

# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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August 7, 1969 No 524

# *Opera Mundi* **EUROPE**

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

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## THE WEEK IN THE COMMUNITY

July 28 - August 3, 1969

## CARTELS

The "Aniline Trust": A Spot of Beard-Singeing

Last week's revelation that the Community's Anti-Cartel Office had fined ten major European chemical companies for "concerted practices" taking the form of simultaneous price increases on aniline dyes on two occasions (January 1964 and 1965), and a partly thwarted attempt to do so on a third occasion (October 1967), was by far the most striking example yet of the Commission's determination to win its spurs as Europe's industrial troubleshooter, and to secure its role as mentor for fair practice in EEC commerce. It can be no accident that the Commission set its sights upon a number of Europe's giants in what is one of the most research-orientated divisions of the chemical sector, where competition is extremely keen and profitability exceptional on new lines.

In this final year of the transitional phase of the Common Market, when much harmonisation of policies remains to be done between the Six, and when the need for more effectual international authorities and organisms becomes all the time more apparent, it would seem as though there was more than one ulterior motive behind the Commission's decision to take up the cudgels. Any pretext for pointing the moral about the need for a "smack of firm government" in Brussels, is worth the exploiting to the Commission. Again, this may have been chosen as the most propitious moment for demonstrating to governments the need to keep their industrialists in hand, and to industry the wisdom of cooperation (in the legal sense) and the obligations that fall upon it, once it is provided with the economic community that it demands, with what sometimes looks like supranationalist fervour. Thus it may not be entirely coincidental that the Commission should institute its first action under Article 85 I (a) of the Rome Treaty - distortion of competition through price-fixing - against a group of companies that include four whose head offices are not registered in member states, amongst them the mighty I.C.I., which this very year has climbed again to rank second largest chemical company in the world, after Du Pont.

That the Commission has "gone for the big boys" remains in no doubt, but its approach to the matter is in some ways puzzling. The most plausible interpretation that one could place upon the "aniline trust" affair, really, is that the Rey Commission is simply trying to stress the homily that it has been putting out for months past to all who care to listen, i.e. that the enlarging and strengthening of the Community is a "do or die" undertaking for Europe. In circles like these, there is no better device for bringing home the truth of an argument than the introduction of hard cash into the issue - hence the fines? In doing this, however, the Commission would have been failing in its purpose if it had not sought the biggest prey, so as to make the greatest impact. This it has surely done, but only time will tell what measure of success it will score, and indeed what manner of success.

There can be little question that up to a week or so ago the role or standing of the Commission vis-a-vis industry was still untried. Thanks not least to a history punctuated with instances of member states, jealous of their sovereignty, taking the wind from the

Commission's sails, there has been a tendency to regard it as a faithful but chained watchdog, an efficient functionary and an able mediator, little more. Now, it has taken the bull by the horns: whatever happens over the colourants cartel, the relationship of the Commission to industry can never be quite the same again. Portrayed cartoon style, one would have tended to see industry as the giant, smiling patronisingly at the busy machinations of the vociferous but puny Community Executive. But, chained or otherwise, the watchdog has now proved that it can bite: to a £1,237 million sales organisation like I.C.I. a £20,000 fine may be only a pin-prick, but it is one that could cost much more in terms of embarrassment and even perhaps in time and money spent on reshaping sales policy and practice, as a result of the indictment.

For the moment, I.C.I. is, as one might expect, playing the game with fairly quiet confidence. It takes the line that it has cooperated with the Commission in this matter, by supplying information when requested, but that the EEC Executive simply has no jurisdiction over it, least of all to expect or enforce payment of such a fine. Indeed, it has already taken its first stand in the legal melee that may well ensue by denying receipt of the notice of fine, this being improperly addressed. The notice was delivered through diplomatic channels, but even this may not ensure its validity. Likewise, all the other companies concerned in the cartel have now begun to wriggle: the other non-EEC firms, the Swiss CIBA, Geigy and Sandoz say they will challenge the legality of the action, but reserve further comment at least until after this week's expected communique from the Swiss Government. With the German, French and Italian companies, of course, the matter is different. All six are liable, in the extreme, to have writs served and fines exacted through their national administrations, under Rome Treaty provisions - always provided that the case is proven, and this may - almost certainly will - involve a lengthy case of appeal at the Court of Justice of the Communities. Rather tenuously, the Germans argue: a) that there was no cartel, and so they are not guilty, and b) that they have anyway been found guilty of cartel practice by their own authorities, and should therefore not be liable to the Community for the same offence (see No 505). Again, one should not forget that all four non-Community companies have interests inside the Community and are thus open to exaction of the fines if the Court eventually finds against them.

Not the least intriguing aspect of this affair, of course, is the number of political nettles that the Commission has offered to the grasp of all those concerned. It has perhaps been over-adventurous itself: due process of law could even prove it to have made a ghastly mistake. Its evidence against the ten is ponderous, but circumstantial. Moreover, such is the nature of modern dye pricing that list price increases - those in question - often bear little relation to those operated, much more tied to the workings of the market. Indeed, Bayer claims that the international price level of aniline dyes is now below that of 1958, and that in Germany below the 1965 level. Such facts may become critical in the final resolution of the issue. Who knows...the Commission may even be putting its head in the noose to prove that any viable Community executive must have sufficient power to weather such storms as this. The capital question, however, is that of industrial and governmental response to this challenge. Surely the Commission is implicitly calling upon EEC industry to heed its monitors in Brussels, upon member states to support it in this, upon non-Community industry, through the four companies here, to "show willing", to pay up and play it the Community way, and upon the governments of candidate states to take this opportunity, by their agency, to make a positive act of faith.

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TRADE :

Franco-Soviet Pact

Last week the Permanent Representatives agreed to grant France a conditional exemption from the October 1961 decision of the EEC Council of Ministers dealing with the introduction of the common commercial policy on January 1, 1970.

The exemption only deals with the treaty itself, signed on May 29, for the Commission's view, that negotiations over the annual quota contents within the treaty should be scrutinised on a Community basis, was accepted. This means that the negotiations later this year for quota details will have to be preceded by discussions by France and her partners to work out a common approach. Furthermore the quotas, when agreed, will be limited in time to December 31, 1970.

The Six have apparently overcome this problem, which is closely tied up with the French desire for independence in this sphere. Paris has fears, however, that if Moscow considers she is bowing unduly to pressure from the Five and the Commission, it may look for new trading partners. This could well mean further difficulties later this year when the talks to work out a common attitude begin.

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Yugoslavia

The decision of the EEC Ministers to delay once again discussion of a trade agreement between Yugoslavia and the EEC has received a cold welcome in Belgrade.

Official circles in the Yugoslav capital had expected that the Ministers would adopt the Commission's proposals, and give it the go-ahead for negotiations leading to a trade agreement which would put it on a footing of equality with its most important trading partner.

For Yugoslav sources, the reason for the lack of progress during the past year has been the attitude of the French Government, although this has repeated its desire to improve the economic relationship between the EEC and Yugoslavia. All of the other five EEC member countries backed the Commission's proposal at the recent meeting of the Foreign Ministers.

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Belgian Warning on U.S. Duties

Last week the Belgian Foreign Minister, M. Harmel, summoned the U.S. Ambassador, Mr. Eisenhower, and stressed to him the fact that the Common Market Opera Mundi - Europe No 524

might take retaliatory action if the United States decided to maintain the increased duties on imports of carpets and flat glass after the end of this year. M. Harmel pointed out that when the United States first introduced these increased import duties, the Six retaliated by cutting quota concessions as well as raising import duties on various American exports ranging from polyethylene, varnish and synthetic fibres. Belgium was in particular hard hit by American import duties as around 30% of glass production is exported to the United States.

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### Uniform Import Regulations

The Commission submitted its first proposal on April 25, 1969, to the Council in connection with the unification of the Member States' commercial policies. This proposal concerned one industry only - the ceramics industry - and dealt with the introduction of uniform Community arrangements for imports from all non-member countries, with the exception of Eastern European countries. It was founded on the three basic commercial policy regulations of 10 December, 1968, on the establishment and management of Community import quotas, the introduction of a Community control procedure, and a joint liberalisation list.

The submission of this proposal gave the Commission an opportunity of presenting to the Council a general action programme for work remaining to be done in connection with the unification of import arrangements in the Community. The Commission informed the Council that it intended to submit proposals for individual industries at intervals during the year. On 24 July 1969 the Commission approved proposals for the following industries: footwear, cutlery, ball-bearings, umbrellas. These proposals will go straight to the Council for approval. As in the ceramics proposal, the Commission makes a distinction between certain non-member countries and state-trading countries. In accordance with the principles of the Rome Treaty, the Commission hopes to contribute to the harmonious development of world trade and the progressive abolition of trade restrictions. It has therefore proposed that the joint liberalisation list adopted by the Council on 10 December 1968 be extended further so that Community imports could be liberalised as fully as possible.

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### Common Rules for EEC Exports

On 29 July 1969 the Commission approved for transmission to the Council a proposed regulation on the establishment of common rules for EEC exports. The proposal is based on Article 111, which provides for the gradual coordination of

commercial policy, including the measures covering exports.

As the Six have almost entirely liberalised their exports, the Commission was able to work on the basis of an extremely high degree of liberalisation, covering almost all headings in the Common Customs Tariff. Starting with the idea of a picture of this situation, the Commission makes of liberalisation the foundation of the Community system: the rule is to be that Community exports are free of any quantitative restriction, and exceptions are to be permitted only in explicitly defined cases.

Since even the most liberal of governments would be unrealistic were it not to make it possible for protective measures to be introduced in the event of serious threats, the proposal provides for the supervision of certain exports by the national authorities. This supervision is however confined to very particular exceptions, and there is consequently no provision for the introduction of Community export documents.

Protective measures are to be introduced only if specific conditions of crisis, in particular shortages of vital commodities, have to be faced; international commitments are in all cases to be adhered to strictly. Measures for the gradual coordination of policy on the quantitative restrictions still applied by Member States will be taken at a later date.

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#### Benelux Trade Mark Legislation Changed

The Benelux trade mark convention which was signed in Brussels on March 19, 1962, came into force on July 1, 1969. Under the convention, a uniform law dealing with trade marks will apply throughout the three Benelux countries as from January 1, 1971, and this will replace the existing national legislation. After January 1, 1971, trade marks and trade names will have to apply throughout the three countries, while existing trade mark rights obtained in one country will apply in the other two unless these conflict with third party interests. All trade marks, whatever the nationality of their holder, will be protected by uniform legislation throughout the Benelux and from the international standpoint the Benelux will be classified as a single entity. This new step forward in the abolition of all barriers to the free movement of goods within the Benelux, illustrates the practical but unspectacular moves towards integration which the three countries have undertaken.

The operation of this new legislation will be the responsibility of a Benelux trade mark bureau to be established in The Hague, while a uniform interpretation of the new law will be ensured by the Benelux Court of Justice.

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## FISCAL

Commission Pressure for Changes in Dutch Company Rules

The Commission has repeated its request to the Dutch government that the requirement for foreign concerns established in the Netherlands to cover part of their need for funds through foreign capital, should be abolished. In a reply to a previous request from the Commission, the Dutch government said it would gradually do away with the requirement. It is envisaged that foreign companies which have established themselves in the Netherlands during the past five years, as well as those whose investments amount to less than Fl 5 million might be the first to be excluded from the requirement, to be followed by all remaining foreign companies.

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## FREEDOM OF ESTABLISHMENT

The Film Industry

The Commission has submitted to the Council a proposed directive on self-employed activities in film production constituting a further step towards the achievement of freedom of establishment and freedom to supply services in the film industry.

This is the fourth directive relating to films, since the Council had already adopted three directives, on 15 October 1963, 13 May 1965 and 15 October 1968, concerning respectively: freedom to supply services in the field of import quotas for films; freedom of establishment and freedom to supply services in the following fields: the opening of cinemas, film import quotas and dubbing and, lastly, freedom of establishment for self-employed activities connected with distribution.

The present directive refers to freedom of establishment and freedom to supply services for self-employed activities related to the actual production of films. The activities of the various assistants to film producers, which are covered by the individual legislation of the Member States, are not dealt with in the present directive as they will be covered by specific proposals later on.

The proposal lists the restrictions which must be removed. They concern general provisions in force in the legislation of some of the countries, requirements, which do not apply only to the film industry: the trader's card in Belgium, the period of authorisation in Luxembourg and the foreign trader's identity card in France. Restrictions peculiar to the film industry will also be eliminated: in France, the nationality requirement for financial support and, in Italy, the nationality requirement relating to producers.



The directive also contains certain general provision normally included in the right of establishment directives: the right to join professional organisations and mutual recognition of certificates testifying to good character, etc. The directive does not concern the policy of production aids. In the field of aids, the directive merely prohibits any aid liable to distort the conditions of establishment.

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## E.C.S.C.

### Mineral Ore Extraction in the Community

During the first six months of 1969 ore extracted within the Community amounted to 37,799,000 tons, compared with 35,549,000 tons during the same period in 1968.

	Ore Extraction (000's of tons)			% Change June 69-68
	June 1969	May 1969	June 1968	
West Germany	581	580	600	+ 0.7
Belgium	8	6	7	+ 7.1
France	4,901	4,994	4,563	+ 7.7
Italy	99	98	91	- 12.1
Luxembourg	526	539	539	+ 4.1
Total ECSC	6,115	6,217	5,800	+ 6.3

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## INDUSTRY

### Philips' Links with Ignis

Increased competition in the European domestic appliances market is certain to result from the link-up announced last week between the Eindhoven group, NV Philips' Gloeilampenfabriken and its Milan subsidiary Philips' SpA with the leading Italian refrigerator manufacturer Ignis SpA. As matters stand at present, the two groups will cooperate closely in the production of the "white goods" sector of the domestic appliances industry (washing machines, fridges), although sales will continue to be organised separately. A joint subsidiary has been formed called Industrie Riunite Euro Domestici SpA, I.R.E., Cassinetta di Biandrenno under Signor Giovanni Borghi, who heads Ignis, as well as being its main shareholder.

Ignis has had close links with Philips' for some time and supplies the Dutch group with around 350,000 refrigerators annually, so that the latest move has not come as a complete surprise. Like other Italian domestic appliance manufacturers Ignis has made inroads in most national markets within Western Europe and sales subsidiaries have been established in Vienna, Stockholm, Copenhagen, Brussels, Nuremberg and Paris, while it share control with Philips' of a Barcelona refrigerator manufacturing plant Ignis Iberica SA. Both Britain and France have been hit by Italian domestic appliance imports, the latter especially, and this latest move will reawaken fears of even tougher competition, backed by Philips'.

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## RETAIL

### Agache-Willot Takes Over Bon Marche

The trend towards larger European units and national units in the retailing sectors continues apace. Sometimes this involves companies with similar interests deciding on greatly increased cooperation which can include mergers, although in other cases it means companies with different interests linking in order to ensure a more rational distribution network for their products, thus strengthening their position on national markets and foreign markets.

Into the latter category can probably be placed the takeover by the Agache-Willot textile of the Bon Marche department store group (the Au Bon Marche - Maison Aristide Boucicaut SA). The move will be carried out by Bon Marche doubling its capital from F 124.6 million to F 249.2 million, an increase entirely underwritten by the Ste Fonciere & Financiere Agache-Willot, the holding company of the group formed during 1968 and after the 1967 merger of Agache with the Ste du Crepe "Willot & Cie". The new group including Bon Marche and two other companies it has recently taken over, Dupre (household linen and furnishings - F 30 m. turnover) and Carmichael, Ailly-sur-Somme (10% of French jute production, carpets, sisal - F 33 m. turnover) will have an annual turnover of some F 1,700 million compared with its rival the Dollfus-Mieg & Cie, whose turnover on latest estimates stands at F 1,200 million. The new group will have some major rationalisation problems to tackle, and especially the integration of Bon Marche with the La Belle Jardiniere, another top French store group in which Agache-Willot acquired a 50% stake earlier this year. In return the Belle Jardiniere acquired a major shareholding in the Consortium General Textile, a subsidiary of Agache Willot in charge of its manufacturing and commercial interests. The Consortium General Textile was formerly the Ste Paul & Eugene Dufour, and before the latest moves it was organised into twenty-three divisions with some 40 plants, as well as having fifteen recently acquired subsidiaries including the former Saint-Freres group (43%) and the Belle Jardiniere, and six foreign subsidiaries in Belgium, the Niger Republic, and the Central African Republic. Before acquiring Saint-Freres and the Belle Jardiniere it had sales of 800 million and employed more than 20,000 persons.

Following all the Agache-Willot group's moves, this now controls some seventy-five plants throughout France and accounts for half of French linen and jute production, 40% of bandages and sanitary products and 40% of velvet, 25% of household linen and towelling, 10% of cotton thread and yarn. Furthermore the group still has a 15% stake - through Saint-Freres - in the infant and baby clothes and goods group, Prenatal.

Bon Marche was first set up in 1852 by Aristide Boucicaut, and after going through a difficult period in 1949 and 1950, today it employs some 6,000 persons for a turnover of over F 316 million, with fifteen shops throughout France including Paris, Brest, Caen, Nice, Mulhouse. In 1966 it set up a specialised mail-order establishment at Wissous in the Essonne covering some 40,000 square metres and run by a computer. This has however encountered some difficulties, and one question arising from the latest move is what will happen to this sector of its activities. Some observers feel that the Agache-Willot group will decide to maintain it, and even expand this sector given the relative underdevelopment of French mail-order business compared with other countries, especially West Germany.

The man who saved the Bon Marche in 1950 is its president, M. Jacques Chezlepretre, 73, who has as a result of this link-up with Agache-Willot found an answer to the question of his successor. M. Chezlepretre is also the key figure in a move which will now mean closer relationship between Agache-Willot and the newly-formed Belgian group SA Innovation-Bon Marche NV - Inno B.M., established by the merger of Grands Magasins A L'Innovation SA and SA Des Grands Magasins "Au Bon Marche" (Etablissements Vaxelaire-Claes), of Brussels, which will be the country's largest retailing group with 29 department stores. This group will have a wholly-owned subsidiary, SA Belge des Magasins Prisunic Uniprix & Priba, Brussels, and a total annual turnover of some Bf 13,000 million. Priba is a direct 50% stake of Innovation, of Au Bon Marche (25%), of the Vaxelaire family (25%) and has an annual turnover of Bf 6,000 million through its 36 direct Priba branches and 280 affiliated concerns, which include Quick-Lunch SA (capital Bf 50,000) and Pribimmo SA (capital Bf 13.2 million) both formed during October 1968.

M. Chezlepretre holds personally a 55% stake in the Cie Commerciale d'Investissements in which the Vaxelaire family - the main shareholder in the Belgian group Bon Marche since 1961 - holds 26% of the capital. Furthermore the Cie Commerciale d'Investissements has a 22.9% stake in the French Bon Marche, while the Vaxelaire family also has an 18% interest, and in turn the French Bon Marche has a 21% stake in its Brussels counterpart.

L'Innovation's interests include a 99% stake in Le Manteau (16 shops) and 20% in Inno-France. The Belgian Bon Marche is the main shareholder with 25.5% in the Grand Bazar de Liege, in the Ste Des Super-Bazars Bruxellois (19%) and in the Grands Bazars Belges de Charleroi.

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## OECD TOURISM

The report by the OECD's Tourism Committee states that during 1968 international tourism developed less favourably in its European countries than in the other member countries. In the European countries, the interruption in the rapid and continuous expansion of international tourism which occurred in 1967 for the first time, continued in 1968. Progress was however noteworthy in Austria, Spain, Britain and Yugoslavia.

Total tourist receipts in foreign currency of member countries amounted to \$ 10,900 million in 1968 compared with \$ 10,800 million in 1967, while total receipts of European member countries amounted to \$ 8,100 billion as against \$ 7,900 million in 1967. Arrivals of foreign tourists in member countries during 1968 amounted to 114 million compared with the 1967 figure of 113 million. In European member countries the figure was 88 million as against 86.5 million.

The Committee calls for the removal of financial restrictions on international tourism and states that limitations on tourist foreign currency allowances must have serious consequences for countries whose economies depend largely on foreign tourists. It welcomes the various measures designed to encourage tourism, including the establishment of specialised bodies and institutions such as the Finnish Tourist Board.

The report underlines the growing importance of tourism as an export industry, especially in certain European countries. In 1967 tourist receipts in foreign currency accounted for over 6% of Gross National Product in Ireland, almost 6% in Austria and Portugal, over 4% in Spain and almost 4% in Switzerland. It is also an industry which is expanding rapidly. Thus, for European member countries as a whole, tourist receipts in foreign currency increased by 179% between 1958 and 1967, while their exports of goods and services increased by only 110% and Gross National Product at marked prices by 97%. Despite temporary fluctuations due to variations in the economic, social and political situation, demand remains considerable. Taking all the European member countries together, tourist expenditure abroad between 1958 and 1967 increased three times as fast as total consumer expenditure. Over the same period, tourist expenditure abroad increased three times more quickly than private disposable income in Italy, the Netherlands, Sweden and Japan, nearly four times more quickly in Belgium, five times more quickly in France and almost six times more quickly in Austria.

Turning to future prospects for tourism and the need for government action to gain a clearer statistical picture of tourist trends and movements, the report says that when large capacity airplanes are brought into service in the near future and subject to appropriate tariff adjustments, international tourism and in particular intercontinental tourism will be entering an era of development on an almost industrial scale, as a result of the further expansion of organised travel which has already developed rapidly over the last few years. Governments must therefore prepare themselves now to meet the situation by including international tourism in their economic development policies and programmes, in cooperation with the different sectors of the tourist industry.

Receipts and Expenditure of OECD member countries  
on Account of International Tourism  
(rounded figures in million of U.S. dollars)

	Receipts			Expenditure		
	1967	1968	%	1967	1968	%
Austria	615	687	+ 12	219	257	+ 17
B.L.E.U.	242	274	+ 13	370	398	+ 8
Denmark	222	233	+ 5	228	227	- 1
Finland	48	64	+ 33	74	66	- 11
France	1,035	954	- 8	1,041	1,099	+ 6
Germany	840	911	+ 9	1,522	1,582	+ 4
Greece	127	120	- 6	41	43	+ 5
Iceland	3	3	+ 7	11	4	- 6
Ireland	190	182	- 4	83	87	+ 5
Italy	1,424	1,476	+ 4	298	363	+ 22
Netherlands	300	342	+ 14	379	458	+ 21
Norway	102	103	+ 1	90	95	+ 5
Portugal	258	201	- 22	71	66	- 7
Spain	1,127	1,179	+ 5	78	75	- 4
Sweden	109	109	-	286	308	+ 8
Switzerland	575	592	+ 3	235	249	+ 6
Turkey	19	29	+ 56	27	34	+ 24
United Kingdom	652	678	+ 4	761	649	- 15
TOTAL European member countries	7,888	8,137	+ 3	5,814	6,060	+ 4
Canada	1,212	920	- 24	830	928	+ 12
Japan	89	126	+ 42	146	167	+ 14
United States	1,646	1,770	+ 7	3,195	3,022	- 5
TOTAL OECD member countries	10,835	10,953	+ 1	9,985	10,177	+ 2
Yugoslavia	150	187	+ 25	51	51	-

Notes : (1) Figures exclude receipts and expenditure on account of international tourist transport.

(2) Figures for Canada, Ireland, Switzerland, United Kingdom and United States are based on sample enquiries; figures for the other countries are based on bank returns.

In this connection, it is essential that Governments should make further efforts to have at their disposal tourism statistics that are as accurate and complete as possible and comparable with those of other countries. In many cases it is still difficult to reconcile the statistics of international tourist movements and payments established by the different countries because of the differences in definitions and methods used. Furthermore, the expansion of tourism in the coming years makes it necessary for Governments to reinforce and give a new orientation to their tourist policy in the field of tourist accommodation, equipment and transport, frontier formalities, tourist welcome and information and staggering of holidays; the enforcement of such policy would be facilitated by increased cooperation between OECD Member countries.

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## INTEGRATION

The reality of France's new and more flexible policy towards the Community and its enlargement has been strengthened by a recent article written by the former Gaullist Foreign Minister and now France's Defence Minister, M. Michel Debre. Writing in his weekly paper L'Echo de Touraine, M. Debre states that "the only true Europeans are those who follow the concepts of General de Gaulle" and he attacks what is described as a "European" plot against France. "To enclose France is the dream of politicians and social forces outside our frontiers. From this point of view, the desire to ensure that there is no longer any French influence, in other words no French policies for the continent or elsewhere in the world, is a desire which reflects a long-established tradition". Some observers in France consider M. Debre is referring to "perfidious Albion", and also to foreign politicians who, like the Germans in General de Gaulle's view, are already dominated by the influence of the United States. M. Debre wants to build Europe but this does not mean enclosing France, and for the Defence Minister the problem is to know whether or not France will remain the mistress of her own policies with regard to the United States, the Soviet Union, the Middle East and Africa.

In French political circles this article is considered to be the opening shot by the Gaullist resistance movement within the new government. M. Debre is formally the Defence Minister, but his powers are greater than those of predecessors, and he has already emerged as the defender of orthodox Gaullist dogma. If he continues to tackle subjects outside the scope of his ministry, it is possible that M. Pompidou will have to dispense with his services.

M. Debre has also made it clear that although cuts will have to be made in French defence expenditure, it is unlikely that these will affect the country's force de frappe development programme, even though this is already well behind schedule. Further tests on the French nuclear weapons systems are now expected to take place in the Pacific during the summer of 1970. Whether or not M. Debre - and the French government would however accept the creation of an Anglo-French force de frappe is still far from certain,

despite the fact that this could have some economic and technological advantages, as the view in Paris is that Europe would have to be rather more united than it is at present.

Herr Strauss, the West German Finance Minister recently restated his view that a European federal state would have to control its own nuclear strike force in order to ensure its independence, so that Europe and not the United States could decide if nuclear weapons had to be used defensively. Herr Strauss also said that it was wrong "to ask Britain to solve all its economic and monetary problems before entering the Common Market. The other countries in the Common Market could help Britain out over its financial problems ... and furthermore West Germany was ready to use its own economic strength to promote the objectives of the Common Market".

The willingness of Herr Strauss to accept British entry before all the problems are resolved could well be important in the attitude of the new German government once it is elected on September 28. It suggests that when the Six try to finalise the negotiations for the future financing of the common agricultural policy, the West German attitude will be to try and ensure that the eventual participation of Britain is taken into account, even though the French government in theory wants to have the whole of the CAP tied up before any negotiations start.

Once again figures relating to the cost of British entry have been raised, and according to a newspaper report, it is possible that the cost could approach the £ 1,000 million mark. This latest figure has been based on a study of the Mansholt Plan, which "highlights the increasing costs of the Common Market agricultural policy". As we have pointed out on previous occasions, estimates of the cost of entry from the agricultural standpoint are very difficult to arrive at before negotiations are finalised, and although the French may want the financing arrangements completed first of all, the Five are likely to try and get these arrangements worked out on the basis of the enlargement of the Community to include Britain, Denmark and Ireland. And anyway the Six have not yet agreed as to how the Mansholt Plan, with its high short-term costs, which will gradually fall off, should be implemented.





## STUDIES AND TRENDS

OECD Outlook For Germany, Italy and France

The first of the OECD's "Economic Outlooks" for 1969 states that the expansion of economic activity and trade has not slowed to the extent thought likely during the past six months. The rise in OECD output was nearly twice as fast as foreseen last year at an annual rate of around  $4\frac{1}{2}$  - 5% compared instead of  $2\frac{1}{2}$ % and as a result international trade continued to expand strongly. After taking into account special factors, including strikes, the report states that during the first six months of 1969 OECD exports appear to have risen at an underlying annual rate of about 13 - 14%.

Slower growth in the coming year is foreseen as persistent imbalances have necessitated strong policy action. Measures are taken or under consideration indicate a slower expansion of total demand and output in the year up to the end of the first half of 1970. The growth of GNP for the whole OECD area may fall to around  $3\frac{1}{2}$ % with the value of OECD imports rising to around 9% in the year between mid-1969 and mid-1970. Price rises were unusually large last year, but the policies now being followed could lead to a considerable easing of pressure in some countries, although Germany and Italy are faced with accelerating increases.

With regard to Germany, the report says that if no further policy measures are taken, and monetary conditions despite the recent measures remain relatively easy during the period ahead, then the rise in demand seems likely to remain strong, but the growth in output will be hampered by capacity limitations. By the second half of 1969, the underlying rise in exports should have reasserted itself and fixed investment is likely to show a further investment. However the rise in investment in real terms may slow down because of supply bottlenecks. There should be a moderate rise in public consumption tempered by the recent measures, although the increase in private consumption is likely to remain strong. The acute pressures on the labour market seem bound to lead to faster increases in hourly earnings so that even though employment may increase only a little and the rise in prices accelerate, under both cost and demand pressures, real personal income should increase considerably. By June foreign workers totalled 1,370,000 some 360,000 up on the same period in 1968, with a further but much smaller increase is expected for the rest of the year. Pressure on resources is likely to continue, with consequent pressures on costs and prices.

During the first half of 1970 it seems that the inflationary trend will continue in the absence of new measures. There is little reason to expect a slowdown of the rise in demand in money terms, while investment demand and wages incomes should also remain buoyant in the light of likely conditions. But as the increase in output is unlikely to exceed the growth of capacity (around  $3\frac{1}{2}$ % - 4% p.a. with little increase in the labour force), further acceleration in price rises seems indicated. The current external surplus will probably decline under the high pressure of demand as imports are likely to rise much faster

than exports, although these may grow at a relatively fast rate in the short-term in view of world trade developments and the strong competitive position of German industry. The deficit on invisibles could also rise considerably due to increased remittances by foreign workers and a higher deficit on tourism.

By the first half of 1970 the current account surplus could be reduced to around an annual rate of \$1½ billion compared with the estimated underlying rate of nearly \$2½ billion during the first six months of 1969. But this could nevertheless imply a surplus on goods and services of over 2% of GNP, well above the official medium-term balance of payments aim of 1.5%. And given the fact that, in that period demand pressures would be exceptionally high in Germany, the surplus might be expected to grow again with the return to more normal conditions.

In its survey of economic prospects for Italy, the report says the pace of economic activity should remain strong this year and may accelerate progressively with domestic demand supplying the buoyancy. GDP in real terms is expected to rise at a rate of slightly more than 7% in the course of 1969 and in the first half of 1970. From mid-1968 to mid-1970, real output would thus have been progressing faster than the rise in capacity which is probably around 6% per year. But given the slack at the beginning of the period, the economy is likely still to be running below full capacity at the end of the period in question.

The public sector (including transfer payments) is expected to be one of the main props of domestic demand. Government consumption should accelerate this year and remain buoyant in 1970, though part of the additional expenditure will probably be reflected in higher prices of Government purchases. Government fixed investment may again rise faster than private investment. Productive investment seemed to be on an upward trend in the second half of last year: it should accelerate well into the first half of 1970, as the fiscal measures taken last autumn to stimulate it produce their full effect and spare capacity is reduced. The latest business survey shows domestic orders in the capital goods industry high by the standards of recent years.

The rise of consumers's expenditure should strengthen because of some acceleration in wage rates, especially in the first half of 1970, and in employment. This should be intensified by the progressive abolition of the regional differences in minimum wage rates and by the increase in pensions. The savings ratio of households seems likely to rise only fractionally (it appears to have risen by as much as 1½ percentage points in 1968) partly because of the shift in income to households with a high propensity to consume.

Exports are expected to be very buoyant through 1969, rising faster than Italian markets, though as the pace of domestic demand gathers momentum this might cease to be the case. Imports are still increasing quite rapidly and the rate should accelerate into the first half of 1970 in line with the growth of total demand. With some fall in net invisible earnings the current surplus (seasonally adjusted) is likely to fall. But in the first half of 1970 it may still be running at an annual rate of about \$2 billion, and for the present year

as a whole it may amount to \$2 $\frac{3}{4}$  billion. The outlook for the capital account is very uncertain. On the other hand, the outflow of non-monetary capital remained substantial until recently and it is doubtful how much the restrictive measures taken so far will dampen it - at least as long as interest rate differentials with foreign markets remain high and domestic confidence factors are not particularly favourable.

During the period under review, neither the internal nor external problems facing the Italian economy seem likely fully to be solved. The growth of domestic demand should narrow the gap between potential and actual GDP - but the gap may only have shrunk from a little over 4% to a little less than 2% by mid-1970, while the external surplus on current account seems unlikely to fall very much by the first half of 1970. It seems generally agreed that a country with a development problem as important as that of Southern Italy should not be exporting so significant a proportion of real resources instead of absorbing them at home. This raises the question of whether the balance of payments adjustment could appropriately be speeded by an even faster rise in domestic demand than at present in prospect, or whether this might generate serious physical bottlenecks and cost pressures. The fact that the recent outflow of capital has been large enough to lead to some reserve losses is not, in itself, dangerous given the present level of Italy's reserves. Its importance lies - apart from the sheer size of outflow - in the fact that it would be appropriate for more capital funds to be employed in developing the economy at home. It must be dubious whether the recent restrictions on capital exports will, by themselves, have any large durable effect. The most appropriate course would seem to be to speed up the introduction of institutional reforms of the Italian capital market, thereby diminishing the more permanent factors behind the outflow of private capital.

For France the report states that short-term forecasting is particularly hazardous given the difficulty of appraising the underlying strength of demand of recent months, the lack of detail about the new government's policies and the uncertainty as to domestic reactions as to future financial developments outside the country. The indications as to future prospects discussed only indicate the sort of trends which could ensue if government policies succeed in restoring confidence and social developments at home and foreign developments do not occasion new major upsets.

The trend of private consumption could still remain fairly strong in the second half-year. Employment is expected to rise until the autumn and the wage rise could well amount to 7 - 8% through the year. Although, with confidence gradually restored, the savings ratio might revert to a more normal level and the tighter conditions for consumer credit might influence the situation somewhat, real private consumption could increase by as much as 7% between the calendar years 1968 and 1969, assuming some moderation of the price rise.

Government expenditure should feel the impact of the budgetary measures taken at the end of last year, but its deceleration may be tempered by the fact that part of the expenditure on goods and services scheduled to take place in 1968 was postponed to 1969

and that the number of civil servants is expected to increase by 4.4% in 1969. Preliminary information points to a rather restrictive budget on the expenditure side in 1970.

Private productive investment seems likely to continue increasing rapidly through the year. Despite the slowing down of the growth of public investment and a rather moderate expansion of dwelling construction, total gross fixed capital formation may expand by some 9% between 1968 and 1969 but decelerate somewhat in the first half of 1970, when the impact of the various government incentives to business investment will be smaller and the trend of consumer demand may become less buoyant. The rate of stockbuilding could become more moderate in the second half of 1969 following the very strong first half (normal levels seem to have been restored already in retail trade). But estimates of stocks are uncertain, special influences may affect stock policies, and stocks in industry were still considered very low in the May business survey, so restocking could still be strong in the second half of the year despite the high cost of credit.

If the assumption of slower growth of final domestic demand in the second half of 1969 was borne out, the prospects for a better current foreign balance would seem reasonably good. The growth of imports could decelerate markedly in the second half, though stockbuilding and uncertainty concerning price movements could keep the import propensity rather high. The growth of exports should continue at a good rate in the course of the year. French export markets, especially Germany and Italy, are likely on present prospects to be particularly favourable and there need be no loss of France's market shares. On these assumptions, the trade balance (fob) with non-franc countries could approach equilibrium in the second half of 1969. The deficit on current invisible transactions should be somewhat smaller than last year. The tourist account could improve, reflecting the disappearance of last year's strike losses and the exchange control measures. Net receipts of investment income may decline if, as seems likely, the tendency to repatriate income were to increase in the case of non-residents and decrease in the case of residents. Since the foreign labour inflow is not expected to increase much this year, private transfers should rise less than in 1968. Net receipts on official transfers will probably increase markedly with the scheduled payments by the EEC agricultural fund.

The deficit on the current balance of payments could, thus, be relatively small in the second half of the year, with the deficit for the year as a whole held down to some \$600 million. By early 1970, approximate equilibrium or even some surplus could have been restored. But the overall payments position, as in recent months, could be substantially affected by capital movements and leads and lags.

These estimates of the trend of the current balance of payments, which may be thought optimistic, are only likely to be realized if economic policy, in the months immediately ahead, is adequate for the task and if wage developments can be contained within reasonable limits. Demand management policy, as in the recent past, is faced with particularly difficult problems; it needs not only to assure that overall demand, for the time being, expands less fast than capacity and a sufficient improvement in the foreign balance

on current account is achieved, but to combat the widespread anticipations of price increases and the capital outflow, which are not directly related to the underlying trend of the main economic variables. Economic policy has, therefore, to be more restrictive than would otherwise have been required.

Price changes in 1969 against longer-run trends

- Price deflators of GNP at market prices

Annual percentage changes

	Average 1958-68 (10 years)	1958-68 Smallest annual rise	Largest annual rise	1967	1968	1969 <sup>d</sup>
U.S.A.	2.0	1.1	3.8 <sup>a</sup>	3.1	3.8	4 $\frac{1}{4}$
Canada	2.6	0.7	4.6	3.6	3.6	3 $\frac{3}{4}$
Britain	2.8	1.0	4.7	2.7	3.3	4
Germany	2.8	0.9 <sup>b</sup>	4.3	0.9	2.1	3
Italy	3.6	-0.5	8.7	2.7	1.5	2 $\frac{1}{2}$
France	3.9	2.1	6.1	3.0	5.0	6
Netherlands	4.2	1.7	7.5	4.1	4.0	6 $\frac{1}{2}$
Japan	4.3	2.5	6.0	4.5	4.1	4 $\frac{1}{2}$
Total OECD	2.7	2.0 <sup>c</sup>	3.6 <sup>a</sup>	3.1	3.6	4 $\frac{1}{4}$

a) 1968. b) 1967. c) 1959. d) forecast.



August 7, 1969

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## EUROFLASH - HEADLINES

AUSTRIA	SIEMENS to build integrated circuits plant: pre-war subsidiary	J
BELGIUM	WATNEY MANN takes over BROUWERIJ MAES to rank No 2 for beer	R
BRITAIN	ROOTES made sole SIMCA distributor by CHRYSLER	B
	Italian ATES electronic components sets up branch	J
	Dutch TOMADO and TINSLEY WIRE to join in manufacturing	M
CANADA	French LAFARGE buys 16% stake in CANADA CIMENT (Denison)	D
GERMANY	MESSERSCHMITT-BOELKOW link with WASAG for aerospace chemistry	E
	ROYAL DUTCH-SHELL subsidiary to build petrochemicals plant	G
	STILL (Swiss BATTAU/VARTA) acquires DAIMLER-BENZ handling	L
	MARINE MIDLAND BANKS forms finance and trading subsidiary	N
	BASF and REY groups link for polyformaldehyde plant	U
	HOECHST and SAARBERGWERKE link for polyethylene plant	U
	DEUTSCHE BANK and COMMERZBANK link in HORTEN chain-stores	X
MADAGASCAR	RENAULT assembler SOMACOA now to produce PEUGEOT range	B
MEXICO	NED. STAATSMIJNEN links with CELANESE for caprolactam	G
NETHERLANDS	PAKHOED, NEDERHORST and HEIDEMIJ time-sharing link-up	I
	CHASE MANHATTAN raises stake in NED. CREDIETBANK	O
	PEEK & CLOPPENBURG and LAMPE clothing retail merger	W
PORTUGAL	Two GRUNDIG components moves affecting PREH, RODERSTEIN	J
SOUTH AFRICA	HOECHST and SENTRACHEM cooperating for polyethylene plant	E
TURKEY	RENAULT to join with OYAK for new F 150m. assembly line	C
U.S.A.	HOECHST, PICKER X-RAY link to supply radiology material	T

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Electrical Engineering	I	Tourism	X
Electronics	J	Trade	X
Engineering and Metal	K	Transport	Y
Finance	N		
Food and Drink	O	Index	Z

**ADVERTISING**

**\*\*** The Frankfurt agency ADVERTA MARKETING & WERKE KG (see No 457) is, by agreement, to become West German and Austrian agent (having a Vienna subsidiary named Adverta Marketing & Werbe KG & Co GmbH) for the French PUBLICIS SA, Paris (see No 507), until such time as Publicis forms its own subsidiary to handle this side of the business. The agreement cuts both ways, and Publicis in return will be both French and Belgian agent for Adverta.

**\*\*** The British agency HAMILL TOMS LTD, Cheltenham, Glos (see No 505) has enhanced its EEC interests by joining with its London subsidiary HAMILL TOMS PUBLIC RELATIONS LTD in forming a wholly-owned group subsidiary at St-Gilles, Brussels, named HAMILL TOMS PUBLIC RELATIONS SA (capital Bf 500,000 - chairman Mr Sidney Patterson Hamill).

In Belgium, the group already has a stake in the Ixelles, Brussels agency Plus SA (see No 492), being linked therein with another Cheltenham concern, Midland Studios Ltd. Also, it has a West German subsidiary in Dusseldorf named Hamill Toms GmbH.

**AUTOMOBILES**

**\*\*** The French group CITROEN SA (a 15% affiliate of FIAT SpA, Turin - see No 516) has backed the formation of the economic interest group CITER, Paris, which will operate in the vehicle hire sector. The new venture has M. J.P. Pisano as president, and other companies with a stake include two of Citroen's subsidiaries, Ste des Transports Citroen SA, Paris (99.9%) and Ste des Transports Urbains & Ruraux SA, Drancy, Seine-St-Denis (52%), as well as subsidiaries and branches of Ste Commerciale Citroen SA and a number of Citroen's concessionaires throughout France. As a result the new company will be backed up by an initial network of 80 centres in France.

**\*\*** The Detroit motor group CHRYSLER CORP continues to reorganise its marketing in Europe (see No 513), and it has now made its London subsidiary ROOTES MOTORS LTD (see No 508) responsible for the U.K. distribution of models produced by its Paris subsidiary STE DES AUTOMOBILES SIMCA SA (see No 513).

Simca, which hitherto had a concessionaire in London, Simca Motors Ltd (see No 336), was itself recently made responsible for the whole of the Chrysler group's EEC marketing and distribution business.

**\*\*** The Paris AUTOMOBILES PEUGEOT SA group (see No 519) has purchased a holding of 16.66% in the STE MALGACHE DE CONSTRUCTION AUTOMOBILE SOMACOA, Tananarive, Madagascar (see No 499). Since 1962, this concern has been assembling vehicles for the Renault group (see No 521), which has a 17.46% stake in it, but as from November there will now be added to its range the 204, 404, and 504 models of the Peugeot group, which previously have been imported direct from France.



**\*\*** The West German DAIMLER-BENZ AG, Stuttgart-Untertürkheim (see No 521) has strengthened its Latin American interests by acquiring from the Argentinian state - through its subsidiary INVAL Srl, Buenos Aires - the 9% which it needed for outright control of its MERCEDES-BENZ ARGENTINA SA, Buenos Aires subsidiary. This controls some 34% of the Argentinian market and produces around 450 medium-sized commercial vehicles and buses monthly, with an annual turnover equivalent to Dm 215 million.

The West German group had a 1968 consolidated turnover of Dm 7,200 million. It recently signed an agreement with the Yugoslav Fap-Famos, Belgrade, which will involve the modernisation of the latter's plant, as well as the assembly of the German group's buses and commercial vehicles.

**\*\*** The international expansion programme undertaken by REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine, which led recently to a pact with the Colombian Government (see No 521), has now resulted in an alliance with the Turkish military cooperative OYAK. This involves engineering contracts, supply agreements, technical assistance and marketing cooperation, but more important is the decision jointly to construct an industrial and assembly plant at Bursa, to which end a joint subsidiary as such will be formed in due course, under the name of TURK RENAULT. The new venture will have a capital of 150 million Turkish Lira at the start, ownership being split 40-40 between the two founders, with the 20% capital balance in the hands of local investors. The equity will be raised very soon to L 300 million, however, as rapid expansion is planned for the plant.

The assembly line will come on stream in 1971, and will concentrate on new Renault cars, notably the Renault 12. At the start, some 55% of the components used will come either from the new complex itself or from local sub-contractors, but by the time full production is achieved, the self-supply ratio should have risen to 85%, with the remainder imported from France. Planned capacity is 20,000 vehicles a year.

#### BUILDING & CIVIL ENGINEERING

**\*\*** The Italian finance groups LA CENTRALE FINANZIARIA SpA, Milan (see No 518), I.M.I. - ISTITUTO MOBILIARE ITALIANA SpA, Rome (see No 516) and the civil engineering concern CIA ITALIANA CONDOTTE D'ACQUA SpA (see No 439) have taken a shareholding in the Turin PARC - PARCHEGGI AUTO RIMESSE CITTADINE SpA (see No 489). This was formed in late 1968 with an authorised capital of Lire 1,000 million to build car parking facilities near railway stations in the main Italian towns. Sig Mario Bruni, who represents La Centrale, has been appointed managing director, and the company was founded by Fiat SpA (represented on the board by Sig Filippo Francia), by Esso Standard Italiana SpA, Milan, and Pirelli SpA, Milan.

Condotte d'Acqua is an affiliate of three Italian groups, BASTOGI - Sta Italiana Per Le Strate Ferrate Meridionali SpA, Florence, S.G.E.S. - Sta Generale Esercisi Siciliani SpA, Palermo, and FASCO Sas, Milan, and is also an interest of the French Cie Financiere de Paris & des Pays-Bas SA through Omnium de Participations Financieres & Industrielles SA.

\*\* The Paris company GEOPETROLE - STE GEOTECHNIQUE POUR LA PRODUCTION DU PETROLE SA, Paris (petroleum extraction techniques) has opened a London branch under Mr. Angus J. M. Graham. Since 1965 Geopetrole has been a 20% affiliate of the La Mure SA group (see No 501), as well as of Uniconsult SA (see No 489). It has had a capital of F 1.3 million since late 1968 and is run by M. Maurice Martin. There is a Paris subsidiary, Geohydraulique - G.E.H.H.S. SA (capital F 200,000 - formerly Opera Otad Selection SA), as well as one in New York, Geopetroleum Inc.

\*\* The recently-decided merger between the French civil engineering concerns has now resulted in TRADEX INTERNATIONAL SA - STE TRANSATLANTIQUE D'EXPORTATION & DE DEVELOPPEMENT ECONOMIQUE - TRAMAC, Clichy, Hauts-de-Seine, taking over DERRUPPE SA, Bouscat, Gironde. Re-named TRAMAC-DERRUPPE, it has raised its capital to F 10 million and its head office has been moved to Bouscat.

Its president, M. Jacques Bataille, holds the same post in the new company and he is also a director of the leading French civil engineering group Poclain SA, Le Plessis-Belleville, Oise (see No 518), although the latter has now links with the new company. In early 1969 Tradex International expanded its Milan subsidiary, Tradex Italia SpA by re-naming it Tramac Italia and raising the capital to Lire 29 million.

\*\* The STYLON CORP group, Milford, Massachussets (see No 503 - stone-ware and ceramics for the building and decorating industries) is negotiating with I.M.I. - Istituto Mobiliare Italiano SpA, Rome (see No 518) for control of the porcelain, crystal, industrial ceramics and sanitary ware group STA CERAMICA ITALIANA RICHARD GINORI SpA (see No 510) in which it recently acquired a 30% stake.

Richard Ginori (capital Lire 7,750 million - 1968 sales Lire 22,700 million, of which exports accounted for 14%) has several production facilities throughout Italy including those in Laveno Ponte, Mondovi, Pisa, Leghorn, Milan, Gaeta, Chieti, Naples, Sesto, Fiorentino. Its main foreign interests are Richard Ginori France SA, Paris; Ceramica de Bellavisat-Cebesa SA, Seville; Richard Ginori Corp of America, and L.I.C.I. - Laveno Italiana Ceramics Inc, both of New York.

\*\* The Paris group CEMENTS LAFARGE SA (see No 520) has extended its Canadian interests by acquiring from the DENISON MINES LTD group (see No 522) a 16% stake in CANADA CEMENT LTD, Montreal. This makes Portland cement and has some 1,600 employees, eleven plants and an annual capacity exceeding 30 million barrels.

The French group already has a Canadian subsidiary, Lafarge Canada Ltee, formed when Lafarge Cement of North America Ltd, Vancouver, British Columbia took over Ciments Lafarge Quebec Ltee, Ville-St-Laurent (see No 492).

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**CHEMICALS**

\*\* The West German aerospace group MESSERSCHMITT-BOELKOW-BLOHM GmbH, Ottobrunn (see No 521), in which the Siemens electrical group is negotiating a 10% stake (see "Community" No 523), has linked on a 50-50 basis with WASAG CHEMIE AG, Essen (see No 498) to form BAYERN CHEMIE GES. FÜR FLUGCHEMISCHE ANTRIEBE mbH, Aschau (capital Dm 5m). This will develop and manufacture chemical products and materials for use by the aerospace industry and will take over its founder's interests in the liquid and solid propulsion systems sector.

Wasag Chemie (capital Dm 15m) is a member of the Bohlen-Industrie GmbH, Glinde-Hamburg group, and is at present re-grouping its "chemical, explosive and gun powder" interests on its subsidiary Nitrochemie GmbH, Munich, which is being re-named Wasag Chemie GmbH. The latter has around 1,500 employees and an annual turnover of Dm 60 million. It recently acquired a 50% stake in Chemische Werke Lowi, Waldkraiburg, after having sold during 1968 its 41% interest in Guano-Werke AG, Hamburg, to Wintershall AG, Celle, a member of the Ludwigshafen group B.A.S.F. - Badische Anilin- & Soda-Fabrik AG (see No 494).

\*\* The Belgian company PRODUITS CHIMIQUES DU LIMBOURG SA, Kwaadmechalen (see No 514), a member of the French state group ENTREPRISE MINIERE & CHIMIQUE - E.M.C. SA through MINES DE POTASSES D'ALSACE SA, Mulhouse (see No 459) and SOBIPAR SA, Brussels (see No 428), is to join its sister company PRODUITS CHIMIQUES DE TESSENDERLOO SA, Tessenderloo (see No 519) in the joint manufacturing agreement which the latter recently made with the Dutch state group DSM - NEDERLANDSE STAATSMIJNEN NV, Heerlen (see No 515). This agreement covers the manufacture in the Belgian Limburg of around 200,000 t.p.a. of monomeric vinyl chloride. The new plant, which will cost around Bf 1,200 million, is due to come on stream in early 1972. It will be supplied with ethylene from the factory at Geelen controlled by DSM, which will have a capacity of 300,000 t.p.a. by 1971, and with chloride from the factories at Kwaadmechelen and Tessenderloo, which will have an overall capacity exceeding 1 million t.p.a.

\*\* The Frankfurt-Höchst group FARBWERKE HOECHST AG (see pharmaceuticals) has decided to join on equal terms with the South African holding company SENTRACHEM (PTY) LTD, Johannesburg in setting up a low density polyethylene plant of 48,000 tons per annum capacity at Sasolburg in Johannesburg. This will come into operation in 1971, having in the meantime required the investment of some Dm 100 million.

This move affects the whole of the South African chemicals sector, for not only does Sentrachem group the five largest local chemical, rubber and plastics producers, but also the Japanese are involved. SOUTH AFRICAN POLYOLEFINS (PTY) LTD is the name of the joint subsidiary to be formed to operate the venture, and this will distribute production from the new plant with the assistance of MITSUI PETROCHEMICAL INDUSTRIES LTD, Tokyo (of the group Mitsui & Co Ltd - see No 523), which ranks No 2 on the South African petrochemical market, after Hoechst.

**\*\*** The Basle chemical and pharmaceuticals group J.R. GEIGY AG (see No 500) is rationalising its French interests and its subsidiary GEIGY AGCHIM SA (formerly Insecticides Geigy SA) will take over another Paris subsidiary, PRODUITS GEIGY SA (gross assets F 38.94m - colorants, tanning and pigmentation agents), and as a result raise its capital to F 25.9 million. Geigy Agchim is directly controlled by the investment company STE FRANCAISE DE PARTICIPATIONS INSECTICIDES - SOPRAFIN SA, Paris (see No 381) and distributes chemical insecticides. It is also an affiliate of the Paris group Centenaire Blanzly SA (see No 500), which also has a 33% stake in Elekal SA, Paris (deodorants, glues etc), another subsidiary of the Swiss group. The latter, which has in recent months been negotiating the establishment of close cooperation links with its Basle counterpart CIBA AG (see No 520), has various other French interests including the pharmaceuticals laboratory Ets Geigy SA, Huningue, Haut-Rhin (whose products are distributed by another subsidiary, Laboratoires Geigy SA, Paris) and Ste Poitevine de Conditionnement SA, St-Benoit, Vienne (see No 366).

**\*\*** The West German group LINDE AG, Wiesbaden (chemical plant, refrigeration and welding techniques, industrial gases - see No 518) has strengthened its Belgian and Swiss interests by the following moves: 1) it has raised to 22.68% its stake in the oxyacetylene concern L'OXYDRIQUE INTERNATIONALE SA, Molenbeek-St-Jean, Machelen and Deurne (see No 402), which is an affiliate of the SOFINA SA group (see No 508); 2) it has increased its existing stake to 32% in the industrial gases firm SAUERSTOFF & WASSERSTOFF-WERKE AG, Lucerne (see No 379).

Linde's European interests have recently been extended by the acquisition of a 33.3% stake in Pictet Linde SA, France (see No 499) and a 40% stake in the British company BOC-Linde Refrigeration Ltd (see No 492).

**\*\*** The Brussels group U.C.B. - UNION CHIMIQUE SA (see No 519) has backed the formation of a 69.85% subsidiary called UCB-FTAL SA, with the remainder of the Bf 330 million capital held by STE NATIONALE D'INVESTISSEMENTS - S.N.I., Brussels (see No 515). The new subsidiary will operate a new factory at Zandvoorde in Western Flanders, costing Bf 550 million, which will raise the group's production of phthalic anhydride to 50,000 t.p.a. and of phthalates to 35,000 t.p.a. It will also take over the group's factory at Schoonaarde which today has an annual production of some 7,500 t.p.a. of phthalic anhydride, 10,000 t.p.a. of phthalates and 4,500 t.p.a. of xanthates.

**\*\*** The Dutch group KON ZOUT-ORGANON NV, Arnhem (see No 522) has negotiated the handing-over of its 50% stake in the industrial air and gas separation concern CRYOTON vof, Botlek, Rotterdam, to its four partners in the venture (see No 515), in particular NV W.A. HOEK's MACHINE & ZUURSTOFFFABRIEK, Schiedam (see No 437) and AGA NEDERLAND NV of Amsterdam (of the Stockholm AGA A/B group - see No 516), which two companies will raise their stakes in this firm respectively to 52.5% and 26.28%. The other two partners, LOOSCO CILINDER & TANK EXPLOITATIE MIJ NV, Amsterdam (subsidiary of G.L. Loos & Co's Fabrieken NV) and COYWYCK NV, Alblasterdam (of the group Zuurstoffabriek de Albijs NV) will now have stakes of 11.02% and 4.29% respectively.

**\*\* The West German industrialist Herr Herman D. Krages, who heads KRAGES GmbH, Bremen ("Thermopal" plastic and wood fibre panels - capital Dm 1m.) has raised from Dm 25 to Dm 50.7 million its stake in ZELLSTOFFFABRIK WALDHOF, Mannheim (see No 362).**

The latter has a capital of Dm 78 million and is one of the leading European cellulose manufacturers with some 30% of the West German market. It has around 10,000 employees and an annual consolidated turnover of Dm 550 million.

**\*\* The Wilmington, Delaware group HERCULES INC (also at Glen Falls, New York) has strengthened its Dutch colorants and pigments interests (inks, rubber and plastics), by taking outright control of its previous 49% affiliate in Maastricht, CHEMISCHE VERSTOFFENFABRIEK v/h TH. TEN HORN NV, hitherto under the control of The Hague company NV MIJ TECHNICAL PACKAGING (see No 438).**

The group acquired its original interest in this concern in 1963, via its subsidiary Hercules NV. Furthermore, it is linked with another U.S. concern, the Riegel Paper Co, New York (see No 419) in Technical Packaging itself.

**\*\* PRODUITS CHIMIQUES DE LA MONTAGNE NOIRE SA, Paris (plant at Castres, Tarn), which makes surface activants, organic synthetics, cosmetic and pharmaceutical base products, detergent additives, anti-foam and fungicide agents and chemical products for the textiles, tanning and tawing sectors, has become established in Italy. It has formed a subsidiary at Tricerro, Vercelli named MONTANOIR ITALIANA SpA, with Lire 1 million capital and M. Jean Freshel, its own head, as president.**

**\*\* DEUTSCHE SHELL AG, Hamburg, a member of the ROYAL DUTCH-SHELL group (see No 520) has decided to build next to its refinery at Godorf, an xylols production plant to come on stream during 1970. This will be amongst the largest in Europe in this sector, with a capability of 100,000 t.p.a. of orthoxylene and 75,000 t.p.a. of paraxylene.**

**\*\* The Dutch state group DSM - NEDERLANDSE STAATSMIJNEN NV, Heerlen (see No 523) has backed the formation in Mexico of UNIVEX SA, along with CELANESE MEXICANA SA (a member of the CELANESE CORP group, New York and of NYLON DE MEXICO SA, to manufacture a nylon base material, caprolactam.**

The new company will be responsible for the construction and operation of a plant with an annual capacity of 40,000 t.p.a. of caprolactam, due to come on stream during 1971. The know-how for the construction of the plant will be provided by the chemical plant engineers STAMICARBON NV, Hoensbroch-Treebech (see No 462) a member of the DSM group. Part of the initial capital has come from the industrial development bank, FINANCIERA BANAMES SA, Mexico and will be later sold to other Mexican investors.

**CONSUMER GOODS**

\*\* The Austrian ski manufacturer JOSEF FISCHER SPORTARTIKELER-ZEUGUNG oHG, Ried, Upper Austria, and VORARLBERGER SKIFABRIK ANTON KASTLE oHG, Hohenems, Vorarlberg, have backed the formation of FISCHER-KASTLE FRANCE Sarl, Cluses, Haute-Savoie (capital F 20,000) with M. Pierre Gerbelot as manager. The new company will also represent in France the ski stick manufacturer Komperdell, and the climbing boots firm, Humanic-Heinische & Mayerreikh KG, Graz.

\*\* The French group SCHNEIDER RADIO-TELEVISION SA, Ivry (see No 462) is about to take over the domestic appliances concern LADEN SA, Ivry, Val-de-Marne (formerly at Fontenay-aux-Roses, Hauts-de-Seine - see No 447). With a capital of F 3.75 million, the latter has assets valued at F 12.98 million (gross), and as a result of this move Schneider will raise its capital to F 23.29 million.

It was during 1967 that Schneider acquired 80% control of Laden from the Dutch Philips' Gloeilampenfabrieken NV (see No 429). Schneider is the third ranking French domestic appliances manufacturer and during 1968 had a turnover of F 244.47 million, and electrical goods accounted for some 80% of this figure.

\*\* Mr. Hendericus Olijve, who founded and heads the Dutch manufacturer of kitchen equipment, folding furniture, tents and camping equipment "RINCO" CAMPING-SPORT NV, Enschede, is a director along with Mr. K. Moore of the newly-established RINCO (U.K.) LTD, Worksop, Notts. (capital £ 2,000). This will manufacture and sell the same products.

The Dutch concern has some 500 employees and intends to build another factory at Eindhoven, which will employ around 100 persons. Its products are sold in West Germany by Rinco-Camping Sport GmbH, Gronau, formerly at Wichede, Ruhr, which was established in October 1965 with a capital of Dm 75,000. It also has plans for building a factory in Austria at Gmunden.

\*\* A long-term manufacturing agreement has been signed in South Africa between the electrical and electronic equipment concern FABBRICA ITALIANA MAGNETI MARELLI SpA, Milan (see No 462 - a member of the FIAT SpA, Turin group) and ALWARVO PTY LTD, Cape Town. This will enable the South African company to assemble under licence television sets produced by Marelli's Radiomarelli division, a former subsidiary taken over during 1968 (see No 434).

**COSMETICS**

\*\* The newly-formed Swiss company V. MANE & FILS SA, Vouvry, Valais (capital Sf 50,000) has been established to act as the representative of the French aromatic products and cosmetics concern ETS V. MANE & FILS SA, Bares-sur-Loup, and Grasse, Alpes-Maritimes. President of the new concern is M. Pierre Duchosal, while the vice-presidency is occupied by J.F. Vignal, Grasse, Alpes-Maritimes.

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\*\* The French cosmetics and haute couture establishment GRES, Paris (see No 312) will be represented in West Germany by the newly-formed PARFUMS GRES GmbH, Düsseldorf. This has a capital of Dm 40,000 and the manageress is Mme. Anne Graire-Czerefkow, Paris. The French concern has been represented in Switzerland since 1965 by Parfums Gres (Participations) SA, Geneva, which also represents its interests in the American Gres Corp.

\*\* M. Jacques Giraud, Villeneuve-le-Roi, Val-de-Marne, has been appointed joint manager, along with Herr Ulrich Röcler, of the Düsseldorf company 'BOUTIQUE DE PARIS' PRODUITS COSMETIQUES GmbH, as the latter's capital has been raised from Dm 580,000 to Dm 2 million. The company was set up in February of this year to import and distribute the beauty products and toiletries made by LA BOUTIQUE DE PARIS, Paris.

#### DATA PROCESSING

\*\* The Dutch groups PAKHOED HOLDING NV, The Hague (see No 518), VERENIGDE BEDRIJVEN NEDERHORST NV, Gouda (see No 512) and KON. NED. HEIDEMIJ. NV, Arnhem (see No 305) have signed a cooperation agreement which covers the joint establishment of a computer time sharing centre. This will be based on the R.A.E.R. computer centre owned by Heidemij, which already uses two computers, an IBM 360-40 and an IBM 1620.

Heidemij specialises in developing and improving agricultural land and property sites, and it has subsidiaries and affiliate companies in West Germany, Ges. Für Landeskultur GmbH, Bremen, in Belgium, Agrotechnic - Ste d'Applications Agrotechniques SA, Brussels, and Socinco - Ste Internationale de Constructions SA, and in France, Socinco France. Its subsidiary Ilaco - Internationaal Landbouwadviesbureau NV operates mainly outside Europe, as do Lareco NV and Imlo - Internationale Mij. voor Landbouwkundige Ontwikkeling NV.

#### ELECTRICAL ENGINEERING

\*\* ACOUSTIC RESEARCH INC, Cambridge, Massachusetts (sound reproduction equipment, etc) has extended its interests to the Common Market by forming a Dutch manufacturing and sales subsidiary, ACOUSTIC RESEARCH INTERNATIONAL SA, Amersfoort. This has an initial capital of Fl 360,000 and is headed by Mr. A.J. Hoffman, Bedford, Massachusetts.

\*\* The Zurich concern, DOMO - PRODUKTE GmbH (capital Sf 20,000), owned until now by M. Christian Sutter, Chur, which trades in floor-cleaning materials has been taken over by German interests. These are headed by Herr Rudolf Embacher, Bernhausen, and the company will now trade in domestic appliances.

## ELECTRONICS

**\*\*** The Berlin and Munich electrical and electronics group SIEMENS AG (see No 521), which has been negotiating its entry into the Austrian market for several years (see Nos 517 and 384), has now formed OESTERREICHISCHE TELE - INDUSTRIE AG (OTIAG) (capital Sch 177 m). This will be a 49% affiliate of WIENER KABEL - & METALLWERKE AG (a 75% subsidiary of the German group, with the remaining 25% held by ELIN UNION AG FUR ELECTRISCHE INDUSTRIE), and a 48% affiliate of WIENER SCHWACHSTROMWERKE AG (the nationalised former Siemens Schuckert GmbH). The new concern will take over 80% of the latter's activities (licensee of Siemens since 1965) and it will draw on its German partner's know-how in the telecommunication, control and measurement sectors in running an integrated circuits factory. This too is to be built with Siemens's assistance.

**\*\*** MOTOROLA SpA, Milan, the subsidiary of the American electronics group, MOTOROLA INC, Franklin Park, Illinois (see No 472) has terminated the representation agreement linking it - in the semi-conductor sector - with MESAR, Turin, and has replaced the latter with CELDIS ITALIANA SpA, Milan.

Celdis is headed by Messrs Waldo Frank and H. F. Machevin. It was recently established by the British firm Celdis Ltd, Reading, Berks, which has long been the representative of Motorola's semi-conductor division, based in Phoenix, Arizona (see No 385).

**\*\*** The Italian semi-conductor manufacturer ATEs COMPONENTI ELETTRONICI SpA Catania and Castelletto di Settimo, Milan (a member of the I.R.I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA - see No 520) has now extended its interests to Britain (see No 514) with the establishment of a branch in Brentford, Middlesex under Mr. Alfred D. Dean.

Ates (capital Lire 2,000 m. - 1968 sales valued at Lire 4,150m.) has Signor P. Chiomenti as president and it is run by Signor Giancarlo Maimone. Control is shared 20/80 between the holding company S.T.E.T. - Sta Finanziaria Telefonica Per Az., Turin and Rome and its 98% subsidiary, Sta Italiana Telecomunicazioni Siemens SpA, Milan.

**\*\*** The West German electrical and electronics group GRUNDIG-WERKE GmbH, Fflrth, has linked on a minority basis with two other German firms to build a factory in association with each of them. This move has been carried out in order to guarantee the expansion of its subsidiary GRUNDIG ELECTRONICA PORTUGAL LTDA, Ferreiros-Braga, which employs some 1,500 persons in the production of television sets and radios, and Grundig's move will ensure a better supply of electronic components.

The first factory producing electronic components will be run by ELECTRO-MECANICA PORTUGESA PREH LTDA, Trofa (capital Escudos 10m) and is controlled by PREH ELECKTROFEINMECHANISCHE WERKE, Bad Neustadt, Saalem which is owned by Herr Walter Preh. This has an annual turnover exceeding Dm 60 million and has some 4,000 employees. The other factory will manufacture condensers and will be run by ROEDERSTEIN ELECTRONICA PORTUGAL LTDA (capital Escudos 30m). This is controlled by ERNST ROEDERSTEIN SPEZIALFABRIK FUR KONDENSATOREN GmbH, Landshut (annual turnover



Dm 100m+ - see No 283), and with 4,500 employees has nine factories in West Germany run by subsidiaries and affiliated companies.

ENGINEERING AND METAL
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\*\* The AUGUST THYSSEN-HÜTTE AG, Duisburg-Hamborn group (see No 520), which is linked on an equal basis (48.5% each) with OTTO WOLFF AG, Cologne (see No 509) in the steel concern STAHLWERKE BOCHUM AG, Bochum (see No 412), has made an offer to the latter's shareholders with the aim of gaining complete control. Stahlwerke Bochum (capital Dm 24.2m) has an annual turnover of around Dm 250 million and employs some 3,500 persons.

\*\* Herr Rudolf Seidel has recently become a director of the newly-formed Swiss company STAHLPRODUKTE AG, Basle (capital Sf 100,000) which trades in metal products and whose president is Herr Werner Altorfer. Herr Seidel is the manager of the Dusseldorf based company trading in rolled steel products and tubes, MAX BAUM GmbH STAHLGROSSLAGER (capital Dm 2m). The latter is owned by Herr Günter F. Schade, Dusseldorf and ERNST KOMROWSKI & CO, Hamburg and it has a turnover of around Dm 30 million. The company has offices in Mannheim, Stuttgart and Hanover.

Ernst Komrowski is linked with Hugo Stinnes AG in the machinery and technical equipment trading firm, Komrowski Engineering GmbH and it has a subsidiary in Zurich, Ernst Komrowski & Co AG. The latter in turn controls Komrowski & Co Belgium NV (capital Bf 7m) and Antwerp Steel Exports NV, the co-founder of Industrial & Building Supply Co NV, Antwerp.

\*\* The American group ECOLOGICAL SCIENCE CORP, Atlanta, Georgia, had gained control through its Swiss subsidiary, ECOLOGICAL SCIENCE SA, Fribourg, of the Milan precision castings concern GALLIENI, VIGANO & MARAZZA - ECO SpA, which is headed by Signor Cesare Gallieni. The latter has a factory at Paderno Dugnano, Castellatto, making valves, industrial plumbing equipment, pumps and materials for the control of liquids, and it has an annual turnover of around Lire 25,000 million.

\*\* The West German group GEBR. . STUMM GmbH, Neunkirchen (see No 499) has raised to 98% its stake in MANNHEIMER MASCHINENFABRIK MOHR & FEDERHAFF AG, Mannheim, Rheinau, which after having reduced its capital to Dm 800,000 raised it to Dm 4.8 million. This company has a turnover of Dm 30 million and around 1,000 employees. After making over in April 1969 its lifts division to Flohr-Otis GmbH, Berlin (a member of the Otis Elevator Co, New York - see No 518), its main interests are cranes, mechanical shovels, control and measuring equipment for the plastics industry, materials-handling plant. Until now its shareholders were apart from the Stumm group (78%), the Mohr family (17.9%), and the Deutsche Bank AG (3.3%).

**\*\*** The British company ALBRO FILLERS & ENGINEERING LTD, Ponders End, Enfield, Middlesex (filling and bottling equipment for the food, pharmaceuticals, chemical and cosmetics industries) has appointed the Milan company FRATELLI BRUGGER Sarl as its Italian sales representative.

**\*\*** M. Charles Fodor has merged the two companies over which he presides in France, METINOX SA (capital F 200,000) and STOCKINOX SA (capital F 100,000), both of which are based at Asnieres, Hauts-de-Seine. This has resulted in the formation of CHARLES & ETIENNE FODOR SA (capital F 1 m), with M. Charles Fodor as president. The new company will manufacture and sell stainless steel and plastic domestic equipment.

**\*\*** The French company COMPTEURS & MOTEURS ASTER SA, St-Denis, Seine-St-Denis, in a further series of rationalisation moves (see No 518) has sold its "signalling", "distribution" and "water-meters" interests.

The companies which have expanded as a result of this move are: 1) CIE DES SIGNAUX & D'ENTREPRISES ELECTRIQUES SA, Paris, whose capital has been raised to F 17.25 million (see No 511); 2) FONDERIE & MOULAGE DE PRECISION-FOMOP SA, Aubervilliers, Seine-St-Denis, which has been re-named VOLUCOMPTEURS ASTER BOUTILLON SA and raised its capital to F 14 million (it recently raised this to F 8.4 m following the absorption of Ets Boutillon Sarl, Suresnes, Hauts-de-Seine - see No 518); 3) a wholly-owned subsidiary now being formed at its premises, STE ASTER COMPTEURS SA (capital F 8.1 m).

**\*\*** The DAIMLER-BENZ AG, Stuttgart-Untertürkheim group (see this issue "Automobiles") has made over its materials-handling interests run by its 90% subsidiary MASCHINENFABRIK ESSLINGEN GmbH, Esslingen, Neckar (now a property company) to HANS STILL GmbH, Hamburg, the 60/40 subsidiary of the Swiss company BATTAU AG, Sarnen (a member of the SWISS BANKING CORP, Basle group - see No 523), and the West German company VARTA AG, Hagen (a member of the QUANDT group - see No 523).

Still thus becomes the leading West German concern in this sector and controls around one-third of the market for fork-lift trucks, lifting and towing equipment. It has an annual turnover of around Dm 175 million and some 2,500 employees. In preparation for this move the company in 1968 sold its generator interests (see No 489) to Brown Boveri & Co AG, Mannheim (part of the Swiss group Brown Boveri & Co AG, Baden, Aargau), and made over its materials-handling interests to a specially formed subsidiary, Fahrzeugwerke Hans Still GmbH, Hamburg. It also acquired from Daimler-Benz its 50% stake in their joint materials-handling sales subsidiary, S.E. Fahrzeuge GmbH, Hamburg (capital Dm 2 m - formed late 1968), and then it took over both of these subsidiaries before itself becoming SE-Fahrzeugwerke GmbH.

**\*\*** Herr Fred Thies, the manager of the West German manufacturer of chemical, dying, bleaching and drying equipment, B. THIES KG, Coesfeld, Westphalia, is also the director of the newly-formed Swiss company THIES AG, Maienfeld, Grisons (capital Sf 1 m). With Herr Heinrich Wiki, Lucerne, as president, this will manufacture and sell as well as financing export sales and exploit licences and patents. Owned by the Thies family, the founder has around 350 employees and an annual turnover which exceeds Dm 20 million.

\*\* The leading West German vacuum technology concern LEYBOLD-HERAEUS GmbH & CO KG, Cologne (see No 503) has closed down its Swiss subsidiaries LEYBOLD-HERAEUS HOLDING AG, Zug (formerly at Berne - capital Sf 650,000) and LEYBOLD-ANLAGEN HOLDING AG, Zug (capital Sf 200,000), which had Herr Manfred Dunkel as president. The Dunkel family has recently sold its one-third interest in the Cologne firm, whose existing shareholders are now, with around one-third each, Degussa AG (see this issue) and Metallgesellschaft AG, Frankfurt (directly and through its subsidiary Sachtleben AG für Bergbau & Chemische Industrie, Cologne), as well as W.C. Heraeus GmbH, Hanau.

\*\* WESTDEUTSCHE LANDESBANK-GIROZENTRALE, Düsseldorf and Münster (see No 503) has enlarged its interests in the industrial plant leasing sector by taking a 25% stake in DEUTSCHE LEASING GmbH INDUSTRIEMASCHINEN-VERMIETUNG, Düsseldorf (see No 412) and an interest of 16.66% in DEUTSCHE ANLAGEN-LEASING GmbH Mainz (formerly Leasing Ges. für Vermietungsprojekte mbH - see No 442), which has a capital of Dm 4 million. Shareholders in the latter include Landesbank & Girozentrale Rheinland-Pfalz, Mainz (25%), Verwaltungsges. für Vermietungs- & Exportfinanzierung mbH, Mainz (25%), as well as Bayerische Gemeindebank Girozentrale, Munich (16.6%) and Hessische-Landesbank Girozentrale, Frankfurt (16.6%). It operates mainly in the property leasing sector and had contracts at the end of June 1969 valued at Dm 500 million. For its part Deutsche Leasing, whose capital has been raised from Dm 2.5 to Dm 4 million, has as shareholders apart from its managers, Herren Wolfgang Schöller and Eberhard Kühl, the Mainz, Munich and Frankfurt establishments and at the end of June 1968 its contracts were valued at Dm 380 million.

\*\* A specialisation and rationalisation agreement covering condensed water extraction equipment has been signed between KLEIN, SCHANZLIN & BECKER AG, Frankenthal (see No 493) and GUSTAV F. GERDTS KG, Bremen, and this agreement also covers their subsidiaries FONDERIES & ATELIERS DE MERSCH SA, Mersch, Luxembourg (see No 466) and TECHNOVA MASCHINEN- & APPARATEBAU GmbH, Bremen, as well as their joint subsidiary, Gestra-Ksb Vertriebs GmbH & Co KG, Bremen.

Klein, Schanzlin & Becker (pumps, compressors, measuring and control equipment) has numerous foreign subsidiaries and affiliates in France, Belgium, Switzerland, Britain and Canada. Gustav F. Gerds KG is owned by the Gerds family through Gerds Beteiligungs GmbH, and it manufactures measuring and control equipment, valves, plumbing accessories, heat and energy control plant. Its foreign interests include companies bearing its name in France (at Nogent, Val-de-Marne) and in Britain (at Harrow, Middlesex), as well as in Italy (Italgestra SpA, Genoa), in Spain (Madrid) and in Brazil (Rio-de-Janeiro).

\*\* The Dutch manufacturer of ironmongery, household wire goods, and shop fittings, TOMADO NV FABRIEK VAN METALLWAREN, Dordrecht (see No 505) has expanded its existing sales links with the British concern TINSLEY WIRE INDUSTRIES LTD, Sheffield, to include the manufacture in Britain of the goods which the latter previously imported from the Netherlands and Belgium. A joint subsidiary will be formed called TOMADO LTD, Sheffield, and this will take over in 1970 a factory now being built at Spennymoor, Newcastle, which will employ 150 persons.

\*\* Under an agreement between the West German WILLIAM PRYM-WERKE KG, Stolberg, and the Belgian MANUFACTURE BELGE D'AIGUILLES SA, Enpen, the latter will become an affiliate of the former for just over 25%, as well as acquiring its sewing machine needle manufacturing interests.

The West German concern had a 1968 turnover of around Dm 150 million and employs 4,000 persons in its factories at its headquarters, at Eschweiler, Iserlohn and Alsdorf and in Vienna. Its manufacturing interests include semi-finished products, metal goods for the clothing industry (press studs, staples, needles and zips), as well as car accessories. Its foreign interests include a Dutch subsidiary, William Prym-Werke (Nederland) NV, Eindhoven (see No 304). The Belgian firm, which has around 300 employees, is controlled by the Zwevegem wire drawing group Bekaert SA (see No 512), which belongs to the Velge and Bekaert families.

\*\* The Italian machine tool manufacturer TACHELLA MACCHINE SpA, Acqui Terme, Alessandria, has formed a Frankfurt sales subsidiary called TACHELLA SCHLEIFMASCHINEN (DEUTSCHLAND) GmbH (capital Dm 20,000), with Sigs Elio and Franco Tacchella as managers. The latter are also minority shareholders in Atieffe Belgique SA, Nessonvaux, Liege, which was recently formed (see No 513) by Ateliers de Constructions Mecaniques V.P.M. & Meprec Reunis SA. This had been the licensee since 1962 for the sharpening and smoothing machine tools made by the Italian company.

FINANCE
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\*\* The New York MARINE MIDLAND BANKS INC (see No 523) has strengthened its interests in West Germany by forming a finance and trading services subsidiary, MARINE MIDLAND OVERSEAS GmbH (capital Dm 7 m), whose managers are Herr Otmar George and Walter Oppenhoff.

The American group already has an office in Frankfurt and it recently acquired a 15% stake in Bankhaus Burkhart & Co, Essen, while at the same time Cie Financiere de Suez & de l'Union Parisienne SA, Paris, raised its stake to 15%, as well as keeping the 11.5% it held in Burkhart & Co Grundstücks KG. It was already linked 30/70 with the bank in the investment company Burkhart & Co Vermögensverwaltung KG, a leading shareholder in the consumer credit concern Kundenkreditbank KGaA, Düsseldorf.

\*\* The principle of a major financial link-up in Belgium due to come into effect during 1970 has been agreed by the Brussels group BANQUE LAMBERT Scs (see No 518) and FINANCIA NV, Antwerp (controlled by the Montreal holding companies Europa Financia Ltd and Socaf Ltd - see No 493 - and the Luxembourg Clearing Fund - see No 448 - with respective interests of 33.3% and 9.5%). This will enable both groups to cooperate in the banking and financial sectors and is aimed at overcoming some of the growth problems faced by Financia's subsidiaries, especially those in France.

The Antwerp group, which is headed by M. Maurice Mallien, doubled its consolidated assets between 1967 and 68 to Bf 12,260 million. It controls directly and indirectly around a dozen companies in Belgium (banks, investment companies, property,

mortgage and insurance companies) and has nine foreign subsidiaries (in Haarlem, The Hague and Freiburg - see Nos 418 and 392), and one of the most important is Financia SA, Paris and Lyons (capital raised in April 1969 to F 40 m). Earlier this year this became a deposit bank and its growth has been such that its turnover (1968 credits amounted to F 775 m) grew three-fold between 1967 and 68 so that its overall balance sheet now exceeds that of its 51% Antwerp parent company.

\*\* The New York THE CHASE MANHATTAN BANK N.A. (see No 521) has raised to 25% its stake in NEDERLANDSCHE CREDIETBANK NV, Amsterdam (see No 416) in which the Dutch bank PIERSON, HELDRING & PIERSON (see No 520) will keep its existing interest of 7.5%.

In 1966 (see No 570) the New York and Amsterdam banks signed an agreement whereby they shared a 25% interest in Ned. Credietbank. The latter's balance sheet totalled Fl 973 million at the end of 1968, including Fl 296.8 million in deposits.

\*\* The group of European financial concerns headed by BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET SA, Paris (see No 506) have backed the formation of TRANSPACIFIC FUND SA, Luxembourg (authorised capital \$ 4 m), whose directors are MM. Paul de Boysson, a director of SOGINTER - STE GENERALE D'EPARGNE & DE PLACEMENTS INTERNATIONAUX SA (affiliated to Neuflyze - see No 335), and Henri Frepeel, representing the banks, DELBRÜCK & CO KG, Cologne (see No 520), BANK MEES & HOPE NV, Amsterdam and Rotterdam (see No 521) and BANQUE DE L'HARPE, Geneva, co-founders along with CREGELUX - CREDIT GENERAL DU LUXEMBOURG SA (see No 515). The new fund will have a subsidiary, TRANSPACIFIC REALISATIONS SA to handle the re-purchase of issued certificates, while its investment policy and purchases will be run by Neuflyze, Schlumberger, Mallet.

The French bank has also taken part in the formation along with Banque de Paris & des Pays-Bas, Ste Generale and Assurances Generales de France on the latter's premises of an investment and savings fund management concern, AG FONDS (capital F 100,000).

#### FOOD & DRINK

\*\* The Rotterdam milling group MENEBA - MEELFABRIEKEN DER NED. BAKKERIJ NV (see No 519) acting through its holding company NV MEELFABRIEK DE "SLEUTELS" v/h DE KOSTER & CO, Leyden (see No 447), has gained the 66% interest it needed for outright control of one of the leading Dutch bakeries, VERMAAT'S BAKKERIJEN NV, Haarlem. This has over 300 employees and with facilities in Haarlem and Rotterdam, controls around 30 retail outlets in the Netherlands.

\*\* The West German DIETETIC PRODUCTS GmbH, Paderborn, has backed the formation in Bristol of DIETETIC PRODUCTS (UK) LTD (capital £ 100). The West German concern was formed in September 1964 (capital Dm 20,000) with Herren Zdenek Hybs and Ewald Stute as managers.

\*\* The recently-established PRODUITS LAITIERS RICHES MONTS SA, Koekelberg-Brussels (capital Bf 500,000) was set up by a group of French agricultural cooperatives to promote sales of agricultural produce in Belgium and other foreign countries. The cooperatives were headed by PRODUITS LAITIERS RICHES MONTS SA, Clermont-Ferrand, and include COOPERATIVE LAITIERE D'AUVERGNE, Montferrand, Puy-de-Dome; COOPERATIVE LAITIERE DU PUY, Brives-Charensac, Haute Loire; COOPERATIVE AGRICOLE LAITIERE DES COMBRAILLES, Clermont-Ferrand; COOPERATIVE AGRICOLE LAITIERE AVEYRONNAISE LA RUTHENOISE, Rodez, Aveyron, and COOPERATIVE FROMAGERE DU SAINT-NECTAIRE, Besse-en-Chandesse, Puy-de-Dome.

Riches Monts is one of the six cooperatives whose products will be sold under the Yoplait trade name by Ste de Diffusion de Marques-Sodima, Paris (see No 483). The fresh cheese and yoghurt bearing this trade name are already distributed in Belgium by Ets Verbruggen-Masina, Brussels.

\*\* Herren Fritz-Wilhelm Fertsch and Frau Sofie Fertsch-Röver, who are partners in WILHELM FERTSCH & CO KG, Friedberg, Hesse (food products and coffee imports) have taken a 60% and 40% stake in the newly-established Swiss company EFCORA GmbH, Zug (capital Sf 20,000). With Herr Hans Bussmann as manager, this will take shareholdings in food companies.

\*\* The Hamburg group H.F. & PH. F. REEMTSMA GmbH & CO KG (see No 512) has raised from 7.5 to 15.2% its shareholding in the Dortmund brewery DORTMUNDER UNION BRAUEREI. This latter has an annual capacity of around 3 million hectolitres and has just acquired control of the brewing and malting concern MALZFABRIK OFFERGELD & CO KG. It also intends to extend its interests to Paris (see No 522).

\*\* The American food group W.R. GRACE & CO, New York, has successfully terminated the negotiations it began with the aim of taking a majority stake in the French SALADOR SA, Vincennes, Val-de-Marne and Marseilles (oils, animal food stuffs, soaps and detergents - see No 520). Grace thus strengthens its already considerable French interests, which include apart from Cie des Restaurants Jacques Borel SA and its subsidiaries; 1) Grace (France) SA, Neuilly, Hauts-de-Seine; 2) the chemical products and "Cryovac" plastic packaging sheeting concern Grace Sarl, Eperon, Eure-et-Loir (formerly Delwaco Sarl, Paris); 3) Darex SA, Neuilly, which specialises in seals for the food industry and special products for the building industry; 4) the manufacturer of products for the building industry, for the insulation and waterproofing of vehicles, Teroson & Protection Chimique SA, Pantin, Seine-St-Denis, which is directly controlled by the two previous companies; 5) Borg Service SA, Maurepas, Seine & Oise (boiler and pipe cleaning services); 6) the Paris metal brokers SA Rene Weil; 7) - directly controlled by the Epernay subsidiary - Rollin SA, Steinbach, Haut-Rhin (moulded rubber and conveyor belts); 8) the jam and fruit concentrates concern Materne France SA, Boue, Aisne, which it acquired in 1967 following the takeover of the Belgian parent company, Ets. Edouard Materne SA, James, Namur; and 9) Ste Atlantique d'Engrais Chimiques (Satec) SA, Paris (factory at Bayonne, Basses-Pyrenees), a 51% subsidiary.

**\*\*** The French food group GENERALE ALIMENTAIRE SA - G.A.S.A. Neuilly, Hauts-de-Seine (see No 515) and BANQUE DE L'UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (see No 521) have each taken a 25% stake in STE AGRICOLE DU ROQUEFORT SA, Roquefort, Aveyron.

The latter is the second French manufacturer of "Roquefort" cheeses and controls some 14% of the market, and it has a turnover of F 22 million. The market leader is SA des Caves & des Producteurs Reunis de Roquefort (66% of the market - see No 404) and a 10% affiliate of this, Ste des Ets. Maria Grimal SA, Roquefort, is a subsidiary of Agricole du Roquefort.

At the same time G.A.S.A. and Banque de l'Union Europeenne have each acquired a small shareholding in the champagne company Champagne Mercier SA, Epernay, Marne (see No 518), which has recently become a major interest of the Ricard SA, Paris, spirits group.

**\*\*** M. Georges Charlier, who manages along with M. Geard Linssens the Belgian food products concern ETS. CHARLIER SA, Antwerp, is also manager of the newly-formed West German LEAF - CHARLIER VERTRIEBSGES. mbH, Hakenbroich, Dormagen (capital Dm 20,000). This will trade in food products, toys and also install, lease and market vending machines.

The Antwerp concern's interests in Belgium include the property company Brabo International SA, Antwerp, which was formed during February 1966 with a capital of Bf 5 million by Brabo Corp SA (25%), Confiserie Brabo SA (25%) and Brabo Manufacturing SA (5%), all of which are based in Antwerp. The latter of these three was itself established in May 1963 by Finanz- & Kapitalisierungsgesellschaft Sofica AG, Zurich (40%), Confiserie Brabo (10%), Messrs Marshall and Sol S. Leaf, Chicago, Illinois (10% each) and M. Georges Charlier (10%). It has a sister company, Brabo Industries SA, Antwerp, set up in October 1965.

**\*\*** The international group headed by GENERAL SHOPPING SA, Luxembourg (see No 496), BANQUE DE PARIS & DES PAYS-BAS SA (see No 522), HAMBROS BANK LTD, London (see No 520), HAYDEN STONE INTERNATIONAL SA, Zug, Switzerland (see No 476) and BANQUE GONET & CIE, Nyon, Switzerland, has taken a shareholding in the new holding company EUROVEND NV, Curacao, Dutch West Indies. Banque Gonet & Cie is an affiliate of Credit Suisse SA, Zurich, and Ste Generale SA, Paris.

The new company, which is headed by M. Carl George, Paris, and run by M. R. Piker, heads several European vending machine supply concerns, whose products are sold to offices and factories. Its sales of \$ 10 million p.a. are expected to double by 1972.

- 1) Autodistribution Adibu SA, Nanterre, Hauts-de-Seine, which was formed ten years ago by M. Carl George and whose capital was recently raised to F 2.1 million;
- 2) Vending Industries Ltd, NV, Antwerp (see No 324), established in 1965, which has a branch in Britain at Feltham. Middlesex; an affiliate of the New York Lancashire Holding Co Inc, its capital was recently raised to Bf 22.7 million;
- 3) Waren Automaten Betriebs GmbH, Frankfurt and Stuttgart, which was also formed by Mr. C. George during 1965.

\*\* The Belgian charcuterie and canned meats firms HEPATANT NV, Deurne, Antwerp, and E. LAEREMAND-VAN REUSEL & ZONEN PvbA, Poederlee, have linked to form HEPATANT & LAERMANS IMPORT GESELLSCHAFT FUR FLEISCH- & WURSTWAREN, Aachen (capital Dm 20,000). This has MM. Raymònd van Keymeulen and Theophilus Laeremans as managers.

\*\* The Italian wine group FRATELLI GANCIA & CO - S.A.V.A.S. SpA, Canelli, Asti (see No 441) has raised to F 750,000 the capital of its French distribution subsidiary, EURALIM SA, Neuilly-sur-Seine, with the aim of backing its expansion.

This has Sig Ch. Pasqua as president and was formed in 1967 with a capital of F 100,000. It has distributors and storage depots in Vaujours, Seine-St-Denis; Marseilles, Toulon, Cannes and Nice. Control is shared between the founder and two of its subsidiaries. Ottawa Anstalt, Vaduz, Liechtenstein, and S.A.V.A. - Soc. An. Industrial Commercial & Financiera, Avellaneda, Argentina.

\*\* The London-based brewery group, WATNEY MANN LTD (see No 520) has extended its Belgian stake and become the second-ranked brewer after the BRASSERIE ARTOIS SA, Louvain which controls some 30% of the market (see No 476). The group has gained control of BROUWERIJ MAËS NV, Waarloos (capital Bf 100m) and it now controls some 7.5% of the market. The move will enable Watney to strengthen its position around Antwerp and the coastal resorts, where its other 83.5% subsidiary Anc. Brasseries Vandenheuvel & Cie Brasserie Saint-Michel SA, Molenbeek-St-Jean is not well represented.

The group's other Belgian interests include Watneys SA and Nouvelle Brasserie Fauconnier SA, Chatelet, Charleroi, Brasseries de Koekelberg & d'Ixelles-Ixelberg SA, Koekelberg and Top Bronner NV, Nederbrakel. Watneys will gain a new soft drinks brand "Pedro" made by Maes and with the latter's 700 tied outlets will now control around 2,700 in Belgium.

\*\* The Dutch group WESSANEN'S KONINKLIJKE FABRIEKEN NV, Wormerveer (see No 369), which trades in, processes and stores flour, oils, cocoa, milk products and corn flakes, has formed a subsidiary in Vienna bearing its own name. With a Dutchman as manager, Mr. Gerrit Karsch, Alkmaar, this has a capital of Sch 100,000. The group has recently moved the head office of its West German subsidiary, WESSANEN'S KONINKLIJKE FABRIEKEN (DEUTSCHLAND) GmbH, from Cologne to Sarrebrücken. It has a large number of Common Market interests including dairy processing factories in Belgium (Olen), in Italy (Villanova, Ardenghi) and in France. The latter is based in Nantes and is operated by its subsidiary, Wessafio SA, Paris, owned jointly with Cie Franco-Indochinoise SA.

GLASS
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\*\* The American glass fibre and plastic materials firm FIBRE-METAL PRODUCTS CO, Chester, Pennsylvania, has established a branch in Frankfurt under Mr. John Bowers. The Chester concern already has a manufacturing subsidiary in West



Germany, Fibre-Metal Products GmbH (capital Dm 370,000), which was moved during 1968 from Sprenlingen to Dietzenbach.

## INSURANCE

\*\* The Frankfurt insurance company ALTE LEIPZIGER LEBENSVERSICHERUNG aG (see No 419) has gained a majority stake in the building society, BAUSPARKASSE DEUTSCHE BAUGEMEINSCHAFT KG, Königstein (capital Dm 3m), which until now was controlled by BANKHAUS FRIEDRICH SIMON KGaA, Düsseldorf (see No 467), affiliated to BAYERISCHE VEREINSBANK, Munich (26%) and to BERLINER BANK AG, Berlin (10%). The Frankfurt company has as main subsidiaries and affiliates in the insurance sector Leipziger Feuer-Versicherungs-Anstalt, Frankfurt; Leipziger Allgemeine, Transport- & Rückversicherungs AG, Frankfurt; Zenith Versicherung AG, Sarrebrücken (also affiliated to the Paris group La Paix SA) and Rechtsschutz Union Versicherungs AG, Munich.

\*\* The Berlin and Munich insurance group ALLIANZ VERSICHERUNGS AG (see No 522) has carried out two moves which have strengthened its position in the finance and insurance sectors: 1) it has acquired a minority stake in the share capital of the Frankfurt merchant bank GEORG HAUCK & SOHN (capital Dm 15m), whose interests include International Factors Deutschland AG, Frankfurt (see No 424), as well as the investment management concern Universal Investment GmbH, Frankfurt (see No 473); 2) it has acquired the shareholding which Herr. E. Heissmann, an insurance broker, held in BERATUNGS GmbH FÜR ALTERSVERSORGUNG & STEUERBERATUNGSGES DR. HEISSMANN, VERLAG ARBEIT & ALTER GmbH and INTERNATIONAL PENSION CONSULTANTS GmbH, Frankfurt. The Berlin group thus becomes linked in the latter with the London company NOBLE LOWNDES ANNUITIES LTD (see No 494). The London concern recently passes under the control of HILL SAMUEL & CO LTD (see No 523) and it controls a recently-established Belgian subsidiary, International Pension Consultants SA, Ixelles-Brussels (capital Bf 50,000).

## PAPER AND PACKAGING

\*\* The French paper group AUSSEDAT-PONT-DE-CLAIX SA, La Plaine-St-Denis, Seine-St-Denis (see No 514) has negotiated the acquisition of a majority shareholding in SA PRODUITS CHIMIQUES & CELLULOSE REY SA, Velizy, Yvelines (see No 471). The latter is affiliated to Cie Financiere de Paris & des Pays-Bas, as well as Ste Financiere Auxiliaire SA, Paris, and Ste Forestiere du Sud-Ouest SA, Bordeaux. During 1968 it had a pre-tax turnover of F 160 million and its main products are cellulose (90,000 t.p.a.), paper (25,000 t.p.a.) and "Polyrey" compressed plastic coatings and chemical products (factories at Couze, Dordogne; Saillat, Haute-Vienne and Roc-St-Andre, Morbihan). For its part Aussedat-Pont-de-Claix (factories at Cran-Gevrier; Pont-de-Claix, Isere and Les Mureaux) has an annual turnover of around F 140 million.

**PHARMACEUTICALS**

**\*\*** The American pharmaceuticals group BAXTER LABORATORIES INC, Morton Groves, Illinois, has strengthened its Common Market interests (see No 496) by forming a sales subsidiary in Milan called LABORATORI TRAVENOL SpA (capital Lire 1 m). This has Mr. C.A. Schwartz as president and is run by Mr. Vernon R. Louchs Jr. The founder has two subsidiaries in Brussels, Eurobiochim SA (factory at Lessine) and Travenol Laboratories SA (formerly Europa-Rental SA). In France and West Germany it controls two pharmaceutical and dietetic products concerns, Ste Rapidase SA, Seclin, Nord, and Travenol International GmbH, Munich.

**\*\*** The Brussels group SOLVAY & CIE SA (see No 520) has strengthened its indirect pharmaceuticals interests - through its subsidiary KALI-CHEMIE AG, Hanover (see No 490) - in Portugal and Mexico by gaining control of two distribution companies, QUIMIFAR Ltda, Lisbon, and LABORATORIOS KRIYA SA, Mexico. The negotiations which the Brussels group and its German subsidiary recently began in Paris for the takeover of LABORATOIRES DE THERAPEUTIQUE MODERNE-LATEMA SA (headed by M. O. Gaudin - see No 522) have been successful. They have now taken joint control of the French company (capital F 3.9 m) and its subsidiary Laboratoires du Bac SA, Suresnes, Hauts-de-Seine (capital F 2.96 m). The latter concerns employ around 300 persons and have an annual turnover of F 36 million (40% in exports).

**\*\*** The West German chemical and pharmaceuticals group FARBWERKE HOECHST AG, Frankfurt-Hoechst (see this issue "Plastics") has linked in the United States through its subsidiary AMERICAN HOECHST CORP, Bridgewater, New Jersey, with the PICKER X-RAY CORP, White Plains, New York (see No 499). They have formed PICKER-HOECHST INC, New York, which will supply radio-active pharmaceutical products. The group's recent moves include the extension of its 1968 agreement made with the Paris pharmaceuticals group ROUSSEL-UCLAF SA. A joint manufacturing and sales subsidiary for pharmaceutical products has been formed in Frankfurt with a capital of Dm 20,000 (manager Herr Heinz Theis). The new company will cooperate closely with Chemische Werke Albert AG, Wiesbaden, the wholly-owned subsidiary of Hoechst. Another move was to raise the capital of its own Paris subsidiary, Hoechst-Peralta SA, from F 5 to F 40 million.

**PLASTICS**

**\*\*** The West German PAUL KUHBIER & CO KG, Wipperfurth (moulded plastic switches, covers and buttons for wireless, TV sets, domestic appliances etc) has extended its interests to Belgium by forming a sales subsidiary called KUHBIER PLASTICS BELGIUM Pvba, Diepenbeek, Limburg. With a capital of Bf 1 million, this has Herr K.P. Kuhbier as manager.

\*\* A link-up between the West German groups B.A.S.F. - BADISCHE ANILIN & SODA-FABRIK AG, Ludwigshafen (see No 520) and DEGUSSA AG, Frankfurt (see No 519) in the thermo-plastics sector, will be backed by a newly-formed joint subsidiary, ULTRAFORM GmbH (capital Dm 5m). This will manufacture polyformaldehydes in a 6,000 t.p.a. capacity plant which will be built at Ludwigshafen near B.A.S.F.'s manufacturing complex. The new plant will come on stream in the second half of 1970 and its initial cost is estimated at Dm 20 million. Its products will be sold under the "Ultraform" trade name by B.A.S.F.'s network and will be used by the vehicle, domestic appliances and tele-communication industries.

\*\* The West German groups FARBERWERKE HOECHST AG, Frankfurt-Hoechst (see this issue) and SAARBERGWERKE AG, Sarrebrücken (see No 507) have signed an agreement covering the production of plastic sheeting. A new subsidiary has been formed called FOLIENWERKE SAAR GmbH (capital Dm 25m) and this will build at Neunkirchen, Saar, a factory costing Dm 110 million. Due to come on stream in 1972, this will employ around 900 persons in the manufacture of 30,000 t.p.a. of high density polyethylene and 5,000 t.p.a. of polypropylene sheeting. The plant's production will be distributed under the "Suprathen" and "Trespaphan" trade names by KALLE AG, Wiesbaden (see No 498), the specialised subsidiary of the Hoechst group, which will also supply the know-how needed for the new plant.

Hoechst and Saarbergwerke are already linked in the oxygen production company Oxysaar-Hütten-Sauerstoffwerke GmbH, Saarebrücken (capital Dm 2m - see No 409), in which its shareholding of 75% is held directly by its subsidiary Messer-Griesheim GmbH, Frankfurt (see No 514). This is a joint 66.7/33.3% interest with Messer-Industrie GmbH, Königstein, Taunus.

## SERVICES

\*\* M. Jean Boreau has been appointed to run the new Frankfurt office of the Swiss broking and financial services concern SOGERVIM SA, Geneva (capital Sf 700,000). This was formed during July 1967 with MM. Serge Hervel, France, Andre Maye and Marcel Curdy as directors.

\*\* The French film and cinema operator STE NOUVELLE DES ETS GAUMONT SA, Paris (see No 459 - capital F 21.87m) has acquired an important shareholding in the Paris newsreel concern ECLAIR-JOURNAL SA (see No 457). This move comes shortly after (see No 504) the acquisition of the newsreel interests of SA Les Actualites Francaises, Paris, by the rival Ste Nouvelle Pathe-Cinema SA, Paris. In 1968 Gaumont had a pre-tax turnover of F 81.62 million. Its main subsidiaries are Gaumont International SA, Paris (98.3%), Ste Rex SA, Marseilles (87.42%), Ste d'Exploitation Cinematographique des Flandres SA, Paris (99.8%), Ste d'Exploitation des Salles Cinematographiques Omnia (S.E.S.C.O.) SA (88.85%). It also has a 38.47% stake in Ste Generale de Travaux Cinematographiques SA, Paris.

\*\* The Swiss ATOR AG FÜR UNTERNEHMENSBERATUNG, Berne (management, marketing and data processing experts), which in 1968 made its Stuttgart branch into a subsidiary called ATOR GmbH UNTERNEHMENSBERATUNG & DATENVERARBEITUNG (capital Dm 20,000 - see No 491), has now opened a branch to the latter in Düsseldorf.

TEXTILES
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\*\* The Swiss SEIDENWEBEREIEN GEBRÜDER NÄF AG, Zurich, has sold its West German subsidiary SEIDENWEBEREI LAUFENBURG AG, Landenburg, Baden, to SICO CHRISTIAN FISELY KG, Stuttgart. The Landenburg company makes suitings and has some 300 employees. Last year the company had a turnover of around Dm 10 million and its capital stands at Dm 1.4 million.

\*\* MM. Marino Van Geffen, Brasschaat, Belgium, and J. Podesta, Paris, are managers of the newly-formed Paris sales company TRENCO FRANCE Sarl (capital F 20,000). This is a new subsidiary of the Dutch Trenco shirt-making concern, which is headed by the holding company BELEGGINGSMIJ. BISON NV, Breda (see No 483).

The Trenco group is a licensee of the American MANHATTAN INDUSTRIES INC group (formerly Manhattan Shirt Co - see No 403) and it has sales subsidiaries bearing its own name in Brussels, Düsseldorf and Milan, as well as controlling the Belgian sales companies Manhattan Belgium NV, Brussels, and Valore NV, Etterbeek.

\*\* The Roubaix cotton company VERNIER-LEURENT SA (capital F 4,998,000) has sold some of its assets to DESPATURE & FILS SA and SERVIPOSTE SA, both based in Roubaix, and BELMART SA, Paris. As a result, the first company, whose capital has been raised to F 8,550,150, has acquired fresh manufacturing and sales assets valued at F 5.9 million. Serviposte has acquired the mail-order interests valued at F 11.1 million and therefore raised its own capital to F 11.4 million. For its part Belmart (capital now stands at F 693,000) has acquired seven branches including four in Paris and one each in Lyons, Lille and Nice, valued at F 2,780,580. All three companies have now adopted the "Damart-Thermolactyl" trade name, which is controlled by Vernier-Leurent.

\*\* The newly-formed Düsseldorf company R. V. GALLIENI DEUTSCHLAND GmbH (capital Dm 50,000 - manager Herr Wolfgang Dohm) will distribute ties and scarves made by the Milan firm R. V. GALLIENI.

\*\* The American work-clothes concern H. D. LEE CO INC, Kansas City, which has recently become a member of the V. F. CORP, Reading, Pennsylvania group (formerly Vanity Fair Mills Inc - see No 297) after having negotiated without success for a merger with Interstate Bakeries Corp, Kansas City, Missouri, intends to expand considerably its Common Market manufacturing output. This will involve the establishment of a second factory in Belgium. H.D. Lee has been established in Belgium since 1963 and has a factory at St-Niklaas-Waas, Antwerp employing some 600 persons. Its new plant involves the construction of a factory near Wye with some 500 employees to make sportswear.

\*\* The West German textile concern NINO GmbH & CO KG, Nordhorn (see No 504) which is headed by NINO GmbH, and run by Herr Bernhard Niehues, has sold its knitwear subsidiary SLENDOR GmbH WERK- & STRICKWARENFABRIK, Detmold (capital Dm 1m) to another firm in the same sector MONDI TEXTIL GmbH, Aibach (pullovers). Owned by Herren Fritz and Otto Brustle and Herwig Zahn, this has 200 employees and as a result of this move its turnover will increase from Dm 6 to Dm 20 million.

During 1968, Nino had a consolidated turnover of Dm 301 million and it has some 5,500 employees. Its main subsidiary is TWISTON GmbH GARNVEREDELUNG, Lothen, Meppen (yarn production and texturisation).

\*\* The Swiss company TAILORDRESS AG, Chur, has gained control of the Munich ready-mades concern BAYERISCHE BEKLEIDUNGSWERKE GmbH (1,700 employees - capital Dm 2m).

The Swiss company already has a West German subsidiary, Atomic Modevertrieb GmbH, Düsseldorf, and it is linked by sales agreements with the textile group Westfälisches Textilwerk Adolf Ahlers KG, Herford-Elverdissen (see No 283).

\*\* A merger between two Dutch clothing shop companies, PEEK & CLOPPENBURG NEDERLAND NV, The Hague, and LAMPE NEDERLAND NV, Amsterdam, will lead to a group under a holding company, PEEK & CLOPPENBURG LAMPE NEDERLAND NV, which with some 2000 employees and 41 shops will rank second in the Netherlands after NV ALGEMENE CONFECTIEHANDEL VAN C. & A. BRENNINKMEIJER, Amsterdam (see No 458). Peek & Cloppenburg heads Peek & Cloppenburg NV, The Hague (administrative offices in Rijswijk), which has 21 shops. It also controls NV Nederlandsche Kleeding Industrie (250 on payroll) as well as the property companies Mij. de Dam NV and Peek & Cloppenburg Kledingmagazijn Breda NV. On a family basis but not a financial one, it is linked with two West German textile clothing concerns, both of which are financially independent. Peek & Cloppenburg KG (head office in Düsseldorf - retail outlets in Düsseldorf, Frankfurt, Essen, Recklinghausen and Berlin - see No 494) and Peek & Cloppenburg (head office and three shops in Hamburg and another in Bremen). For its part Lampe is also a family concern and its main subsidiaries are Lampe-Modehuis NV, Amsterdam, as well as the property companies Beleggingsmij. Lampe Rotterdam (B.M.R.) NV and Beleggingsmij. Lampe Amsterdam (B.M.A.) NV.

\*\* The Dutch textile group NV VERENIGDE NEDERLANDSE CONFECTIE-BEDRIJVEN VENECO, Middleburg, has gained control of SCHELLEKENS' CONFECTIE-BEDRIJF NV, Aalst, which has a branch in Eindhoven and Bochot in Belgium (where it had taken over the facilities of RAMO CONFECTIE NV). This move will raise its new parent company's employees to some 1,100.

The Dutch group has factories at Middelburg, Aardenburg and Langemark in Belgium, and its main subsidiaries are Necolan NV and Confectiebedrijf Salland NV, both in Deventer. In another move it recently gained control of the Rotterdam Confectie Industrie Joh Van Der Werff NV (see No 504).

\*\* The Italian knitwear concern LUISA SPAGNOLI Srl, Perugia-Santa Lucia, has formed a sales subsidiary in Frankfurt called LUISA SPAGNOLI DEUTSCHLAND GmbH (capital Dm 50,000). This has Sig Giovanni Cardelli and Frau Karoline Schmaholz as managers. Since 1966 (see No 385) the founder has had a branch in Brussels under Sig Boris Sangiorgi.

TOURISM
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\*\* BUND DEUTSCHER KONSUMGENOSSENSCHAFTEN (see No 416), which is responsible for coordinating the activities of over half of West Germany's consumer cooperatives, has acquired a stake in the tourist concern G.U.T. GEMEINWIRTSCHAFTLICHES UNTERNEHMEN FÜR TOURISTIK GmbH & CO KG. This was formed in April 1968 by the West German trade union bank BfG - BANK FÜR GEMEINWIRTSCHAFT AG, Frankfurt (see No 520) - whose capital has recently been raised from Dm 165 to Dm 190 million - in association with several trade union holiday organisations.

Bund Deutscher Konsumgenossenschaften will be represented on G.U.T.'s board by Herr Cornel J. Bock, and it will make available the 7,000 retail outlets which it controls.

TRADE
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\*\* The Japanese import, export and textiles group KANEMATSU-GOSHO LTD, Kobe, has doubled to Dm 1.2 million the capital of its Düsseldorf subsidiary (branch in Hamburg), KANEMATSU-GOSHO GmbH. The subsidiary was formerly called Kanematsu & Co GmbH and this move will enable it to expand its operations.

The Japanese group was formed by the merger of two trading companies, F. Kanematsu & Co Ltd (see No 385) and Goshu Co Ltd. It has other European offices in Paris, Milan, London and Beograd.

\*\* DEUTSCHE BANK AG, Frankfurt (see No 521) and COMMERZBANK AG, Düsseldorf (see No 521) have negotiated the acquisition of a joint 25% interest in the chain-store group HORTEN AG, Düsseldorf (formerly Helmut Horten GmbH - see No 513), until now owned by Herr Helmut Horten. This group (capital Dm 250 m) has 51 retail outlets in West Germany (17 under the "Merkur" trade name and 10 under the "Defaka" trade name), and with 29,000 employees its 1968 turnover amounted to Dm 1,800 million. It has a Paris purchasing office, a subsidiary in Milan, Horten Italiana Srl, and also a 10% interest in the Spanish hotel concern, Weltring Hotel Mallorca SA.

Its two new shareholders have already made over their shareholding to their joint 75/25 subsidiary, Deutsche Gesellschaft für Anlageverwaltung mbH (Degav), Frankfurt, which as a result has increased its own capital from Dm 100,000 to Dm 50 million. The two banks' other interests in this sector include a 25% interest (each) in the Karstad AG group and a 25% stake held by Commerzbank in the Kaufhof AG group.

TRANSPORT
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\*\* The Dutch company DE TWENTSCHE TRUST MIJ. NV (see No 307 - a member of the Amsterdam group ALGEMENE BANK NEDERLAND NV - see No 514) has formed a shipping subsidiary called NV SCHEEPVAART- & HANDELMIJ. EUROCASTERS, Amsterdam (authorised capital Fl 500,000 - 20% issued). The new concern will be headed by Mr. H. Hazelhoff Roelfzema. De Twentsche Trust has a number of sister companies, including Twentsche Verhandel "de Valk" NV, Enschede, which was formed in May 1968 (authorised capital Fl 100,000 - 50% issued). This trades in and manufactures paints, equipment and machinery for use by the lacquer, varnishes and paint industries. Another is Interfineer NV, Sliedrecht (capital Fl 60,000 - 50% issued), which was established in June 1967 to trade in timber and timber products.

\*\* The Stockholm WALLENIS SHIPING CO (see No 518) is now represented in West Germany by the newly-established WALLENIS CONTAINER LINE GmbH, Bremen (capital Dm 20,000). Managers of the new concern are Messrs K.H. Geuther, A. Schnitger and W.O. Hosak.

The Swedish group is represented in Belgium by Wallenius Belgium NV (capital Bf 144 m), the 75% subsidiary of Pan Carriers Inc, Panama City, with which it has links. The remainder is held by the ship-yard Cockerill Yards Hoboken NV, Hoboken, a member of the Cockerill-Ougree-Providence SA, Seraing steel group.

\*\* The Paris companies STEMI - STE DE TRANSPORTS & DE MANUTENTIONS INDUSTRIELLES SA (see No 523) and LOTRASID - STE DE LOCATION DE MATERIEL & DE TRANSPORTS POUR LA SIDERURGIE SA (formerly LOCASID - see No 485) have become shareholders with 24% and 5% respectively in STE FRIGORIFIQUE EUROPEENNE Sarl, Paris, as the latter has raised its capital to F 450,000. Frigorifique Europeenne was formed in March 1968 by Ste Industrielle & Commerciale de Transports & de Manutention-Sitram SA, Paris, and Ste Lyonnaise pour l'Exploitation de Vehicules - SLEVE SA, and it manufactures, leases and sells containers, especially cooling and deep-freeze types. In July 1968 Slevé raised its capital from F 3.6 to F 4.6 million following the takeover of Slovi - Ste de Location de Vehicules Industriels SA, Paris.

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Banque de l'Harpe	O	Deutsche Leasing	M
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Banque de Paris & des Pays-Bas	Q	Dietetic Products	O
Banque de l'Union Europeenne	Q	Domo-Produkte	I
Bastogi	C	Dortmunder Union Brauerei	P
Battau	L		
Baum, Max	K	E.M.C. - Entreprise Miniere	E
Bausparkasse Deutsche Baugemeinschaft	S	Eclair-Journal	U
Baxter Laboratories	T	Ecological Science Corp	K
Bayerische Bekleidungswerke	W	Efcora	P
Bayerische Vereinsbank	S	Esslingen, Maschine-Fabrik	L
Belge d'Aiguilles, Manufacture	N	Euralim	R
Belmart	V	Eurocoasters	Y
Berliner Bank	S	Eurovend	Q
Bison, Beleggingsmij	V		
Bochum, Stahlwerke	K	Fasco	C
Bohlen-Industrie	E	Fertsch, Wilhelm	P
Boutillon	L	Fiat	B, H
la Boutique de Paris	I	Fibre-Metal Products Co	R
Brabo	Q	Financia	N
Brugger, Fratelli	L	Fischer, Josef, Sportartikel	H
Bund Deutsche Konsumgenossenschaften	X	Fisely, Sico, Christian	V



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Flugchemische Antriebe	E	Komrowski, Ernst	K
Fodor, Charles & Etienne	L	de Koster, Meelfabriek	O
Folienwerke Saar	U	Krages	G
Fomop	L	Kriya, Laboratorios	T
Frigorifique Europeenne	Y	Kuhbier, Paul	T
G.U.T. Travel	X	Laden	H
Gallieni, R.V.	V	Laeremand-Van Reusel	R
Gallieni, Vigano & Marazza	K	Lafarge, Ciments	D
Gancia, Fratelli	R	Lampe Nederland	W
Gaumont	U	Latema	T
Geigy	F	Leaf-Charlier	Q
General Shopping	Q	Lee Co, H.D.	V
Generale Alimentaire	Q	Leybold-Heraeus	M
Geopetrole	D	Limbourg, Produits Chimiques	E
Gerds, Gustav V.	M	Linde	F
Ginori, Richard	D	Loos	F
Grace, W.R.	P	Lotrasid	Y
Gres	I		
Grundig	J	Maes, Brouwerij	R
		Mane, V, & Fils	H
Hambros Bank	Q	Marelli, Magnetti	H
Hamill Toms	B	Marine Midland Banks	N
Hauck & Sohn	S	Mees & Hope	O
Hayden Stone	Q	Meneba	O
Heidemij	I	Mercedes-Benz	C
Heissmann, Verlag	S	de Mersch, Fonderies	M
Hepatan	R	Mesar	J
Hercules Inc	G	Messerschmitt-Bölkow-Blöhm	E
Hill, Samuel & Co	S	Metinox	L
Hoechst	E, T, U	Mines de Potasse d'Alsace	E
Hoek, W.A.	F	Mitsui	E
Horten	X	Mohr & Federhaff	K
		Mondi Textil	W
I.M.I.	C, D	la Montagne Noire	G
I.R.I.	J	Motorola	J
International Pension Consultants	S		
Inval	C	Näff, Seidenwebereien	V
		Nederhorst	I
Kali-Chemie	T	Nederlandsche Credietbank	O
Kalle	U	Nederlandse Staatsmijnen	E, G
Kanematsu-Gosho	X	Neufilze, Schlumberger, Mallet	O
Kästle, Anton, Skifabrik	H	Nino G.m.b.H.	W
Klein, Schanzlin & Becker	M	Noble Lowndes Annuities	S

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Nylon de Mexico	G	Sobipar	E
		Sofina	F
Oesterreichische Tele-Industrie	J	Sogervim	U
Offergeld, Malzfabrik	P	Soginter	O
l'Oxydrique Internationale	F	Solvay	T
Oyak, Turkey	C	Somacoa, Madagascar	B
		Soprafin	F
P.A.R.C.	C	South African Polyolefins	E
Pakhoed Holding	I	Spagnoli, Luisa	X
Peek & Cloppenburg	W	Stahlprodukte	K
Peugeot	B	Stamicarbon	G
Picker X-Ray	T	Stemi	Y
Pierson, Heldring & Pierson	O	Still, Hans	L
Preh Elektrofeinmechanische	J	Stockinox	L
Prym, William	N	Stumm, Gebr.	K
Publicis	B	Stylon Corp	D
		Swiss Banking Corp	L
Quandt	L		
Quimifar	T	Tachella Macchine	N
		Tailordress	W
R.A.E.T.	I	Technical Packaging	G
Ramo Confectie	W	Technova	M
Reemtsma	P	Ten Horn, Verstoffen	G
Renault	C	Tessengerloo, Produits Chimiques	E
Rey, Produits Chimiques	S	Thies, B.	L
Riches Monts, Produits Laitiers	P	Thyssen-Hütte, August	K
Rinco	H	Tinsley	M
Röderstein, Ernst	J	Tomado	M
Rootes	B	Tradex International	D
Royal Dutch-Shell	G	Tramac-Derruppe	D
		Transpacific Fund	O
S.N.I. Brussels	F	Travenol, Laboratori	T
S.T.E.T.	J	Trenco France	V
Saarbergwerke	U	de Twentsche Trust	Y
Salador	P		
Sauerstoff & Wasserstoff-Werke	F	U.C.B.	F
Schellekens' Confectiebedrijf	W	Ultraform	U
Schneider Radio-Television	H	Univex	G
Sentrachem	E		
Serviposte	V	V.F. Corp	V
Siemens	E, J	Varta	L
Simca	B	Veneco	W
Simon, Friedrich	S	Vermaat's Bakkerijen	O
Sleve	Y	Vernier-Leurent	V
Slendor	W		

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Waldhof, Zellstoffabrik	G
Wallenius Shipping Co	Y
Wasag Chemie	E
Watney Mann	R
Wessanen	R
Westdeutsche Landesbank-Girozentrale	M
Wiener Kabel- & Metall	J
Wolff, Otto	K
 Zout-Organon	 F





