercial sectors with the aim of keeping foreign firms at bay.

Since 1964, the Tilburg firm has been the licensee of the American company Chatam Manufacturing for its woven fibre carpets; it also has a Belgium subsidiary Aade, Usines de Tissus de Laine & de Couvertures SA, Jette-Brussels. Tetem controls an Italian subsidiary, Tetem Italia SpA, Placenza.

** The formation in Belgium of A.MUELLER-WIPPERFUERTH LIEGE-ALLEUR SA, Alleur-lez-Liege (capital Bf 50 m) will strengthen the interests there of the West German ready-mades group ALFONS-MUELLER-WIPPERFUERTH AG, Leichlingen (see No 377). Herr Alfons Müller-Wipperfürth has a 19 % personal stake in the new concern, which is also an 80 % direct interest of the Luxembourg holding company -SINPAR-Ste d'Investissements & de Participations SA (see No 288).

The West German group has a production capacity of some 7,000 trousers daily and in 1967 its consolidated turnover exceeded Dm 160 million. In Belgium it already controlled La Textile de Pepinster SA, Pepinster, which has a token stake in the new concern. There is also an Austrian and Italian manufacturing subsidiaries: Alfons Müller-Wipperfürth Kleiderfabrik AG, Neufelden and Sta Italiana Alfons Müller-Wipperfürth SpA, Campione, controlled by the Swiss holding company Salga SA, Agno, Tessin.

** The Swiss cotton cloth firm CHRISTIAN FISCHBACHER & CO KG, Saint-Gall (see No 316) has backed the formation in Molenbeek-St-Jean of a sales firm called FISBA STOFFELS MOUCHOIRS BRUXELLES SA (capital Bf 250,000) under Mr. Andre Vanderhyde.

The new concern will market "Fisba" and "Stoffels" cotton cloths and handkerchiefs in Belgium on behalf of Fisba-Stoffels Taschentuch AG, St-Gall which was formed in May 1968 (capital Sf 2 m- president M.C.H.Fischbacher); the American textile group Burlington Industries, which has recently gained control of the handkerchief manufacturer, Stoffels AG, St-Gall (see No 478), also took an interest. Fischbacher's foreign sales are under Fisba France SA, Courbevoie; Fisba Italiana SpA, Como, etc.

** A cooperation and supply agreement has been signed in the West German shirt industry between FASERWERKE HUELS GmbH, Marl and SEIDENSTICKER HERRENWAESCHEFABRIKEN GmbH, Bielefeld (see No 461). The latter, which has manufacturing facilities in Austria, Innsbruck; Italy in Bergamo and in Spain in Tarragona - will now use cloths containing 50 % "Vestan" fibre, developed by Faserwerke.

The Marl concern (capital Dm 43.6 m - see No 470) has recently become a 50 % interest of Farbenfabriken Bayer AG, Leverkusen, which it acquired from the American group Eastman Kodak Co, Rochester, New York.

TRANSPORT

** A 50-50 association has been concluded between the two Antwerp transport concerns, NV PSAL-STE DE TRANSPORTS INTERNATIONAUX SA and SCALDIS STEVEDORING CO. LTD., giving rise to a new road and rail transport undertaking, BALTIC STEVEDORING & TALLYING CO. NV (capital Bf. 2 m.).

Scaldis Stevedoring, formed over 30 years ago, is a subsidiary of Kennedy, Hunter & Co. Ltd., Antwerp (see No 458) and Cornelis Swarttouw's Stuwadoorsmij, NV, Rotterdam (through its subsidiary Corns. Swarttouw's Antwerp Stevedoring Co. NV, Antwerp - see No 384).

** Having opened two offices in London, then one at Gand (to give coverage to France and the Benelux countries), the American aluminium containers leasing agency, INTEGRATED CONTAINER SERVICES INC., Pennsylvania, has set up an agency in Hamburg under the direction of Herr Hans Grosse.

The parent company belongs to the American Alcoa-Aluminium Co. of America, Pittsburg, Penn., which has already had a direct subsidiary in the Federal Republic since 1964, TOTE SYSTEMS INTERNATIONAL GmbH, Frankfurt (see No 268); since June 1968 it has had a 50 % holding in Sicander & Co KG, Worms (see No 466), which was bought from the Swedish concern, Wicanders Korkfabrikker A/B Linköpping.

LATE FLASHES

** <u>ADVERTISING:</u> The New York direct mail advertising company REUBEN H. DONNELLY CORP, (a member of the New York group DUN & BRADSTREET INC - see No 439) has formed a Brussels subsidiary called DIMSCO SA (capital Bf 100,000) to coordinate the activities in Europe of subsidiaries and affiliate companies. Reuben H. Donnelly already had a subsidiary at Woluwe-St-Pierre, Donnelly Marketing Belgium (see No 320) and it also has direct interests in Pforzheim, West Germany; Haarlem, Netherlands; Zug and London.

** <u>ELECTRICAL ENGINEERING:</u> Shortly after the announcement in Great Britain that GENERAL ELECTRIC CO. LTD. (see No 380) and ENGLISH ELECTRIC CO. LTD. (see No 466) plan to merge, the two biggest German electrical engineering companies, SIEMENS AG, Berlin and Munich and AEG-TELEFUNKEN, Berlin, have themselves decided to increase their links. In the initial stage, close links will be formed in the high tension goods sector; the move will take the form of joint manufacturing of transformers in factories at Nuremberg and Stuttgart, the turnover of which will amount to some Dm 400 million per annum. At a later stage, these links may be extended to the data processing and nuclear sectors.

The two groups have already become accustomed to working together on a number of foreign projects and now have two joint subsidiaries: 1) Osram, GmbH the lamp manufacturers (see this issue), Berlin and Munich (42.77 and 35.78 % respectively)

2) Debeg-Deutsche Betriebsgesellschaft für Drahtlose Telegrafie mbH, Berlin, the wireless and direction-finder concern, which they own 50-50. In addition, Telefunken AG, now amalgamated in AEG-Telefunken, was originally formed as a joint subsidiary of the two.

** ENGINEERING & METAL: The AUTOMATIC SPRINKLER CORP. OF AMERICA, Cleveland, Ohio (see No 406) and CIE DE PONT-A-MOUSSON SA, Nancy (see No 472) have each taken a 10 % stake in the formation of bottling and liquids processing sales concern MEYER DUMORE PONT-A-MOUSSON Sarl, Bry-sur-Marne. Managed by M.H.Kaufman and with a capital of F 20,000, this is a direct subsidiary of the Dutch sales firm MEYER DUMORE PONT-A-MOUSSON NV. This has itself only just been formed in Utrecht on a 50-50 basis with a capital of Fl 140,000 by the American and French groups.

In March 1968, the American group took over Geo. J. Meyer Manufacturing Co., Milwaukee (see No 429) a leading firm in the bottling industry with four factories at Cadahy, Wisconsin, Worcester, Massachusetts, Akron, Ohio and Louisville, Kentucky and made it into a division. In late 1967 this company had linked with the Nancy group by taking a 50 % stake in its subsidiary, Ste An.de Construction de Materiel d'Alimentation-S.M.A-, Bry-sur-Marne (capital increased a few months ago to F 7.48 million). The latter which has production facilities at head office and at Arbouans, Doubs will make over its sales activities to the new concern (which will be based on S.M.A's premises) and will change its name to MEYER DUMORE PONT-A-MOUSSON, STE INDUSTRIELLE SA.

** The British textile machinery group ERNEST SCRAGG & SONS (HOLDINGS) LTD, Macclesfield, Cheshire, has established an indirect Milan sales subsidiary called SCRAGG TEXTILE MACHINERY ITALIA Srl (capital Lire 30 m.). Headed by Sig. B.J. Bonetti, this is controlled by the group's Swiss holding company SCRAGG AG, Zurich.

** The reorganisation of the FRIED. KRUPP GmbH, Essen (see No 473) has continued with the sale to BOART & HARD METALS PRODUCTS SA LTD, Johannesburg (a member of the de Beers Consolidated Mines Ltd, London and Kimberley - see No 447) of WIDIA SOUTH AFRICA (PTY) LTD, Johannesburg.

The latter specialises in tools made from wolfram and carbon steels and previously belonged to the Fried. Krupp Widia-Fabrik division, Essen. This also has a wholly-owned Zurich subsidiary Meturit AG (capital Sf 2.7 m.).

** FINANCE: THE CHASE MANHATTAN BANK N.A New York has had a Rome branch for the past 41 years (see No 477) and is now to open an agency in Milan headed by Mr. Frank Salerno ; starting in early 1969 this will become the American bank's fifth overseas branch.

Its most recent Common Market moves have been the opening of its third West German agency in Munich (see No 431) and the opening in Brussels of a branch to its subsidiary Chase Manhattan Overseas Banking Corp. (see No 469).

** OFFICE EQUIPMENT: The British office equipment manufacturer RONEO LTD, Croydon, Surrey (a member since 1966 of the London group Vickers Ltd. - see No 476) has paid Fl. 2.8 million for control of a Dutch firm in the same sector HADEWE EERSTE NEDERLANDSE DUPLICATORFABRIEKEN NV, Drachten.

The latter company exports 95 % of its production (duplicators, mail-opening and sealing equipment etc) and it will be represented on the British market by RONEO-NEOPOST LTD, Richmond, Surrey, a subsidiary of the Croydon firm, which in turn has several foreign sales subsidiaries in Austria, Sweden and Norway.

** OIL, GAS & PETROCHEMICALS: The Paris group C.F.P. -CIE FRANCAISE DES PETROLES SA (see No 477) has strengthened its Italian interests (see No 474) with the formation of an almost wholly-owned subsidiary - TOTAL MINERARIA SpA Milan (capital Lire 25 m.). This will concentrate on carrying out off-shore exploration on the Italian continental shelf.

The group's main subsidiary Total Italiana SpA, Milan is a token shareholder in the new company, whose president is Sig. D. Albonetti.

TEXTILES: The American electrical and electronic group AMPHENOL CORP, Broadview, Chicago (see No 474) has strengthened its Common Market textile interests by forming a company in Milan called BORG TEXTILES ITALIANA Srl (capital Lire 10 m.). Headed by Messrs Carl J. Seifert and G. Hellemans, this will act as the Italian representative for carpet backings made in Belgium by another subsidiary BORG FABRICS NV, St. Niklaas-Waas (see No 430).

The latter company was formed in 1964 (see No 245) and for the past three years has controlled a West German sales company, Borg Textil Vertriebs GmbH, Munich. The American group is represented in the same sector in Britain by another direct subsidiary Borg Fabrics Ltd, Whitstable, Kent and there is also a Paris sales company Borg Textiles France Sarl (capital F 20,000) which is managed by M. Georges P.J. Hellemans, Antwerp.

** The ladies readymade clothing concern MANTELFABRIEK M. STIBBE NV, Amsterdam (see No 390) which is headed by Mr. Henk Hamel has boosted its position by acquiring control of another Dutch firm in the same sector, STANDARD COATS NV, Amsterdam (two workshops - 100 staff).

Mantelfabriek M. Stibbe (400 staff in six workshops, including one in Belgium) has a number of foreign subsidiaries in Munich, Diepenbeek and Zug, Switzerland.

** The Dutch textile group TEXOPRINT NV, Heldmund (see No 476) has strengthened its interests by gaining control of the synthetic readymades textile processing concern TUMA NV, Hilvareenbeek. Headed by Mr. A. Tusveld, this has a branch in Tilburg and exports about 35 % of its production especially to France.

** The New York group CELANESE CORP, New York (see No 444) has rationalised its French textile interests (see No 373) and thus strengthened two Paris subsidiaries BARBOS SA and STE TREBOR SA (see No 476) which are both directly controlled by the Amsterdam holding company CELEURO NV.

Barbos SA has taken over its subsidiary ETS GAUDIN SA, Bourgoin, Isere, (printing and dyeing - gross assets of F 19.39), raised its own capital to F 15.96 million, and then taken the name of Ets Gaudin SA before moving its head office to Bourgoin. Ste Trebor SA has carried out a similar move with STE INDUSTRIELLE DE TISSAGES P.M. SA, Lyons (silk-weaving - gross assets F 7.59 m.) whose name it has taken before raising its own capital to F 5.5 million.

** TRANSPORT: ASSOCAAR-VAN PEER SA, Lille, the French solid, liquid fuels and building materials transportation specialists, has formed a 51 % subsidiary in Milan called ASSOCHAR ITALIANA SpA (capital Lire 25 m.), in which the local Italian shareholding is held by Sig. Orlando Schatzinger.

The parent company (formerly Association Charbonniere de Lille-Roubaix-Tourcoing-Assochar SA) is the result of the recent amalgamation of Assochar (the extant company), Ets. Van Peer Freres SA, St.-Andre-lez-Lille (capital F.3 m.), Ste Van Peer & Cie SA (F.500,000) and Ste Charbonniere de la Madeleine-Charmade SA, La Madeleine-lez-Lille (F.2.7 m).

** VARIOUS: FINE ART DEVELOPMENTS LTD, the Haleshowen, Birmingham paper and greetings card concern (see No 428), is planning to extend its activities within the Common Market by setting up a subsidiary in West Germany.

Within the context of its expansion programme, the company is planning a sales subsidiary in the United States: some time ago (see No 373) it formed a subsidiary in Paris called Editions Ivoire Sarl.

** A 50-50 link-up between Belgian and French jewellery firms, EDMOND BANO & CO Sprl, Verviers and STICHELBAULT BALCAEN SA, Roubaix has resulted in the formation of a new company called BANO FRANCE SA (capital F. 30,000) whose manager is Mme Andre de Jaegher.

** DYLAMALT NV, Wilsele, Brabant (capital Bf. 18.4 m.) the Belgian cereal trading and processing concern has increased its sales network in West Germany by setting up a branch in Kulmback. The Belgian company which already has a branch in Hamburg, and Messrs. Auguste Damman, Etterbeek-Brussels and Edward von Saher, Bilthoven, the Netherlands are the directors.

** SCHIEDAMSCHE LEDERWARENFABRIEK NV, Tilburg (see No 355) which makes leather, imitation leather, plastic and metal cases and cabinets for radios, record-players, TV sets and portable typewriters as well as presentation cases and boxes has now formally established a manufacturing subsidiary called INTERCASE LTD, Harthill, Lanarkshire. This is in a factory specially leased for the purpose, which will employ some 150 people in making presentation cases and boxes.

The founder itself employs some 750 persons in two factories and is the Dutch representative for travel goods made by Schwayder Bros. Inc., Denver, Colorado.. (see No 361).

** The Hamburg clocks concern, GERHARD D. WEMPE oHG has formed a sales subsidiary in Paris, WEMPE FRANCE Sarl, whose capital (F 20,000) is held directly by Herr Hellmut Wempe, the managing director (95 %) and Madame Minna Thomsen (5 %)..

** "DELFT-NATIONAL" CHEMIE NV, the Delft-based self-adhesive products for paper, textiles and packaging concern, has formed a sales subsidiary in Frankfurt, DELFT NATIONAL CHEMIE GmbH (capital Dm. 100,000), whose director is Herr Antonius Jung.

A 50-50 subsidiary of the New York company, National Starch & Chemical Corp. and the glues and gelatine concern, NV Lijn- & Gelatinefabriek "Delft", the founder company has had a subsidiary in Switzerland since June 1965, Delft-N-Chemie AG, Winterthur (see No 313).

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