

# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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# *Opera Mundi* **EUROPE**

**A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET**

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## THE WEEK IN THE COMMUNITY

September 23 - September 29, 1968.

## THE COMMON MARKET

The Fear of Change.

The focus of Community attention for the past week has been the meetings between the Foreign Ministers of the Six in Brussels on Friday and the talks between the French President and Chancellor Kiesinger under the Franco-German Friendship Treaty in Bonn. The first was dominated by the question of enlarging the Community whilst the Bonn discussions covered both this and the effects of the Czech crisis, but at the same time avoided concentrating on either topic because of the differing views held by both sides. What did emerge after the Bonn talks was a decision by both sides to further "cooperation and solidarity between the two countries".

It was on Friday morning that the Foreign Ministers of the Six met in Brussels for the first time since the summer break. The West German minister and vice-Chancellor, Herr Willy Brandt put forward his proposals for establishing links between the Community and the candidate countries, although there would be no certainty of membership for the applicants. His proposals included 1) a 30 % industrial tariff cut over three years and concessions for agricultural products; 2) technological and scientific cooperation with Britain which could be brought about by the Marechal Group finishing its present studies whilst taking into account the candidates' possibilities, before reporting to the Council, which might then organise a conference with the non-member states; 3) There could be meetings of experts and possibly of ministers from the Six and the candidate countries - here Herr Brandt suggested a Foreign Ministers conference, although not on any formal basis.

In presenting his proposals Herr Brandt had mentioned the stagnation with which the Community was faced in many sectors due to the complexity and number of problems to be overcome, as well as to the fact that Britain's bid for membership was still hanging over everyone. This makes it unlikely that the economic union due for 1970 will be achieved. He therefore suggested that there should be a parallel movement between the enlargement of the Community and its internal growth. Apart from technology, the sectors where internal progress must be made are economic, financial and monetary policy, the merger of the European treaties and the free movement of persons. According to his government's view, Herr Brandt maintained that the Czech crisis had clearly shown the need for a strengthening and enlargement of Europe's foundations. This idea of "parallel" or "synchronised" development between intra-community growth and foreign relations has for a long time been a favourite West German theme. Only a few years ago, Herr Schroeder used it to advance the Kennedy Round as well as the discussions on

financing the common agricultural policy. However, for the time being it would seem to be wrong to imagine that France will accept such proposals.

Belgium, the Netherlands, Luxembourg and Italy declared that the West German proposals were the minimum that was acceptable for a deal between the candidate countries and the Six: there could not be any further changes or watering-down of the proposals. The Belgian minister, M. Harmel-"A further year of immobility is inconceivable. Herr Brandt's proposition is complete and worthwhile . . . . . Belgium can support it, if the proposition is taken as a whole and with a view to membership". The Dutch Foreign Minister, Dr. Luns, probably the strongest supporter of the enlargement case-"for months now, we have been talking about everything but the real problem: membership. Nevertheless the Netherlands are willing to accept the German proposition as a basis for discussion provided it is taken as the basic minimum. For this reason the existence of the Benelux memorandum should not be forgotten. It does not require a unanimous decision by the Six since it deals with matters not covered by the Rome Treaty". The Italian representative, whose Foreign Minister Signor Medici is at present the Council's President declared, "For months all the proposals have avoided the real objective: membership. Italy is however willing to accept the German proposals as the minimum basis for discussions."

M. Debre, the French Foreign Minister soon dashed any hopes that the Council would make any progress, although his attitude was not entirely negative. In the opinion of his government it was impossible to establish a parallel development between the internal strengthening of the Community, an immediate aim since the problems are well-known, and the enlargement of the Six. The latter would need a long-term approach as it was fraught with uncertainties. There had been no modification of Britain's economy since last December according to M. Debre, and furthermore no serious study had been made of the changes which might occur if the Community was enlarged to include another four or six members. It was thus quite clear that France is still opposed to Britain - but not necessarily the Nordic countries - joining the EEC in the near future. He also wondered whether the changes which might occur if the Community was enlarged, would not weaken Europe when it needed strengthening after the Czech crisis. The theme of M. Debre's argument was the need to strengthen European, i.e. Common Market cooperation and solidarity.

He did however make a number of suggestions as regards the possibility of cooperation between the Six and the candidate countries. Firstly he suggested that the work of the Marechal group on scientific and technological cooperation should be continued so that it would be possible to discover whether there was any scope for external partners in this sector. Secondly any commercial arrangements which the Six might decide to offer the candidate countries, should also be open to all Western European states, and in particular to Sweden and Switzerland. Finally M. Debre considered that the Six could make an all-out effort to agree on a European patent system, an essential part of the economic union, which could then be proposed to other countries, especially the candidates. The drawback to M. Debre's proposals are that the commercial arrangements are not certain to result in full membership, and that they are even more general in scope than previous French

suggestions, whilst the technological and patent proposals are aimed at speeding up internal development of the Community. This is at present stagnating because certain states, and notably the Benelux countries, are opposed to the French attitude towards enlargement.

The climate engendered by the Brussels meeting did not help to improve the atmosphere in Bonn when General de Gaulle arrived there on Friday. During the previous two days the Bundestag had made it plain that many German deputies wanted the government to take a stronger line with Paris, and ask concrete questions for "fine words would no longer suffice". The French press was also aware of the apparently harder line in Bonn. Germany's preoccupation with the changes in the Warsaw Pact brought about by the Czech crisis and the need for strengthening NATO as well as the enlargement of the Community were the main subjects of discord. In the event both sides did as much as they could to avoid these areas of disagreement although the French President made it clear that he would help Germany if she was attacked, and he also understood the reason why Bonn wanted a stronger NATO. The discussions therefore concentrated on the need for Franco-German solidarity, both within and outside of the Community. This policy may give rise to the fear amongst the smaller EEC members of being dominated by a Bonn-Paris axis and induce them to take a stronger line over enlargement.

The French president was even more categorical on this point than his foreign minister had been. "It is not the moment to add to the subjects of disagreement amongst ourselves. I agree with the Chancellor's views that any move without France would be destructive" and a few minutes later "Enlargement at any cost without France would lead to nothing. If the Community is constructed without France, there won't be any Community. If it is constructed with others, we would regret it, but France lived for a long time without the Community, and could do so again."

The areas in which there is to be "preferential solidarity" and cooperation between the two sides are fuel and power, armaments and space, although it is intended that the whole Common Market will be able to benefit. The meeting therefore produced little that was constructive as far as West Germany's foreign policy is concerned apart from this move to strengthen Franco-German cooperation. The French President is also well aware of the importance attached to this by many Germans, even those who disagree with him. The political and geographical situation of West Germany makes it almost impossible for Bonn to have an open clash with Paris. But it remains to be seen whether or not his opposition to change in the Community - as in France - will not result in more drastic changes than would have come about by accepting enlargement. The influential French paper *Le Monde* thinks it would be wrong to believe that fine words will satisfy the fears of West Germans who believe that the security of their country lies in an enlarged Community. Furthermore the criticism and ill-feeling which is growing in West Germany against French policy may well impair an effective development of Franco-German cooperation.

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## ECSC

Ensuring Energy Supplies: Coal Producers Speak Out

Within days of the C.E.E.P. - European Centre of State Enterprises - submitting its views to the Commission on the guidelines for the proposed common energy policy (see No 480), Herr Haferkamp, commissioner responsible for energy questions, had talks with coal producers from member countries of the Community. These were gathered for the Study Committee meeting of West European coal producers (C.E.P.C.E.O.), and they placed in his hands reports and statistical evidence on the matter of ensuring energy supplies in the Community with findings far removed from those of the state undertakings on this question. Whereas the CEEP stressed the need for low-cost supplies and hence for a widely diversified pattern of sources, coupled with developments in energy production in the Community, especially in the nuclear sector, the coal producers are very chary towards the idea of too much casting about for new suppliers. The CEEP takes the line that while it is not doomed to complete phasing out, the coal sector presents prodigious readaption and running-down problems, vexed further by the social and regional problems involved. On the other hand, Charbonnages de France, for instance, a state enterprise belonging both to CEEP and to the CEPCEO committee, failed to come down on the side of the state undertakings, and went very much for the sort of argument put forward by CEPCEO, i.e. that diversification in particular is unwise. Indeed no less than 92% of external EEC energy supplies at present come from the Middle East and Africa, that is from areas notorious for political unrest, whereas only 5% comes from the USSR. Thus it is foolish even to think in terms of diversification, as even in the long term the situation is unlikely to alter appreciably, and since 81.8% of world oil reserves are estimated to lie in these same areas.

While the diversification of sources, then, can contribute in some measure to the ensuring of energy supplies, at least an equal part can be played by maintaining an appreciable production capacity within the EEC itself. Indeed, it is the opinion of the coal producers that the Community can only come to terms with the ever-increasing pressure from foreign suppliers by keeping up an appreciable volume of nationally (in the Community sense) produced energy.

The coal producers concentrated their studies on security of supplies for the three main coal-consuming sectors: steel-making, electricity generating stations and home fuels. They analysed the various technical and commercial factors weighing upon the supply of these three sectors from Community sources and from imports, and on this based the following estimates of what proportions should be covered by ECSC coal in 1980:

<u>Consumption Sector</u>	<u>Requirement</u> (Million tons, coal equivalent)	<u>Proportion Covered by Community</u> (Coal, lignite, oil, gas, hydroelectric)
Steel-Making	65	75%
Power Stations	75 - 90	54 - 60%
Homes and Small Firms	25 - 30	50% app.
Used at Pithead	5	
Other Sectors and Export	5 - 10	

TOTAL: 175-200 Million tons coal equivalent

What this means in effect is that for supplies to be assured, the Community should maintain coal production capacity at about the level it has reached today. However, the producers here offer a cautionary word: as things stand at present, these resources are already in a spiralling decline in all Community countries, and some workings are in danger of going out of production altogether. In other words, if their argument about securing sources of supply is accepted, immediate action must be taken to halt the declining trend that has set in.

In receiving the report of the ECSC coal producers, the Commission announced that it plans to submit a preliminary document to the Council, in which it will offer its suggestions as to the main decisions to be made on the common energy policy before the end of this year. A special Commission meeting has been scheduled for October 29, at which should be agreed the main principles on which this report will be based. In the meantime, the Commission will see to it that the readaption of the coal sector goes ahead as smoothly as possible. As far as the specific needs of the steel industry are concerned - coking fines, that is - the Commission has just requested the extension for a further two-year period of the High Authority's 1/67 decision approving aid for coking coal and coke for steel-making. This two-year period, during which the common energy policy should really get off the ground, should enable Community coal firms producing coking coal for the steel sector to maintain production at a level in accord with the needs of the ECSC steel sector.

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## AGRICULTURE

### EEC Ministers prepare for Policy Debate

The first meeting of the EEC Council of Ministers after the summer recess was relatively short, lasting only from the evening of Monday, September 23, to noon on September 24. At this meeting the ministers had to recognise the worsening state of the EEC and, in particular, the acceleration in the butter stocks, which bore out Dr. Mansholt's pronouncements during the summer that the problem of chronic excesses would never be solved under classical marketing and price policies. This meeting can be viewed as a prelude to the important debates on the future direction of EEC agricultural policy scheduled for November. Dr. Mansholt advised that proposals as to prices for the 1969/70 season, structural improvements and finance would be submitted by the end of October.

Both the French and Belgian ministers drew attention to the deterioration of their cheese markets. M. Charles Heger, the Belgian minister, wishing to appease his farmers, called for a formula to restrict imports of Dutch cheese into Belgium. M. Boulin, the French Minister, had similar problems. French production of Gruyere had had to be severely reduced since the beginning of the summer, exports had been nil during August, while imports from the Netherlands had risen by 30 per cent. Several French cheese factories were threatened with closures and others were considering switching wholly over to butter and

powdered milk production since these products enjoyed guaranteed prices and would thus manufacture only for the intervention authorities, as was the case for peaches and apples. The Belgian and French attribute this state of affairs to the so-called system of "corrective adjustments" introduced under the common dairy marketing regulations. (It should be recalled that these corrective adjustments had in fact been incorporated during the last stages of the negotiations in the early summer to enable France, Belgium and Luxembourg to pay their farmers more than the theoretical prices for butter and powdered milk). The Commission was not convinced that the present difficulties experienced by the French and Belgian cheese industries as a result of a sharp increase in Dutch Gouda exports since July were due to imperfections in the common dairy marketing regulations and particularly the so-called corrective adjustments. Dr. Mansholt expressed his opinion that these sectoral difficulties were only the symptoms of a more general and serious problem. However, Belgium and France pressed for emergency interim measures, such as grants for private storage, compensatory taxes at EEC internal frontiers. The Commission made it clear that the EEC finance ministers were hardly likely to favour any increase in EEC agricultural expenditure. This matter will be further discussed at the next meeting of the Council on October 14 and 15 in Luxembourg.

Discussion on certain other drafts including those on distribution and processing was again deferred. The council however finally approved the draft regulations on egg classifications including seven weight standards stored 45 grammes to over 70 grammes and three quality categories: A - fresh, B - stored, and C - for industrial use. At the request of France certain eggs with an air space of less than 4 mm within category A will be classified as "extra fresh".

## LEGAL MATTERS

### Court Rulings "In Free Circulation"

On September 27, before embarking upon the agenda of their Council meeting, the foreign ministers of the Six signed a convention that marks another step forward in the integration of the Community and the streamlining and acceleration of its day-to-day legal activities. The move follows logically from the signing a few months ago of a convention on the mutual recognition of enterprises in the EEC (see No 451). Provision was made for such a convention in Article 220 of the Rome Treaty, which inter alia enacts that member states shall negotiate "the simplification of the formalities governing the reciprocal recognition and execution of judicial decisions and of arbitral awards". The increasing economic and commercial integration of the Six has led to the multiplication of legal relations between those involved in trading across internal EEC-frontiers.

The problem hitherto has been that legal disputes arising in trade and other such matters have been subject to bilateral agreements between states, the findings of courts not necessarily being found binding by other courts not immediately involved in specific cases, and much time has also been wasted in instances where judges have refuted the



competence of their community colleagues, and set decisions at naught. Even where recognition of court rulings was made, there was frequently a lengthy process of authorisations to be gone through, and this too will no longer be necessary. Thus with the new system, once it is implemented, a device whereby companies and legal entities could delay or even prevent the due process of law in the Community will largely disappear.

What the Convention in fact lays down as a hard and fast rule is that from now on the court upon which it falls to judge a case in civil or commercial law shall be that of the country of residence of the defendant, regardless of his nationality. Further to this, the countries party to the Convention shall automatically recognise the judgement given, and there will be no call for re-examination of the competence of the court in which ruling is made. The only two reasons that may now be offered by a member country's court for refusing to recognise a judgement passed in the court of another member country are: incompatibility with public policy and the disputed right of the defendant to be heard and defended at law.

The Commission favours the Convention in all particulars, but it does make the provision that a complementary section is called for. What it seeks is powers of interpretation for the European Court of Justice, lest the Convention be undermined by squabbles over its precise sense and applicability to specific cases. The Court should be given the final word in the interpretation of it, as with other international legal disputes arising in civil and commercial matters in the Community.

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## CUSTOMS & TARIFFS

### Duties & Quotas for Aircraft Tyres

Amongst the items for which the blanket provisions of the July I customs union have had to be amended are certain types of aircraft tyres, for which the Community itself suffers a supply shortage, the types in question having special qualities and specifications. In order to maintain supplies of these, the Council last week made a two-part decision concerning duties on the one hand and quotas on the other.

For six types of tyre, no duties at all will be demanded between July I last and December 31, while for another four types normal customs duties will apply. For all ten types, however, quantitative restrictions will be imposed, the quota for the Community as a whole being set at \$ 358,000. This, by the Council's decision, will be shared amongst member states as follows:

Netherlands	\$ 151, 000
Italy	\$ 103, 000
West Germany	\$ 85, 000
France	\$ 13, 500
B.L.E.U.	\$ 5, 500

German Aluminium Imports

The Community's common external tariff for aluminium imports has officially stood at 9% since July I, but there is a specific case in Germany that has required the attention of the Brussels Commission. Supplies of aluminium from Austria for the use of the Giulini company have for some time been admitted duty-free into the Federal Republic, though in 1967 a token duty of 2% was imposed. Germany requested the extension of this arrangement, and the Commission has now given its decision on the matter. It has placed a quota of 21,000 metric tons on such imports, corresponding to Giulini's requirement, and the duty charged has been set at 2% up to June 30 last, and 3% for the period July I - December 31.

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## TRANSPORT

Brussels Axe for Canal Boatmen

It is becoming obvious that the Community's inland waterways sector is in urgent need of immediate and radical intervention on the part of the national governments and the Community as a whole. Estimates show that there is something like two million tons of excess capacity in the Six's fleet of river and canal transport craft. Many boats and barges are obsolete, cut-throat competition is putting far too much pressure on the freighting sector, indebtedness amongst companies is getting out of hand and bankruptcy and takeovers are rife. The sector to date has had to fend for itself almost completely, and it simply has not the wherewithal to cope with the situation, which is aggravated by the fact that there is a considerable number of one-man, one-boat businesses struggling for subsistence. Even if intervention takes place, moreover, carefully coordinated action will have to be taken to prevent fresh investments from re-creating surplus capacity conditions.

Thus the Brussels Commission has forwarded recommendations to member states concerning the elimination of a least some of the excess freighting capacity on the Community's inland waterways. The Commission's recommendations tend to centre on that part of the fleet which is perhaps the more easy to tackle, the one-man business. Here, it suggests that member states should offer "indemnities" to individuals struggling to continue business with obsolete craft, where these have been running the vessel since July I, 1965 or earlier, and where it is economically and technically no longer a viable commercial craft. Those approached to cease trading would further be required not to re-enter the business within the next thirty years. As an inducement, those approached would be indemnified by the state with the award of direct grants, which should be high enough for the owner to amortise his craft and still be able to move into some other field of business. This action would be complemented on the part of the states with provisions to ensure that new craft would not be put into service in those sectors of inland waterway transport whence the above craft had been withdrawn because of surplus capacity.

In addition, the Commission makes provision for barge and boat hands made redundant by its proposed action: these would have their income maintained at its current level for a year after they have been laid off, and disbursements would be made from the Community's Social Fund to provide for their retraining in some other skill.

The Commission requests the member states in its recommendation to keep it acquainted with all measures they may feel compelled to take, and it will offer its own findings on these. Certain EEC governments have already begun to take action in this field, and the Commission is anxious to coordinate all such action as closely as possible, in order to mould the scheme into a Community-scale undertaking, and to have a hand in reconciling the various forms of financial intervention embarked upon, as it were to "legalise" them in the Community context.

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## INDUSTRY

### Belgian Shipbuilding Aids

The continual difficulties facing the shipbuilding industry in Belgium have resulted in the country's government deciding to modify - with the Commission's approval - the regulations concerning governmental aid for the industry. The present system in force from January 1, 1968 to June 30, 1969, includes a direct maximum 8% subsidy towards the cost price of new ships to be paid off in eight equal annual instalments. This covers orders totalling some 2,400 m. Belgian francs. The latter figure is based on 18 month averages during 1961-1965, and was approved by the Commission last April.

The problem is that the present system has not helped to boost the Belgian shipbuilding industry sufficiently. Although the overall world position has improved, as a result of increased orders, the different forms of governmental aid have produced considerable distortions. Although the Belgian industry has sufficient orders for the next few months, it is likely to face a period of unemployment in 1969 and 1970, if nothing further is done to help it. Another reason for the modification of the existing system is that the OECD discussions aimed at normalising the credit conditions granted by certain countries have had little success.

The Commission has started to examine the proposed changes, so as to give a decision as soon as possible. The main points are as follows:

- 1) A maximum 6% subsidy (compared with the existing 8%) but for orders totalling up to 5,000 million Belgian francs.
- 2) The subsidy to be repaid over six instead of eight years.
- 3) The aid to remain in force for a further six months, until December 31, 1969.

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## AFRICAN ASSOCIATES

Renewal of the Convention

The problems raised by the renewal of the Yaounde Convention between the Six and the seventeen African states and Madagascar which are associated with the Community will be discussed by the European Parliament this week at its meeting in Strasbourg. Both sides want the Convention continued, but there can be little doubt that the African members would like to see considerable modifications made to its contents (see OME.Nos 471, 472 & 479). The Parliament is also to hear a report on the association agreements signed by the Community with East Africa and Nigeria.

Preparatory groundwork for the negotiations leading up to the Convention's renewal is being undertaken by M. Diiori Hamani, President of the Niger Republic and of OCAM - the African and Malagasy Common Organisation. He has been delegated by a dozen of his colleagues from the other African associated states to head their team. Last week he addressed a conference in Turin, which was dealing with the problems faced by the third world in adapting itself to industrialisation. If Africa was to develop, then its dependence on agriculture must be eliminated and industrialisation introduced, whilst the rich states should accept a fair division of industrial activities with their poorer neighbours.

M. Hamani has already visited Bonn in his tour of Common Market capitals, where he was assured of German support for renewal of the Convention. He was in Paris from September 29 to October 2, and will be in The Hague for talks with the Dutch government from October 7 to October 9.

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Food For Poorer Countries

The Foreign Ministers on Friday agreed in principle as to the amount of cereals each would contribute in this sector: France and West Germany will supply 320,000 tons each; Italy 238,000 tons; the Netherlands 82,000 tons; Belgium 73,000 tons and Luxembourg 2,000 tons. The Council also asked the Permanent Representatives to study the other remaining questions so that a definite decision can be taken at one of its forthcoming meetings.

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## COUNCIL OF EUROPE

Greeks Will Not Unbend Under European Pressure

On Thursday the Consultative Assembly of the 18 nation Council of Europe decided that the draft constitution of the Greek regime was undemocratic and suggested democratic

elections within six months in order to bring the regime into line with the democratic ideals inherent in the Council of Europe. There is to be another meeting in January to decide whether to recommend the complete suspension of Greek representation in the Council, which will largely be dependent upon the progress the regime is making towards democracy.

Hardly a good word for the regime was heard during the five-hour debate on the matter, the voting coming out at two against and a few abstentions on a resolution in favour of sending an ultimatum to the Greek junta. The resolution says the draft constitution "does not conform to democratic principles", that the referendum is being held "under a state of seige" and cannot therefore be considered as a free expression of the popular will. Several delegates, such as M. Garbo of Norway, found the Council in a "profound dilemma": should it refuse to have an undemocratic state in an organisation one of whose main aims was to promote the ideals of democracy, or should it retain Greece as a member in the hope that, whilst in the Council, it could hope to modify significantly the government's conduct? M. Garbo felt there had to be a limit to the organisation's patience - "we cannot keep within our limits a violator of human rights".

The only possible friend that might have been some help to the Greek regime was France. In the person of M. Grailly, a French Gaullist, an attempt was made at the last minute to block the resolution, but in vain. M. Grailly argued that the resolution being put forward was "not legally valid" and that it would therefore be "deplorable" for the Assembly to take a political step which would be of no value. M. Grailly showed himself to be a convinced advocate of international laissez-faire and the inviolability of domestic affairs, feeling that the Council should wait until after the draft constitution put forward by the Colonels' government had been voted on in Greece. It was after all up to the Greek people to decide whether or not to accept it. The French delegate got short shift from the other members of the Council. Mr. Samuel Silkin, leader of the British delegation thought it would be monstrous to accept such an amendment, whilst Mr. Maurice Edelman said if the French delegates' "last-minute wrecking amendment" were allowed, there would be a wave of discouragement throughout Greece.

Having dismissed the French delegate's reservations forthwith, the assembly called for an "immediate return to a democratic parliamentary system, including the right of the Greek people to vote upon a democratic constitution; the immediate abolition of martial law, the full restoration of human rights and an end to the restrictions on political liberties; the organisation of parliamentary elections within six months under conditions which allow everyone to conduct a free and democratic campaign, including the announcement of the date of such elections in adequate time to enable political parties to prepare for them".

The Council resolution and ultimatum got equally short shift from General Pattakos, the Greek Vice-Premier, as that given by the Council to M de Grailly's amendment. The Greek government, he said, had "complete contempt" for the threat by the Council of Europe to suspend the country's membership of the organisation.

On the opening day of the Council of Europe session, Monday September 23, the main subject on the agenda had been the Czech crisis and its effect upon the rest of Europe. Obviously, the Assembly condemned (unanimously) the Russian action, and called upon the rest of Europe to renew its efforts at detente and the promotion of European unity. France's deputy Foreign Minister, Count de Lipkowski, took the opportunity to put forward his ideas on the unification of Europe, that had been made even more pressing by the oppression from the East. European governments must agree to create "a Europe which is possible", which as far as he was concerned meant a political Europe having as its members the Common Market six. Unfortunately, it seemed that certain of the Community members were resisting attempts at creating a technological and political union, but this would be fatal. The Community was powerless between the two mighty superpowers, so all must be done to unite the members into one closely-knit body in the face of possible oppression from both sides.

This proposal was completely rejected by a united front of Labour, Conservative and Liberal MP's. Mr. Robert Edwards, Labour MP for Bilston said, "The Six Common Market countries cannot speak for the whole of Europe. What is needed is the enlargement of the European Community of the Six to bring in Britain, Denmark, Norway, Eire and others." With an obvious nod in the direction of the French head of State, Mr. Duncan Sandys said, "Those who by their action or inaction delay the progress of the peaceful unification of Europe will bear a heavy responsibility before history". The Assembly of the Council of Europe with its many delegates from 18 different countries was evidently not the place for partisan French utterances.

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October 3, 1968

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ADVERTISING

\*\* The French government has just formed the REGIE FRANCAISE DE PUBLICITE - R.F.P. to manage commercial television on the ORTF, which starts on October 1. The president of the company is M. Rene Noiret and the board has twelve members; the Regie has an initial capital of F 100,000 of which the ORTF holds 51% and Sofirad 16%. The general manager will be M. Jean-Claude Servan-Schreiber, whilst sales will be the responsibility of M. Gerard Darzacq, already in charge of the ORTF's "compensated" or product advertising. At first, advertising will be limited to the first channel for two minutes nightly (7.57 - 7.59) and if successful will be extended to four minutes as from January 1, 1969. The present product advertising will continue to be transmitted three times daily, and the new commercial advertising, which is limited to certain products, is expected to be in F 150 million next year. At present a 30 second spot costs F 70,000 and a 15 second spot F 38,000.

BUILDING & CIVIL ENGINEERING

\*\* The French wood-treatment concern, also an exporter of prefabricated parts for the building industry, ETS DE GOROSTARZU, St. Vincent-de-Tyrosse, Landes, has formed an import and sales subsidiary in Düsseldorf. Called DE GOROSTARZU GmbH (capital Dm 25,000) this has M. Arnaud de Gorostarzu as manager.

CHEMICALS

\*\* The Leverkusen chemical and pharmaceuticals groups FARBEN-FABRIKEN BAYER AG (see No 479) is to boost its position in South-East Asia by forming a manufacturing subsidiary in Indonesia. The new company has been formed in association with DJAWA MALUKU, Djakarta (a minority interest) and has a capital valued at \$ 1.5 million. Production is due to start in 1969.

The German group recently formed a Cologne pharmaceuticals sales subsidiary, Bayro Pharm (capital Dm 150,000). It has numerous interests in Japan, Philippines, Australia, Thailand and India.

ELECTRICAL ENGINEERING

\*\* The American group EMERSON ELECTRIC CO, Saint Louis, Missouri (see No 449) has opened an Antwerp branch, directed by Mr Austin F. Platt, to its Dutch subsidiary BROOKS INSTRUMENT (NEDERLAND) NV, Veenendaal.

The group recently gave the latter control of the British company, FAIRHURST ELECTRONICS LTD, Wilmslow, Cheshire, formerly administered by another British subsidiary, Brooks Instrument Ltd, Marple, Cheshire.



\*\* The Indianapolis, Indiana group P.R. MALLORY & CO (see No 437) has made a three-year sales and representation agreement covering France and Belgium with CIPEL - CIE INDUSTRIELLE DES PILES ELECTRONIQUES SA, Lavallois, Hauts-de-Seine (see No 460) and its subsidiary CIPEL BELGIUM SA, Molenbeek (see No 437). The agreement renews an arrangement that has covered France already for three years, and the two companies will now receive most of their Mallory supplies from its new plant at Aarschot in Belgium, run by its subsidiary MALLORY BATTERIES NV, Anderlecht.

The Anderlecht firm is owned 75-25 by the American group and its London subsidiary THE EVER READY CO (GREAT BRITAIN) LTD (see No 394), and has a sister company in France, Mallory Batteries SA, Boulogne-sur-Seine (capital F 500,000), headed by M. A. Brule, Cipel (capital F 16.39 m.) is itself controlled by Ever Ready (37%), Le Carbone-Lorraine SA (36.9% and Ste Financiere Electrique SA (Thomson-Houston Hotchkiss-Brandt SA group).

### ELECTRONICS

\*\* The Amsterdam electronic instruments concern VIVATRON NV has formed a sales subsidiary in West Germany, Vivatron GmbH, Pulheim (capital Dm 50,000), to be managed by Messrs Antonius Eikmans of Velp and Ernst Lehmann.

The parent company is represented in France by Paris Labo SA, Paris, a member of the Paris pharmaceuticals group Laboratoires Toraude SA (see No 394).

### ENGINEERING & METAL

\*\* The negotiations which began (see No 468) with the aim of extending the agreement reached in late 1967 between the ALSTHOM SA group (see No 471) and RATEAU SA, Paris and La Courneuve, Seine-St-Denis in the steam-turbine sector (20 MW and under) have resulted in the formation of a joint subsidiary called STE GENERALE DE TURBINES SA, Paris (capital F 4 m.). The president is M. R. Douvry and it will be run by M. G. Roc; the company has a research laboratory and a turbine assembly plant at La Courneuve. Most of the turbine parts will still be made by the founders, under existing rationalisation and specialisation agreements. The new company's activities will be complementary to those of Ste des Turbines A Vapeur Rateau-Schneider SA, a joint subsidiary of Rateau and the Schneider SA group, through S.F.A.C. SA.

\*\* As the result of an agreement made with the West German concern ERNST HEINKEL MASCHINENBAU GmbH, Karlsruhe, the Japanese firm MATSUZAKA TRADING CO LTD, Tokyo, will manufacture under licence in Japan, and sell throughout South-East Asia cyclones and centrifuges developed by the Karlsruhe firm.

With a capital of Dm 2 million, the latter makes this type of equipment for the chemical, plastics and food industries, as well as precision equipment for the aerospace industry. It belongs to the Heinkel family, as does the engineering and aerospace company Ernst Heinkel AG, Stuttgart, Zuffenhausen (see No 393).

\*\* The American CLARK EQUIPMENT CO (see No 407) and its affiliate LA BRUGEOISE & NIVELLES SA, Brussels (see No 469) are to extend links dating from 1950 by the addition of further manufacturing cooperation and the formation of a 70-30 joint subsidiary. La Brugeoise is a member of the Brussels STE GENERALE DE BELGIQUE group. The new subsidiary will be named CLARK AUTOMOTIVE EUROPE SA, and under a Clark licence will produce "Hydratork" and "Hydracool" universal transmissions, motors of up to 1,000 h.p., hydraulic torque converters and axle components for lifting trucks. Initial investment costs are reckoned at Bf 350 million, and the new plant will come on line in 1969 with a labour force of 400.

During the next four years the American group will gradually retrieve manufacture of "Michigan" fork-lift trucks and civil engineering plant, for which it granted a licence to La Brugeoise in 1957, but it will compensate for this by channelling a larger volume of sub-contracted work towards the Belgian firm. In addition, La Brugeoise will continue to produce Clark equipment of 36,000 lbs and over, plus its container cranes and straddle carriers. It recently made an agreement with the Belgian Ets G. Matheys of Diegem, taking over its precision machine tools manufacturing and sales interests.

\*\* INTAL NV, Drunen (capital Fl 100,000) has just been formed by American and Dutch interests to manufacture and sell standard aluminium sliding windows. These will be built under licence from the American partner INTERNATIONAL ALUMINIUM CORP, Monterey Park, California, which shares 50% control with one of the two Dutch firms ELAND-BRANDT NV, Amsterdam, whilst the remaining 50% is held by LIPS NV, Drunen (see No 452).

Eland-Brandt employs some 200 persons in the manufacture of building frames and modules. It has a Dutch subsidiary called Eland-Brandt-Zonwering, Elburg. One of Lip's most recent moves has been to link 50-50 with NV Machinefabriek & Repartiëfabriek J.H. Keller to form the ship repair and propeller trading firm Lips-Keller NV (capital Fl 250,000).

\*\* The American engineering concern WESTERN GEAR CORP, Lynwood, California (gears for ships and aircraft and printing presses) has opened a branch in Antwerp, Hoboken (under Messrs G. Puglisi and A. Dewit) to its Los Angeles subsidiary WESTERN GEAR INTERNATIONAL INC.

The founder represents the aerospace equipment made by the British company Teddington Aircraft Controls Ltd, Merthyr Tydfil, Glamorganshire (part of the BRITISH THERMOSTAT CO LTD, Sunbury-on-Thames, Middlesex - see No 355). Its own British distributor is Martin Thomas Limited, Southall, Middlesex, whilst its agent is Cefmor-Brehmer Ltd, London.

\*\* The Dutch steel group KONINKLIJKE NED. HOOGOVENS & STAAL-FABRIEKEN NV, Ijmuiden (see No 477) has reduced its Belgian sales interests by closing down its 70% Liege subsidiary BACAMP SA which is managed by M. H.C. Iwes.

Control was shared with the Amsterdam company NV ELEKTRO ZUUR- & WATER-STOFFFABRIEK (see No 448) which recently came under the control of the Swedish group Aga A/B, Stockholm (see No 467).

\*\* EUROMET, GES. FUER METALL & ERZ mbH, Duisberg (capital Dm 100,000) which wholesales metal and semi-finished non-ferrous products, has opened a London branch under Mr Inael C. Wienstock.

\*\* Three Dutch engineering firms have decided to merge, and form a new company with a capital of Fl. 500,000, a turnover of around Fl. 10 million and employing about 200 persons. The companies involved are NV v/h DAM'S FABRIEK VOOR METALLBEWERKING, Amsterdam (capital Fl. 100,000), its associate NV DAMKO, FABRIEK VOOR ALUMINIUMWERKEN, Amsterdam (factory at Hoorn) which employs 70 persons, and NV ATELIER VOOR KUNSTNUVERHEID - WINKELMAN ALUMINIUMBOUW, Zwanenberg.

The group's production will be rationalised since Dam's Fabriek Voor Metallbewerking will switch its interests to Zwanenberg, where the manufacture of PVC frames and surrounds will be concentrated. The factory at Hoorn will continue to manufacture aluminium frames.

\*\* BOSAL BENELUX SA, Oevel (administration in Antwerp - capital Bf 30 m.) has just been formed to trade in car accessories and spares as well as other metal products. It is an almost wholly-owned subsidiary of KIRKEGARD FAMILIENSTIFTUNG, Vaduz, Liechtenstein. Token shareholders are Messrs Karel Bos, Chur, Grisons, and Jacob C. Dekker, Heilo, Netherlands, who are co-directors of the new company along with Mr. Karel Bos, Pretoria, South Africa, as well as "Skambia Industrial Developments A/B" AG, Schaan and Buschdecker Stiftung, Vaduz (both in Liechtenstein) and Technicura AG, and Kabos Verwaltungs AG, Chur, Grisons.

\*\* The West German firm FICKERT SPEZIALMASCHINEN GmbH & Co KG, Frankfurt (equipment for electrical motors and automatic weaving machinery) has formed a direct sales subsidiary in France called FICKERT FRANCE Sarl, Puteaux, Hauts-de-Seine (capital F 50,000). This has Herr Günther Wagner, Bad Soden, Taunus as manager, who also holds a 10% stake.

\*\* The Turin investment group FINANZIARIA REGIONALE PIEMONTESE SpA (see No 469) has gained a large stake in SpA ING AUDILI & BERTOLA-COSTRUZIONI IDRAULICHE A.S.C.I., Turin, (capital Lire 88 m.) and it now intends to boost the latter's expansion.

Headed by Sig. G. Bertola, this makes a wide range of hydraulic pumps and horizontal and vertical electric pumps. There is also a branch in Milan.

\*\* The German SCHILDE AG, Bad Hersfeld (air conditioning and drying plant, surface treatments etc) has implemented its plan to set up in Spain (see No 478) by forming a subsidiary in Madrid called Schilde Iberica SA (capital Pts 2 m.)

The parent company, which also plans in the near future to establish a company in France, is itself a 51.02% subsidiary of the Frankfurt group DEGUSSA-DEUTSCHE GOLD & SILBER SCHEIDESTALT VORM ROESSLER, and its other main interests are in Vienna (Schilde-Wien GmbH) and Milan (Schilde Italiana Srl).

\*\* A 50/25/25 agreement has been made in the Netherlands between LIPS NV, Drunen (see No 452) and the American group ALCOA-ALUMINIUM CO OF AMERICA, Pittsburgh (1967 world turnover of \$ 1,380 m. - see No 478) and the Norwegian company ELEKTROEMISK A/S Oslo. The agreement has resulted in the formation of a subsidiary LIPS ALUMINIUM NV (authorised capital Fl 38 m.) which will take over from the Dutch founder its installations at Drunen for the production of semi-finished aluminium goods. These include a 30,000 ton p.a. rolling-mill, a plant making sections (6,000 tons p.a.), a welded tube and street light production line.

\*\* The American group SIMMONDS PRECISION INDUSTRIES INC, Torrytown, New Jersey (see No 471) has again enlarged its numerous Dutch interests by gaining control of W.J. STOKVIS 'KONINKLIJKE FABRIEK VAN METAALWERKEN NV, Arnhem (capital Fl 2 m.) which employs some 180 persons in making aerials, fire-fighting equipment, brass and plastic plumbing and valves for water and gas. Control was sold by the Arnhem holding concern NV VERENIGDE INDUSTRIE & HANDELMIJ "VIHAMIJ", Arnhem (authorised capital Fl 50 m.) which was formed in 1955 by the merger of Stokvis Ijzerhandel Gebr., Van Campen NV, Nymegen and Bolte & Gorter NV, Groeningen. In 1967 turnover reached Fl 120 million.

The American group's other Dutch interests include: Simmonds Precision NV, Amsterdam (which has direct control of the new firm), Becker's Sons NV Fijn Mekanische Industrie, Brummen and NV Fabriek Van Transformatoren & Apparaten v/h Weseman & Co, Rotterdam.

\*\* The West German manufacturer of concrete pipe machinery MAS-CHINENFABRIK ETTLINGEN PFEIFFER KG, Ettlingen, Baden, will spend Dm 3.4 million on expanding its new French manufacturing subsidiary SOLMO-STE LYONNAISE DE MOULES METALLIQUES SA, Jas-sas-Riottier, Loire.

The Ettlingen firm, which employs some 300 persons, also has an interest in the Nigerian company, NCI - Nigerian Concrete Industries Ltd, Lagos.

\*\* The Dutch company CEZOMA TEXTIELMACHINEFABRIEKEN NV, Uden, has backed the formation in Belgium of the machinery and accessories manufacturer and repair concern DE ZELBERT MACHINEFABRIEK Pvba, Overpelt (capital Bf 748,000). The joint shareholders are four members of the Ceelen family, which owns the founder. With around 100 on the payroll, this makes machinery for the textile industry.

\*\* The West German firm DR. B. THYSSEN GmbH, Munich (gas and oil burners, water-treatment plant) has taken an 80% interest in the formation of THYSSEN HOLDING GmbH, Chur (capital Sf 50,000). The remaining stake is held by SLOMAN ZUG KG, Zug, a subsidiary of the Hamburg Sloman Bank KG (see No 478).

The Munich concern (capital Dm 2.1 m.) is owned by Dr. Bodo Thyssen and has no links with the steel group August Thyssen-Hütte, Duisburg, Hamborn (see No 477). The latter also has a Swiss portfolio subsidiary Thyssen Holding & Finanzierungs AG, Zurich (capital Sf 10 m.). It employs around 350 persons and there is also an Austrian subsidiary, Dr. Thyssen GmbH, Salzburg, formed in July 1964 (capital Sch 100,000).

\*\* A manufacturing and sales agreement covering complete plants for the chemical and food industries has been signed in Belgium between ATELIERS HEUZE, MALEVEZ & SIMON REUNI-H.M.S.SA, Auvelais (see No 394) and ATELIERS OOMS SA, Mortsel. H.M.S. is expected to take over the general engineering interests of both companies, whilst Ooms will manufacture special sheets and house a joint purchasing and plant supply office. Ooms, which has a French sales subsidiary, Ste de Vente Ooms-France SA (formerly at Merignies, Nord), will also receive financial support from HMS.

Recently HMS acquired the business interests and various lathe and grinding machines rights of Forges, Usines & Fonderies de Gilly SA, Gilly (under liquidation since 1966 - see No 388). It also has numerous French interests: Le Bouchage Mecanique-L.B.M. SA, Neuilly, Hauts-de-Seine (see No 394), where its co-shareholders are the B.S.N.-Boussois-Souchon Neuvesel SA group (see 9.69% - see No 476) and the Cie de Saint-Gobain SA group (23.03 % - see No 474). It has an interest in SE.V.A-Ste d'Etudes Verrieres Appliquees SA, Neuilly, Hauts de Seine and in SA des Ateliers de Construction de Compiègne, Oise, which in turn are 67.56 % and 53.4 % subsidiaries of Saint-Gobain.

\*\* In the Belgian steel sector, COCKERILL-UGREE-PROVIDENCE SA, Seraing, is having talks with STE METALLURGIQUE D'ESPERANCE LONGDOZ SA, Liege (see No 476), with a view to formulating a common rationalisation and expansion programme, either in the form of a merger or through some other device offering similar benefits, the main object of which will be to increase their competitive capacity at both national and European level.

Cockerill-Ougree-Providence, which is directed by M. Charles Huriaux, produced about 4.22 million tons of steel in 1967 (mainly sheet, hot and cold strip and wire rods), having a Bf 22,280 million turnover and 33,000 on its payroll. Esperance Longdoz, chairman Mr. A. de Posson, has its plant at Chertal, having closed down its works at Jemeppe and Seraing this year, and produces about 1,210 million tons of rolled steel, for a 1966-7 turnover of Bf 7,760 million (workforce over 7,500).

\*\* The British SPIRAX - SARCO ENGINEERING LTD, Cheltenham, Gloucester has raised from 50.16 to 100 % its interest in the West German SARCO GmbH, Konstanz, which makes condensers, pumps, regulators, thermostats etc, by buying up the shares held by Swiss investors. The firm has branches in Hamburg and Düsseldorf, and its capital stands at Dm 1.25 million.

The British concern (1967 turnover £ 6 m.) has other European subsidiaries: Sarco SA of Paris (capital F 1 m.) and Sarco Belgie NV, Ghent. Its other chief foreign interests are in the USA, Brazil, Argentina, India and New Zealand.

\*\* The British metal door and window frame concern CRITTAL MANUFACTURING CO LTD, Braintree, Essex (see No 343) has sold its wholly-owned Düsseldorf subsidiary FENESTRA-CRITTAL GmbH to German interests, in the persons of Herren Hans Martin and Heinz Ribbert (95 % and 5 % respectively). The company has Dm 7.46 million capital, and with 800 on its payroll ranks as one of the largest of its kind in West Germany, having factories in Düsseldorf, Schwerte and Kleve.

The British firm is itself controlled by CRITTAL-HOPE LTD, which has investments in many Commonwealth and American firms.

\*\* The Paris group PECHINEY SA (see No 480) has decided to establish a manufacturing subsidiary in Frankfurt for its aluminium alloys and wire. Called PECHINEY-ALUMINIUM PRESSWERK GmbH (capital Dm 100,000) this will have an initial capacity of some 5,000 tons p.a. and will be directly under a subsidiary of the group in Paris, CEGEDUR GP SA. The French group has been unable to find suitable conditions in France, Belgium or the Netherlands, and in particular has been unable to find electricity at sufficiently cheap prices. It is also continuing the negotiations it started some time ago in West Germany with the R.W.E-RHEINISCHE WESTFALISCHE ELEKTRIZITATSWERK AG, Essen (see No 462) with the aim of building an aluminium factory (100,000 tons p.a.) near Cologne.

One of Pechiney's most recent moves has been the signature in early September of a technical assistance contract with the Japanese company Mitsui Aluminium Co, Ohmuta, Kyushi (a member of the Mitsui & Co Ltd, Toyko group - see No 472). The French group previously had only one Common Market manufacturing subsidiary, Ste Pour L'Industrie de L'Aluminium -Sidal SA, Brussels (see No 414), the leading Belgian aluminium rolling and wire-drawing concern.

\*\* The British group which supplies plant for the chemical, metallurgical and engineering industries, SIMON-ENGINEERING LTD, Stockport, Cheshire (see No 451) has acquired a wholly-owned Dutch subsidiary by paying some Fl. 8 million for MACHINE-FABRIEK HEESEN NV, Boxtel. At the same time as it made this move, the Stockport group sold off its 49% interest in the Amsterdam C.P.M.-SIMON NV. This was formerly called C.P.N.-Simon Engineering NV, and was formed in 1961 in association with California Pellet Mill Corp, San Francisco, which held a 51% stake.

Heesen specialises in making machinery and equipment for the animal fodder, chemical and food industries. It has some 150 employees and an annual turnover around Fl 6.7 m, with sales offices in Ghent and Frankfurt. The British group has a number of interests on the Continent including subsidiaries or associates of its subsidiary, Henry Simon Ltd: Simon-Europa NV, Amsterdam; Simon-Europa SA, Brussels; Ets Henry Simon SA, Paris.

FINANCE
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\*\* The Chicago-based CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO (see No 476) intends to open two new European branches, one in Frankfurt and the other in Paris. The directors of the former will be Herren A.K. Griva and Karl Patek, former director of the Dresdner Bank AG.

The American bank also plans to open a new branch in Amsterdam and its existing Continental interests include offices in Milan, Brussels and Zurich as well as shareholdings in several European banking and financial companies: Banca Privata Finanziaria SpA, Milan; Banque Européenne d'Outre-Mer SA, Brussels; Continental & Overseas Investment NV, Amsterdam; Union Industrial Bancaria SA and Banco Atlantico SA, both in Barcelona.

\*\* The London investment bank, KEYSER ULLMANN LTD. - which is administered by KEYSER ULLMANN HOLDINGS LTD, London(see No 472) - is to gain 65 % control of the Amsterdam bank BANK VAN EMBDEN NV (formerly Bankierskantoor M. Van Embden - see No 480), following the raising of the latter's capital to Fl.15 million (Fl.8 m. paid up). The firm's main associate in the deal will be the Paris finance house, CIE FINANCIERE DE LINORD SA (formerly Ste de Gestion Industrielle & Financiere SA - see No 474). The board of management of the Dutch bank will now include three new members - Ian Stoutzker, (Keyser ) James Goldsmith (managing director of Linord and president of the British group Cavenham Foods Ltd, Slough, Bucks) and P. Wolff.

The French bank is keeping its holding in Van Embden, having been granted this by the later's president and prime mover, M. A. de Gunzburg, who had himself acquired interests in Israeli firms through the intermediary of the American finance brokers, McDonnel & Co. (see No 450). The company has now passed under the 54 % control of the holding company, Union de Participations SA, Paris, whose managing director is also M. A. de Gunzburg (vice president and an important shareholder in the British food group, Cavenham Foods Ltd and managing director of the French group, Sourcee Perrier SA, which have links in two joint subsidiaries). In Germany the company is linked to the BfG-Bank für Gemeinwirtschaft AG Frankfurt (see No 471), whose president M. Walker Hesselbach is also on the former's board of management, by virtue in particular of crossed minority holdings between its former parent company, Union Financiere de Paris and a subsidiary of the Frankfurt bank (see No 310).

\*\* ALGEMENE BANK NEDERLAND NV, Amsterdam, B.N.P.-BANQUE NATIONALE DE PARIS SA, Paris DRESNER BANK AG, Frankfurt, BANCA NAZIONALE DEL LAVORO SpA, Rome, BARCLAYS BANK LTD and the BANK OF AMERICA (through BAMERICAL INTERNATIONAL FINANCIAL CORP, New York) have all taken part in raising the capital of their joint subsidiary STE FINANCIERE EUROPEENNE-S.F.E.LUXEMBOURG SA, Luxembourg (see No 416) to 120 million French francs.

A similar operation was carried out in May 1968 when the same banks raised the capital of a sister-company, Ste Financiere Europeenne-S.F.E. Paris SA (to F. 24 million) (see No 416). The Luxembourg company holds a 25 % stake in its Paris counterpart.

FOOD & DRINK
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\*\* The French group BRASSERIE DE KRONENBOURG SA, Strasbourg-Kronenbourg (see No 398) has formed a British distribution company called KRONENBOURG DISTRIBUTING (U.K.) LTD (capital £15,000) with the founder's president, M. Jerome Hatt and Mr. Michael Cook, Brighton as directors. The new concern will trade in beers, wines and spirits.

Kronenbourg made some 1.9 million hectolitres of beer in 1967. In 1969 it expects production to reach 2.4 million hectolitres as a new factory with an initial capacity of 600,000 hectolitres started up in July 1967 at Obernai, Bas-Rhin. Its French interests include - S.F.A.L.-Ste Financiere Alsacienne Sarl, Strasbourg (capital raised in September 1967 to F 1.75 million), Ste Alsacienne de Gestion & de Participations Sarl, Strasbourg

as well as the distribution companies: Ste Parisienne de Distribution des Bieres Kronenbourg Sarl, Gennevilliers, Hauts-de-Seine and Ste Lilloise de Distribution des Bieres Kronenbourg Sarl, Lomme, Nord. Abroad it has a shareholding in a Congolese brewery.

### INSURANCE

\*\* The Edinburgh-based CENTURY INSURANCE CO LTD (see No 454) has been given permission by the Italian authorities to operate in the "damages" sector (both insurance and reinsurance). A few months ago it established a permanent office in Milan under Signor Onello Apuzzo, the former director of the Italian interests of another British group, Norwich Union Fire Insurance Co.

\*\* JOHN HANCOCK MUTUAL LIFE INSURANCE CO, Boston, Massachusetts, which not only offers life insurance cover, mainly in the USA and Canada, but also indemnifies against risks American military installations in West Germany, Italy, Britain, Spain, Greece and Turkey, has set up a subsidiary in Brussels named John Hancock International Services SA (capital Bf 50,000).

### MINING

\*\* Controlled 55.7 % by the MONTECATINI EDISION SpA, Milan group, the mining firm, MONTEPONI & MONTEVECCHIO SpA, Turin (capital Lire 7,200 million and annual capacity 80,000 tons of lead and zinc - see No 366) has backed (40 %) the formation of a new company in Trieste, STA MINERARIA ALPI ORIENTALI SpA (authorised capital Lire 100 million) for the exploration and exploitation of zinc and lead deposits in the Eastern Alps.

With Sig. Vittorino Marpillares as president, the new venture is controlled by two state concerns, A.M.M.I.-Azienda Mineraria Metallurgica Italiana SpA, Rome (40 % - see No 422) and by Friulia-Soc. Finanziaria Regionale del Friuli-Venezia Giulia SpA, Trieste (20% - see No 405).

### NUCLEAR POWER

\*\* A group of Common Market and British firms have linked to form a European consortium called INTER-NUCLEAR SA (capital Bf 10 m) to design, build and sell high-temperature gas-cooled reactors and sell power plants using this form of reactor. The group is headed by BELGONUCLEAIRE-STE BELGE POUR L'INDUSTRIE NUCLEAIRE SA, Brussels (see No 451) which has a 70 % stake; Belgonucleaire includes SNAM PROGETTI SpA, Milan (a member of the ENI group - see No 460), SOMIREN-STA MINERALI RADIOATTIVI: ENERGIA NUCLEARE SpA, Milan (another subsidiary of the ENI group - see No 381) and GUTEHOFFNUNGSHUETTE STERKRADE AG, Oberhausen (a member of the GUTEHOFFNUNGSHUETTE AG group - see No 477).



The British partner is THE NUCLEAR POWER GROUP LTD, Knutsford, Cheshire (20 %) and the remaining 10 % is held by the firms which comprise TNPG (see No 406): SIR ROBERT McALPINE & SONS, London, GEC-AEI LTD, London, CLARKE CHAPMEN & CO LTD, Gateshead, Durham, HEAD, WRIGHTSON & CO LTD, Thornaby-on-Tees, C.A. PARSONS & CO LTD, Newcastle-on-Tyne, A. REYROLLE & CO LTD, Hebburn, Durham, STRACHAM & HENSHAW LTD, Bristol, JOHN THOMPSON LTD, Wolverhampton and WHESSOE LTD, Darlington.

OIL, GAS AND PETROCHEMICALS

\*\* STANDARD OIL CO. OF NEW JERSEY'S (see No 453) interests in Belgium have been extended with the formation of a new subsidiary in Liege, GILBARCO BENELUX SA. This is under the control (direct and almost 100 %) of FILBERT & BARKER MANUFACTURING CO., which is itself a member of the Jersey Enterprises Inc. group. The balance of the capital (Bf.10 m.) of the new firm is held by several of the Gilbarco Inc., Greensboro, North Carolina board members. With Messrs. S. Low, P. Larnola and S.W. Stalney as directors, the Liege firm manufactures, assembles, trades in and transports plant and equipment for the petroleum and allied industries.

\*\* The French group C.F.P. -CIE FRANCAISE DES PETROLES SA, "Total" Paris (in which the state has a 35 % stake and 40 % of the voting rights) is negotiating a 30 % stake in the West German group, GELSENKIRCHENER BERGWERKS AG, Essen (see No 474). The move is aimed at strengthening the C.F.P.'s position in its battle against the major international oil companies as well as against its French rival - also backed by the state - E.R.A.P. "Elf". Entreprises de Recherche & d'Activities Petrolieres SA, Paris. The negotiations also form part of the recent moves made by "national" German groups who together account for some 28 % of refining capacity - to combat the ever-increasing influence of the major international companies on the West German market.

GBAG is the third company in this sector (the 1967 turnover of Dm 2.930 m. was down on the 1966 figure of Dm 3,020 m) after Esso AG (Dm 4.540 m in 1967) and Deutsche Shell AG (Dm 3.180 m.). It is a 23 % + affiliate of the DRESDNER BANK AG, Frankfurt (see No 476) and recently agreed to sell off its mining interests to the single Ruhr coal-mining firm now being established in Essen, Ruhrkohlenbergbau AG. Its two main shareholdings are 100 % in Gelsenberg Benzin AG, Gelsenkirchen-Horst (1967 turnover Dm 915 m) and 27.82 % in Aral AG, Bochum. The latter had a 1967 turnover of Dm. 3,700 million and is the leading distributor for petroleum products by number of outlets, with 7,550 compared with Shell (6,360) Esso (6,350) and BP (4,880).

\*\* INTERNATIONAL MINERALS & CHEMICALS CORP. Skokie, Illinois (see No 451), which has had an engineering and oil services subsidiary in Britain, IMC DRILLING MUD (UK) LTD, London since 1967, with drilling sites at Great Yarmouth, Hartlepool and Aberdeen, is increasing its European coverage by setting up a subsidiary in The Hague. This will carry out the same work as the British subsidiary and with an authorised capital of Fl. 90,000, will be under the control of Mr. John E. Hartin of Houston, Texas. It already has a depot in Ijmuiden and plans to open another soon in the North of the country.

\*\* BRITISH PETROLEUM CO LTD - through its subsidiary STE FRANCAISE DES PETROLES BP SA, Courbevoie, Hauts-de-Seine (see No 478) - and the Brussels group PETROFINA SA - through its subsidiary STE PURFINA FRANCAISE SA, Paris (see No 474) - have linked on an equal basis with ANTAR PETROLES DE L'ATLANTIQUE SA, Paris (see No 467) in ENTREPOTS PETROLIERS REGIONAUX SA - E.P.R. Courbevoie. They have made over certain production, commercial and property interests at Marcq-en-Baroeul, Nord, Rouen, Le Mans and Anglet to E.P.R.

The Courbevoie concern was formed in 1967 with a capital of F 100, 000 which has recently been raised to F 8.25 million in two successive moves. Purfina contributed assets worth F 2.15 million and cash., Antar made over assets worth F 1.6 million and cash, whilst BP made over assets worth F 2.71 million.

\*\* Confirmed in its policy of diversifying its field of activities (see No 477) by the recent decisions of the Algiers government, the C.F.P. - CIE FRANCAISE DES PETROLES SA, Paris (see No 447) has increased its refining and distribution activities in Australia by taking over the Sydney concern, BORAL LTD, which has interests in Petrochemical Holdings Pty. Ltd and Valvoline (Australia) Pty Ltd. In conformity with the agreements reached in March of this year (see No 453) on this matter, this company has made over its special activities as well as its share holdings to Total Boral Ltd, Sydney (capital \$A 20 m.). Directly affiliated to Total Holdings (Australia) Pty, Sydney, the latter heads Total Boral Refineries Ltd (formed in July 1968 - \$A 6 m. capital) and Total Australia Ltd, which is at present being formed for sales purposes.

\*\* An oil and petrochemical complex is to be built in Martinique by French interests which have linked on equal terms with foreign firms. These are 1) E.R.A.P. - ENTREPRISE DE RECHERCHES PETROLIERES SA (see No 478) and C.F.P. - CIE FRANCAISE DES PETROLES SA, Paris (see No 479); 2) STANDARD OIL CO OF NEW JERSEY, New York (see No 467) ROYAL DUTCH-SHELL, Rotterdam (see No 471) and TEXACO INC, New York (see No 478).

The complex will centre on a refinery with an annual capacity of some 550, 000. It will also include a petrochemical plant mainly concerned with the manufacture of nitrogen-based fertilisers (annual capacity 100, 000 tons p.a.) to be run by a firm being formed called STE ANTILLAISE DE PRODUITS CHIMIQUES SA. This will be an 80% affiliate of the American firm SUNRAY OIL CO, Tulsa, Oklahoma, with the remainder being held by local interests. The Tulsa company was originally mainly concerned with petroleum, and today with some 6, 000 employees it controls a fertiliser factory through its subsidiary, Planters Fertilizer Co Inc, Mississippi.

#### PAPER & PACKAGING

\*\* The Thumeries, Nord sugar and paper concern, STE F. BEGHIN SA (see No 462) is at present working on the rationalisation of its interests in the paper sector, by taking over its 59% subsidiary, CIE DE KAYSERBERG SA, Kayserberg-Alspach, Haut-Rhin (see No 463). With a capital of F 7.17 million, this company employs more than

a thousand and has an annual turnover in the region of F 90 million. In addition to two cardboard factories at Kayserberg and Neuf-Brisach, it has a factory making cellulose wadding at Blesheim-Kunheim, sold under various trade names including Lotus, Vania, Rami and Joncquille by the Ste de Distribution Beghin-Sodibe Sarl, Paris.

PHARMACEUTICALS
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\*\* The Milan interests of the American chemical and pharmaceutical group, ROHM & HAAS CO, Philadelphia, have been strengthened by a new indirect 80% subsidiary called WHITMOYER VENETO SpA (capital Lire 1 m.) which will sell veterinary products made under licence from the subsidiary WHITMOYER LABORATORIES INC, Myerstown, Pennsylvania (see No 461)

Like the group's other Italian sales subsidiaries - Whitmoyer Milano, Whitmoyer Torino and Whitmoyer Ancona - the new concern will be under the direct control of the Milan manufacturing subsidiary FILITAL INDUSTRIE CHIMISCHE SpA (production facilities at Traviglio and Mozzanica, Bergamo - see No 455).

\*\* Further to their recent talks about research cooperation and patents exchanges (see No 477), the French ROUSSEL-UCLAF SA group of Paris and the German FARBERWERKE HOECHST AG, Frankfurt (see this issue) have made an agreement in principle covering their scientific, manufacturing and sales activities, with a pooling of interests in the pharmaceuticals sector. A financial clause is appended, whereby the latter will receive a minority stake in CIE FRANCAISE CHIMIO SA, Paris (capital F 41 m. - see No 468).

Chimio is a portfolio company belonging to the Roussel family, and has 52.4% control of the Roussel Uclaf group. This is chaired by M. J.C. Roussel, and in 1967 achieved a turnover of F 789.9 million (43.3% in France and the remainder from overseas activities, the group having 57 foreign subsidiaries), 60% of the business being in the pharmaceuticals sector.

PLASTICS
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\*\* A 50-50 link-up between the British concern HUNTER GROUP OF CO LTD and the Dutch firm H.H. MARTENS & ZOON NV, Oosterhout has resulted in the formation of HUNTER MARTENS NV PLASTIC INDUSTRIE (authorised capital Fl 5m. - 20% issued). This will manage a plastic guttering and pipe factory, employing some 60 people to start with; at a later date it is expected to have around 150 persons on the payroll.

Hunter specialises in PVC products for the building industry and it recently formed a British subsidiary, Hunter Plastic Industries Ltd, Woolwich - in which Hambros Bank Ltd, London (see No 477) holds a direct and indirect stake of 35% - to head seven of its subsidiaries.

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SERVICES
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The American temporary staff bureau MANPOWER INC, Milwaukee, Wisconsin (see No 479) plans to add some 100 branches in the next five years to its existing European network, half of which will be established through franchising agreements. There are at present about forty such branches, subsidiaries or offices (see No 390), and about the same number of franchised establishments.

Its Belgian licensee, the agency GREGG ASSOCIATES SA, St-Josse-ten-Noode, Brussels (see No 314), which is headed by MM. Richard R. Gregg and Andre O. Capelle, has furthermore taken 30% in the formation at its own offices of SIGHT & SOUND EDUCATION (BELGIUM) SA, the main backers of which are the associates of the parent company. The new concern, with Bf 1 million capital, will sponsor correspondence courses, publish educational systems, courses, textbooks etc, trade in various allied sundries and offer services connected with this type of work.

TEXTILES
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\*\* A further merger is to take place in the French textile industry which will involve the DOLLFUS-MIEG & CIE SA -D.M.C. group, Paris (capital F 100.2 m. - turnover F. 300 m.) and strengthen an indirect Lille subsidiary, STE DESCAMPS L'AINÉ SA. This latter is a wholly-owned subsidiary of STE DE PARTICIPATION DES TISSAGES. D.M.C. SA (Sopartis), and it has made an agreement with the household linen firm J. DEMEESTERE-DEMEESTERE SA, Halluin, Nord which will result before the end of 1968 in a merger. This should give the weaving interests of D.M.C. a turnover of some F 100 m for the current year (around 28 % of total sales). The Halluin concern has four mills in the Nord and most of the production is sold to central purchasing agencies, and wholesalers.

Sopartis will gradually intergrate Demeestere into its existing pattern of work. This includes household linen in the Nord made by Descamps l'Aine and cloth at Roanne, Loire made by Dechelette-Despieres, Brechard, Dupuis-Merle, Grosse & Calodon. Soparties at present gives work to around 1,600 persons in ten different factories. D.M.C. is a 25% affiliate of J. Thiriez Pere & Fils & Cartier Bresson Sarl, Lille (see No 447).

\*\* The British synthetic fibres concern CARRINGTON & DEWHURST LTD, Ecclestone, Lancs (see No 471) has formed a manufacturing and sales subsidiary in West Germany, Carrington & Dewhurst Garne GmbH, Bayreuth (capital Dm 100,000, manager Herr Hans Rüschenpöhler).

The parent company is affiliated to both the I.C.I. - Imperial Chemical Industries Ltd and Courtaulds groups (16% and 6% respectively), and is best known for its "Crimplene" terylene fibres. It already has a Frankfurt subsidiary, Carrington & Dewhurst (Germany) GmbH (see No 369), which is directly controlled by Carrington & Dewhurst (Europa) NV, Amsterdam. The latter also controls in the EEC both Textimaille SA, Brussels, and Carrington & Dewhurst (Italy) SpA, Carlazzo.

\*\* In order to increase the number of outlets on the Continent, the London group, GAINSBOROUGH INDUSTRIAL SECURITIES LTD. has acquired for about £230,000 the Amsterdam textile wholesalers, (furnishings etc), LETHEM BROS & MELLIN NV, Amsterdam, through Gainsborough Distributors. This firm has a payroll of 120 and 5 branches in the country.

The London group controls numerous wholesale carpet and floorcovering concerns: Arthur & Co. (Floorcoverings) Ltd. Wiltshire Carpets Ltd, Lorraine Associated (Carpets and Textiles) Ltd, P.M.C. Carpets Ltd. etc, and is already the largest floor-covering distributor operating in Europe.

\*\* Two of the biggest German firms in the combed wool sector, KAMMGARN-SPINNEREI DUESSELDORF, Düsseldorf and NORDDEUTSCHE WOLLKAEMMEREI & KAMMGARNSPINNEREI AG, Bremen have decided to merge and form a new firm of European proportions. With more than 2,000 employees, the new firm will have some 62,000 spindles and an initial group turnover of more than Dm 100 million.

The Düsseldorf firm (capital Dm 5 m) has a payroll of 900. The Bremen firm (capital Dm 14.4 m), which is under the majority control of the Dresdner Bank AG, Frankfurt (see No 475) has two wholly-owned subsidiaries, Wollgarnfabrik Fulda GmbH, Fulda and Delespa-Werke GmbH, Delmenhorst.

#### TOURISM

\*\* Holiday Inns of America, Memphis, Tennessee (see No 453) having failed in negotiations in 1967, the HOTEL CORP OF AMERICA, Boston, Massachusetts, will now be the first U.S. firm in its sector to set up in Munich. It is forming a 100% subsidiary called HAWA GRUNDSTUECKSWERWALTUNGS GmbH, which will build a 500-bed hotel, scheduled to be in service in time for the Olympic games in 1972.

Hotel Corp, whose Milan establishment (325 rooms) will be opened in 1969, recently formed a branch in Brussels to its New York subsidiary Hotel Corp of America Development Co Ltd (see No 448).

#### TRADE

\*\* Following negotiations between the two groups of department stores, SARMA SA, Brussels (see No 470) and J.C. PENNY CO. New York, the latter has taken a 20% holding in the Belgian concern for some \$8.6 million.

With Baron de Saleleer as president, the Belgian firm (almost 100 shops and 270 concessionaires) has a sister company in Brussels, SARMA INTERNATIONAL - SARMINTER SA, whose president is Mr. G. Wolff. This company heads a number of the sister company's interests in Belgium (Unibra SA) as well as in the Congo and in Spain. (see No 464). It has recently increased its indirect interests in the Ste Commerciale & Immobiliere -S.C.I. and also has interests in the SA Centrale Immobiliere Nationale - C.I.N., both in Forest-Brussels.

\*\* The German mail order concern OTTO VERSAND KGaA, Hamburg, in a bid to achieve greater sales to the 15 to 25 age bracket, has formed a special promotion company named POST-SHOP VERSAND GmbH, Hamburg, with Dm 20,000 capital. This firm has already launched its first catalogue, containing 2,900 articles, 400,000 copies of which will be put into circulation.

The group's most recent operation abroad has been to expand its Paris subsidiary Regie-Vente SA (see No 455), the main interest of which is its control of the Milan firm, Paris Club SpA.

\*\* CHILCO INTERNATIONAL EXPORT LTD, South Gate, California (which is represented in Britain by Incedon & Co Ltd, London) has formed via its Canadian subsidiary, Chilco International Export Ltd, Vancouver, B.C., a new subsidiary in Brussels called CHILCO EUROPE SA. With a capital of Bf 250,000 and with Messrs. Frank W. Russel and Francis G. Gibson as president and managing director respectively, the new company will trade in all kinds of building materials, metal products, machines, parts, tools, electrical goods, scientific, surgical and precision instruments.

TRANSPORT
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\*\* The French international transport group MESSAGERIES NATIONALES WALBAUM SA - M.N.W. (see No 364) is to form a wholly-owned British subsidiary called CHANNEL ROAD SERVICES LTD (the second firm to have this name). This will take over the cross-channel transport services until now organised by a company with the same name (see No 334) owned jointly with the PROPRIETORS OF HAY'S WHARF LTD group (see No 462).

Run by M. Reville, M.N.W. (capital F 3.72m.) has recently taken over two regional transport concerns, Ste Nouvelle de Groupage & de Camionnage SA, Noisy-le-Sec, Seine-St-Denis and Ste Dauphinoise de Messageries Nationales SA, Grenoble. The group controls some 350 vehicles and employs around 9,200; there are branches in Dijon, Avignon, Marseilles, Lyons, Rheims, Paris, Angers, Grenoble and Epernay. It also has shareholdings in several French transport companies (including 20% in Atlantique Container Service SA, Paris (see No 401) and has a Belgian subsidiary in Antwerp.

\*\* The Utrecht transport and fuel group S.H.V. - STEENKOLEN HANDELSVEREENIGING NV (see No 477) plans to take control of the shipping group VAN NIEVELT, GOUDRIAAN & CO'S STOOMVAART MIJ NV, Rotterdam, in which it recently (see No 478) took a 30% stake in a bid to quash the public offer that the NED OVERZEE BANK NV was planning to make on behalf of a group of Norwegian and Swiss interests. Van Nievelt's capital stands at Fl 50 million. S.H.V. has further negotiated the merger of its own docking activities in Amsterdam with those of NV HAVENBEDRIJF "DE RIETLANDEN", Amsterdam (see No 337), within a new company, named NV Havenbedrijf "De Rietlanden" (second to have the name), which will be directed by Mr J. Van Der Heide of S.H.V., and start operations with a workforce of 100 people. De Rietlanden (first of the name) is backed mainly by Kon Ned Hoogovens & Staalfabrieken NV, IJmuiden (50%) and NV Frans Swarttouw's Havenbedrijf, Rotterdam.

VARIOUS

\*\* TWENTIETH CENTURY FOX ITALY INC, Dover, Delaware, a member of the New York group TWENTIETH CENTURY FOX FILMS CO, has extended its commercial coverage of Italy, hitherto handles solely by its Rome branch, by forming film renting agencies in Catania, Milan, Florence, Genoa, Naples and Padua. In Italy, the American group's interests are handled by Sigs M. Graziozi, Ralf J. Massiah and I.S. Cerulli.

\*\* The American fire arms manufacturer (hunting and sport), SMITH & WESSON INC. Springfield, Massachusetts has formed a sales company in West Germany, SMITH & WESSON GmbH, Ulm, Donau, with a capital of Dm 100,000 and Herr Jürgen Anschütz as managing director.

Until now it has been represented in this country by the firm, John E. Weir of Kaiserlautern, whilst Smith & Wesson itself belongs to Bangor Punta Corp., New York.

LATE FLASHES

\*\* AUTOMOBILES: SAVIEM-SA DES VEHICLES INDUSTRIELS & D'EQUIPEMENTS MECANQUES (see No 453) a member of the State group, RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine has appointed the Dutch firm NV NIEUWE AUTOMOBIEL MIJ. (N.A.M.), Amsterdam as its importer and representative for its medium-sized vehicles.

N.A.M. already sells in the Netherlands vehicles made by several other European manufacturers including Saab (see No 446), Citroen (see No 470), Daf (see No 470) and is also the agent for M.A.N. -Maschinenfabrik Augsburg Nürnberg AG, Augsburg. The latter firm already cooperates closely with Saviem and sells its own and Saviem's large commercial vehicles, whilst Renault Nederland NV sells Saviem's smaller vehicles. The company is the wholly-owned subsidiary of the Amsterdam group, NV Amsterdamsche Rijtuigmij (authorised capital Fl 5 million) and its sister companies are NV Algemeene Automobiel Mij. -A.T.A.M., The Hague, Vless Vervoer Amsterdam NV (V.V.A.) and NV Taxi Auto Mij., Amsterdam.

\*\* Negotiations have been taking place in Italy between the group run by Sig. Carlo Pesenti, whose most important finance company is ITALCEMENTI SpA, Bergamo (see No 471) and FIAT SpA, Turin (controlled by the Agnelli family and I.F.I. -ISTITUTO FINANZIARIO INDUSTRIALE SpA holding company) with the view of the former's selling out its control in LANCIA & CO., FABBRICA AUTOMOBILI TORINO SpA, Turin (the country's fourth largest automobile manufacturer and the owner of a large sales network abroad - see No 430) in exchange for a majority holding in the Union Cementi Marchino & Co. SpA, Casale-Monferrato, Alessandria (see No 383), a firm which owns six cement works and a dozen furnaces with a capacity of 2.2 million tons p.a.

At the same time Fiat has been conducting negotiations in France and Italy with the aim of taking a minority interest in CITROEN SA, Paris whose president is M. Pierre

Bercot. The Citroen group now consists of S.A. Automobiles Citroen, Ste Commerciale Citroen SA (both directed by M. R. Ravenel - see No 465) and a 85 % subsidiary, Automobiles M. Berliet SA, Lyons (see No 442). The Turin group controls amongst others the rubber tyre company, Pirelli SpA, Milan (see No 471) whereas the French group (controlled by Cie Generale des Ets Mechelin-Michelin & Cie SA, Clermont-Ferrand - see No 468) is linked by technical association agreement to Officine Alfieri Maserati SpA, Bologna and Modena (see No 442) and in West Germany with N.S.U. -Motorenwerke AG, Neckarsulm (see No 472).

\*\* CHEMICALS: The Hull, Yorkshire group RECKITT & COLMAN HOLDINGS LTD (see No 387) has added a 75% subsidiary to its Dutch interests, though its local subsidiary RECKITTS NV, De Bilt. The new firm is named MIJ VOOR ONDERHOUDSTECHNIEKEN "FLOOR TREATMENTS" NEDERLAND NV, de Bilt, and the balance of the capital is held by the Dutch NV CHEMISCHE FABRIEK "ANDRELON", Bodegraven (see No 268). It has Fl 300,000 authorised capital (paid up to Fl 80,000), and will sell chemical maintenance products, in particular those manufactured by the High Wycombe, Bucks concern, Progress Floor Treatments Ltd, a subsidiary of the group through Chiswick Products Ltd.

From a subsidiary of its Dutch associate, Chem-y-Fabriek Van Chemische Producten NV, Bodegraven, the group recently acquired a licence for the "Anhydro" dry floor cleaning process. The Bodegraven firm, with its factory at head office, has a manufacturing subsidiary in West Germany, Chem-y GmbH, Emmerich (sales offices in Düsseldorf) and a sales subsidiary in Belgium, Chem-y SA, Hove. In the Netherlands it has another sister company, Andreon Cosmetics NV - Fabriek Van Cosmetische Producten.

\*\* A holding company called CINDU-KEY & KRAMER NV, The Hague (issued capital Fl 7.68 m) will head the group formed by the merger of KEY & KRAMER NV, Maasluis (tar-fraction products, civil engineering work, chemical products and building materials) with CINDU-CHEMISCHE INDUSTRIE UITHOORN NV, Uithoorn (civil engineering work, loading and unloading of petroleum products, manufacture of tar fractions - see No 435). The new group will have an annual turnover exceeding Fl 130 million and some 2,400 persons on the payroll and its directors are to be Messrs G.M. Key, J.H. Schruringa, R. van Maanen and E.L. Kramer. Its interests will be reorganised into five divisions: 1) Chemical products; 2) Non-chemical products; 3) Civil engineering work under a new firm called CINDU-KEY & KRAMER BOUW NV; 4) Transport, handling and sales; and 5) Asphaltting. The new holding company will be an affiliate for just under 25 % each of the Kon. Ned. Hoogovens & Staal-fabrieken NV, Ijmuiden (through Teerbedrijf Uithoorn-Tebu NV - see No 474) and Utrechtsche Asphaltfabriek NV, The Hague (see No 435), both of which held a 50 % stake in Cindu.

Apart from its numerous Dutch interests, the latter will give the new group affiliates or subsidiaries in Belgium, Tebu Belge SA, Destelbergen, Ghent; France - Tebu-France Sarl, Paris; Germany - Minerale Handelsgesellschaft Tebu mbH, Düsseldorf, and in Venezuela. Key & Kramer has interests in West Germany, Durofalt Deutschland; Durofalt France Sarl; in Belgium, Albitum NV, Antwerp as well as in Austria, Curacao and Switzerland.



\*\* CONSUMER DURABLES: After several months of arduous negotiations (see No 469) with the aim of combining their domestic appliance interests, the French groups CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS-BRANDT SA, Paris (see No 475) and ETS CLARET Sarl, Colombes, Hauts-de-Seine (see No 470) have managed to reach an agreement. Because of the latter's complicated financial situation this will take place in two stages.

Firstly the size of Claret's liabilities means that the help it has already been given by several banks headed by the B.N.P. - Banque Nationale de Paris SA (see No 473) will have to be maintained. They will consolidate their debts by raising the capital and thus taking a majority interest in the firm. Secondly once Claret's financial position has recovered, Thomson-Houston will replace the banks in control of Claret. This will result in the leading French and European groups in this sector (combined turnover F 1, 500 m.) making around 80% of French refrigerators or 12% of EEC output (640, 000 units) and some 50% of washing machines. The merger should result in stronger competition for the Italian domestic appliance groups who hold some 35% of the French market for refrigerators and 16% for washing machines.

Claret will be run by MM. Walahin, G. Brana and J. Fayard. Its trade-names are "Frimatic", "Pontiac", "Atlantic", "Vica", "West-Point" and "Caddy". It recently merged within the group, Cie Esswein SA, Boulogne, Hauts-de-Seine and Ste des Ets. Gauthier SA, Boulogne, which resulted in the formation of SA Esswein & Cie SA, Ste Francaise de Developpement Thermique - S.F.D.T. SA, Ste Airbox SA, and Sovenam - Ste de Vente de Materiel Menager SA.

\*\* ELECTRICAL ENGINEERING: Continuing the expansion and rationalisation of its activities (see esp. No 468), C.G.E. - CIE GENERALE D'ELECTRICITE SA, Paris (see No 472) is taking a majority holding in the electrical cables and wire concern, GEOFFROY-DELORE SA, Paris. This company employs some 1,500 people and has an annual turnover in the region of F. 150 million with its factories at Clichy and Gennevilliers, Hauts-de-Seine, Paillart, Oise and Rheims, Marne

C.G.E. is at present completing its transformation into a portfolio company and its last move in this direction was the formation of four administration companies, each with a capital of F. 100, 000, which are to be the recipients of various manufacturing and sales interests: Ste de Vente de la Cie Generale d'Electricite, Manufacture d'Accumulateurs & D'Objects Moules, Fabrique D'Appareillage Electrique & d'Articles Metalliques (FAEAM) and Ste Pour le Developpement des Equipements de Conversion (DEC).

\*\* STAL ASTRA GmbH, Hamburg has just been formed to sell refrigeration plant and equipment as a 50-50 venture by BERGEDORFER EISENWERK GmbH, Hamburg-Bergedorf (capital Dm 14 million) and STAL KAELTE GmbH, Friedberg, Hesse. Both companies belong to Swedish interests: Bergedorfer is the wholly-owned subsidiary of the ALFA-LAVAL A/B, Väskeras (see No 405) through STAL REFRIGERATION A/B, Norrköping.

The move thus carried out is a continuation of the agreement made between the two Swedish groups in the cooling sector, which has already led to Alfa-Laval taking a minority stake in Stal Refrigeration. Alfa-Laval's West German interests are, Alfa-Laval GmbH, Hamburg (dairy equipment) and Roca Apparatebau GmbH, Düren (heat exchangers).

Asea's main stake in West Germany includes Asea Eletrizitäts GmbH, Friedberg (electrical equipment) and Transformatorenwerk August Lepper GmbH, Bad Honnef (transformers).

\*\* ELECTRONICS: Further to its recent decision to expand in Italy and Switzerland, LEASCO DATA PROCESSING EQUIPMENT CORP, Great Neck, New York (see No 469) is to form two new Leasco subsidiaries, one in Zurich and the other in Milan (capital Sf 100,000 and Lire 15 m. respectively), to be controlled directly by the 76.6% New York subsidiary, LEASCO EUROPA LTD, in which the group is linked with a European banking syndicate (see No 476).

Leasco, already established in Europe with subsidiaries in Paris, Frankfurt, Brussels and Amsterdam, is the largest American group operating in the field of data processing installations and equipment leasing.

\*\* Negotiations have been going on for some time in Italy (see No 475) between the FAIRCHILD CAMERA & INSTRUMENT CORP., Syosset, New York and its 50-50 associate in the S.G.S.-STA GENERALE SEMICONDUKTORI SpA, Agrate Brianza, with the aim of selling off the former's 33.3% holding in this company (through Fairchild Semiconductors Ltd); these negotiations have now been brought to a close. Ing C. Olivetti & Co. SpA, Ivrea used to control the firm 66.6 % (through Olivetti International SA), but Telettra-Laboratori de Telefonica Elettronica & Radio SpA, Vermicate, Milan (already the holder of the rest of the shares) is now taking advantage of an option to increase its holding, though remaining a minority shareholder.

This agreement arose from a previous licencing and know-how exchange agreement, by virtue of which Fairchild will continue to grant technical aid to S.G.S., which has held licences to manufacture its silicium 'Planar' semiconductors for several years (see No 413).

\*\* FINANCE: The BANCA COMMERCIALE ITALIANA SpA, Milan (see No 460), under the 95.4% control of the Rome state group I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, has gained 85 % control of a Liguria merchant and credit bank, BANCO DI CHIAVARI & DELLA RIVIERA LIGURE SpA, Chiavari, Genoa (capital Lire 300 m.).

This brings the total of the bank's Italian subsidiaries to 38, but it also has considerable holdings in Credito Fondiario SpA, Rome (33.2%), Mediobanca - Banca di Credito Finanziario SpA, Milan (18.05%) and more recently in Italfactor SpA, Milan.

October 3rd, 1968

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Bayer	B	Emerson Electric	B
Beghin	L	Espérance Longdoz	G
Belgonucleaire	J	Euromet	E
Bergerdorfer Eisenwerk	S	Ever Ready	C
Boral Ltd, Sydney	L		
Bosal Benelux	E	Fairhurst Electronics	B
Brooks Instrument	B	Fairchild Camera & Instrument	T
La Brugeoise & Nivelles	D	Fiat	Q
		Fickert Spezialmaschinen	E
C.F.P.	K,L	Filbert & Barker	K
C.G.E.	S	Finanziaria Regionale Piemontese	E
Carrington & Dewhurst	N		
Cegeour	H	G.E.C.-A.E.I.	J
Century Insurance	J	Gainsborough Industrial Securities	O
Cezoma Textielmachine	F	Gelsenkirchener Bergwerks	K
Channel Road Services	P	Generale de Belgique	D
Chilco International Export	P	Geoffroy-Delore	S
Cindu	R	Gilbarco	K
Cipel	C	Gorostarzu Ets	B
Citroen	Q	Gregg Associates	N
Claret	S	Gutehoffnungshütte Aktienverein	J
Clark Equipment	D		
Clarke Chapman & Co	J	Hancock Mutual Life Insurance	J
Cockerill-Ougree-Providence	G	Hawa Grundstücksverwaltung	O
Continental Illinois National Bank	H	Hay's Wharf, Proprietors of	P
Courtaulds	N	Head, Wrightson & Co	J

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			V
Heesen, Machinefabriek	H	O.R.T.F.	B
Heinkel	C	Olivetti	T
Heuze, Maleuez & Simon	G	Ooms	G
Hoechst	M	Otto Versand	P
Hoogovens	D		
Hotel Corp of America	O	Parsons, C.A. & Co Ltd	J
Hunter Group	M	Pechiney	A
		Penny, J.C.	O
I.C.I.	N	Petrofina	L
I.R.I.	T	Pfeiffer Ettlingen	F
Intal	D		
Inter-Nuclear	J	R.F.P.	B
International Minerals & Chemicals	K	R.W.E.	H
Italcementi	Q	Rateau	C
		Reckitt & Colman	R,Q
Jersey Enterprises	K	Renault	Q
		Reyrolle	J
Kammgarn-Spinnerei	O	de Rietlanden	P
Katserberg	L	Rohn & Haas	M
Key & Kramer	R	Roussel Uclaf	M
Keyser Ullman	I	Royal Dutch Shell	L
Kirkegard Familienstiftung	E		
Kronenbourg	I	S.G.S.	T
		S.H.V.	P
Lancia	Q	Sarma SA	O
Leasco	T	Saviem	Q
Lethem Bros & Mellin	O	Schilde	E
Linord, Cie Financiere	I	Sight & Sound Education	N
Lips	D,F	Simmonds Precision Industries	F
		Simon Engineering	H
M.N.W.	P	Sloman Zug	F
McAlpine,	J	Smith & Wesson	Q
Mallory, P.R.	C	Snam Progetti	J
Manfouc Inc	N	Societe Financiere Europeenne	I
Martens, H.H.	M	Sofirad	B
Matsuzaka	C	Solmo	F
Montecatini Edison	J	Somiren	J
Montefoni & Montevecchio	J	Spipax-Sarco	G
		Stal Astra	S
Nieuwe Automobiel Mij	Q	Stal Kälte	S
Norddeutsche Wollkammerei	O	Standard Oil, New Jersey	L
Nuclear Power Group	J	Stokvis, W.J.	F

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W

Strachan & Henshaw	J
Telettra	T
Texaco	L
Thomson, John	J
Thomson-Houston Hotchkiss-Brandt	S
Thyssen, Dr. B	F
Twentieth Century Fox	Q
Van Embden, Bank	I
Van Nievelt, Govoriaan	P
Vihamij	F
Vivatron	C
Walbaun, Messageries Nationales	P
Western Gear Corp	D
Whessoe	J
Whitmoyer Veneto	M
Winkelman Aluminium	E
de Zelbert Machinefabriek	F