Opera Mundi EUROPE

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Paris

ERHARD TAKES A SOFT LINE

It looks as if the leopard will not be able to hide his spots much longer. Ever since he took over from Konrad Adenauer as head of the German Government, Chancellor Erhard has not stepped far off the beaten track of his predecessor's European policy. And it looked very much as if he had given up his old dreams on the future of Europe: that the Common Market should be the forerunner of one great free trade area, without any external tariffs and open to all countries wishing to join, but unwilling to submit to the stringent economic disciplines of the EEC in its present form.

As long as he was just his country's Minister for Economics, Professor Erhard was quite candid about expressing these opinions. At the time they did not provoke much reaction because Adenauer always had his hand on the tiller ready to keep German policy in line with the Treaty of Rome. But by now the building of the Common Market is rather too far advanced to allow any weakening of its basic principles even though the ideas belong to the main political personality of one of the major participating countries. Nevertheless Erhard's recent statements during his trip to Norway and Sweden have roused public opinion - more at home than abroad, however - although what he said differed very little from his previous attitudes. It was just that everyone had forgotten that Ludwig Erhard's fundamental ideas on Europe were basically rather different from the principles of the great founders of the Six, including of course Germans like Adenauer and Professor Hallstein.

There are two significant elements in the Chancellor's Scandinavian speeches. First of all, in his press conference in Oslo: in reply to a question on the future of political unity in the EEC, he seemed to be thinking more or less out loud when he said that it was surely a bad idea to pursue this line of action because "the more this political structure develops, the more difficult it will be to reach agreement with the neutral countries on their conditions of entry (into the Common Market)". This at any rate was what several Germans took him to mean. At first glance, his attitude is fairly understandable: Erhard is fully aware that any effort towards political unity means crossing swords with General de Gaulle and obviously he would rather emphasise the question of economic unity than risk provoking another crisis. His main theme, the accession of other countries, is no great blot on his Community copy-book since he speaks of entry into the Community (probably as associates, which is likely to be the most suitable formula for neutral countries) and not of agreement leading to a free trade area, a favourite hobby-horse even now. Nevertheless it was this point that drew the strongest criticism from the German Social Democrats, who demanded an explanation to Parliament on this subject. Being strongly in favour of rapid progress towards political integration of the Common Market, they had had the impression up to now that they had the backing of the Chancellor who, since his accession in

October 1963, had announced on several occasions that steps were being taken towards political union of the Six. The Government spokesman, Secretary of State von Hase, tried to pour oil on troubled waters by saying that the transcript of Erhard's press conference showed no trace of the statements attributed to him and that the German government's attitude towards political integration had not changed in any way. No-one in Bonn has accepted this explanation as anything other than a means of avoiding the issue.

Another, and much more disturbing, aspect of Erhard's Scandinavian speeches, from the EEC point of view, was his repeated reference to the necessity of bridging the gap between the EEC and EFTA by establishing a large free trade area between the two organisations.

He raised this point both in Norway and Sweden. Shades of the old Erhard, who made a passionate attack in the Christmas 1960 number of Handelsblatt (the big Dusseldorf business daily) on those who insisted on integration of the Six before anything else: "One is not a bad European", he said at the time, "just because one is not prepared to go along with the day-dreams of people who can only think in sixes".

In his view it was now clear that "the unification of the Common Market would, especially from a political point of view, solve neither the problem of Europe as a whole nor that of the Atlantic Community" and he insisted that "when the Treaty of Rome was first thought of there had been no question at all of limiting it in such a way". As far as he was concerned, there was only one sensible solution: to set up a bridge between the EEC and EFTA by forming a big free trade area between them. And he added: "it is simply not true that the intention to combine the EEC and EFTA would mean the ruination of the Common Market of the Six, nor is it true that such a step would be a discrimination against the United States". He finished by expressing amazement that countries could make the mistake of trying to achieve political and military solidarity, while still attempting to carry on alone on the economic and social fronts.

Here of course it could be said that the bridge between the EEC and EFTA includes, in the free trade area under consideration, three neutral countries - Switzerland, Sweden and Austria - which politically, and certainly militarily, would not line up with the others. On the other hand, the area would obviously not include the United States, although its military alignment would clearly be in that direction. We ourselves were surprised at the time (see No 85, January 4, 1961) that Professor Erhard should choose that moment to support the idea of establishing a "bridge", just when Macmillan's Britain had abandoned Reginald Maudling's dream of a free trade area. In fact in the previous July, Macmillan had realised that this was no longer practicable, and had made Edward Heath, the new Lord Privy Seal, responsible for the Common Market negotiations. His express purpose was to explore the possibilities of achieving British entry into the Common Market and perhaps that of other EFTA members as well.

In reply to his critics, the Professor made another stand on this question on January 17, 1961, again in "Handelsblatt". It is worth recalling this because the arguments which he used then throw some light on the meaning behind his recent statement. On this occasion he said that "an invitation to all the countries of Europe to join the EEC is hardly more than a platonic gesture as long as the EEC remains totally committed to fixing political (rather than economic) targets". He also added that he himself might easily be persuaded in favour of a confederation or a federation, but first of all the Six would have to be prepared for closer political cooperation and establish the appropriate institutions. "But", he added, "there must be no question of the 'Economic Community' which, theoretically is not based on supranational sovreignty, and which despite its political importance is not a political community as such, being directed towards political ends not justified by the Treaty of Rome". He reckoned that it was impossible to unite political views on the formation of a "free Europe" and he felt that it was "therefore more important to have an (economic) conception of Europe as a whole".

By publishing the Erhard article, "Handelsblatt" itself was clearly underwriting the 1961 policy of its eminent contributor. It commented later: "among the critics of Professor Erhard's article published in the Christmas edition of 'Handelsblatt', in which the Federal Minister for Economics deplores the lack of enthusiasm for a bridge between the EEC and EFTA, we feel obliged to mention 'Opera Mundi Europe'. This publication expresses the opinion that the Six would be discriminating not only against the USA but against all the members of GATT in granting prefential customs tariffs to EFTA countries without first forming an economic union with them. Opera Mundi Europe wonders why Erhard is a keener supporter of Maudling than the British Government itself and why he is not prepared to wait until British attitudes change sufficiently to make a rapprochement possible without forcing the EEC to compromise on matters of basic principle. There is only one answer: he (Erhard) is so convinced of the virtues of free trade that he cannot see its faults. He forgets that the lowering or removal of customs barriers cannot produce a lasting effect. This point seems to have escaped the notice of the founders of EFTA as well. The members of 'Little Europe', as Erhard rather ironically calls them, prefer the idea of a prosperous 'Little Europe' to a Bigger Europe, which, because of the instability of its foundations, could never achieve real unity".

Handelsblatt made the following comment on our attitude: "These objections are partly based on false premises especially as far as the alleged discrimination against the USA and other GATT countries by the use of customs agreements between the EEC and EFTA is concerned. It is not true that the EEC would be undermined by a bridge of this kind. The Federal Minister for Economics has therefore decided to answer his critics in an article published in this edition".

We are pleased to note that this important German economic daily has now come round to our way of thinking. This change of tune can only be attributed to the progress of the Common Market over this period. On September 6, 1966 the Chief Editor of Handelsblatt, Karl-Heinrich Herchenroder (who was also in charge in 1961) published a personal article strongly criticising Chancellor Erhard's Scandinavian speeches. He feels that the Chancellor's attempt to stop the EEC's progress towards political integration was untimely to say the least. He adds: "it is also doubtful whether the proposal, resuscitated now by the Chancellor, to form a bridge between the EEC and EFTA by setting up a large free trade area, has any more chance of success now than when it was first discussed... In the meantime the attraction of the EEC has increased to such a degree that several EFTA countries, headed by Britain, are now seeking full membership of the Common Market. The EEC countries are so convinced that their painfully-acquired agricultural regulation is an essential safeguard of their agricultural interests that a large free trade area would almost certainly not include agricultural products. Denmark, a member of EFTA, would obviously not be satisfied with the exclusion of agriculture from an agreement with the EEC and an EEC-EFTA link through a free trade area would not solve Austria's problems. The real stumbling block in the path of British entry at the moment is the necessity of first of all putting her own economic house in order. So there is no question of EFTA countries being less keen to join the EEC. On the contrary. And this process should not therefore be hindered by the revival of the old idea of a wider free trade area".

At the same time we feel that the scope of Erhard's speech should not be exaggerated. Like anyone else, a Federal Chancellor is entitled to relive yesterday's dreams even if they are out of tune with the times. And the fact that a major German paper, and one which was his greatest champion in 1961, should now advance such excellent arguments to show that Erhard's former ideas are now at any rate inappropriate, can be taken to mean that responsible German opinion is not inclined to follow him in this respect. This we find extremely reassuring.

THE WEEK IN THE COMMUNITY

September 5 - September 11

From Our Correspondents in Brussels and Luxembourg

Social Development in Europe

The EEC Commission has just laid before the European Parliament its annual review of social development within the Community. In its preface, this document rapidly outlines the progress made since the beginning of the Common Market in 1958. Certain aspects of this progress are worth looking at in further detail, but it should be borne in mind that they are average values for Little Europe as a whole. The Commission's review is the first to recognise that this development has not been the same for all the regions in the EEC, and that the differences between the rich and poor areas have not diminished during the past eight years. This gap can only be closed by the introduction of a systematic regional policy; a start has been made, but the results are necessarily long term.

The average increase in the volume of the gross EEC product between 1958 and 1965 was 44%, whilst the per capita increase in private consumption, the barometer of the growth in living standards was of one third. This figure is even more noteworthy in that it is determined more by the qualitative factors of production than the quantative factors. Although the total population has increased by 10%, the working population has only increased by 4% (74.6 million compared with 72.4 million). The increase of 2.2 million includes the "retrieval" of unemployed persons (1.5 million compared with 2.75 million in 1958) and the employment of non-Community labour, the latter having risen from 84,000 to 578,000. Thus, in absolute terms, the working population has remained virtually stagnant, and Europeans are also working less than in 1958: the length of the working-day is decreasing, whilst holidays are lengthening. But in some countries women are playing a larger role in production, and there has been an appreciable increase in the number of married women going out to work, which has fortunately helped to reduce some of the stresses of the labour market.

If, in spite of this stagnation, production has risen considerably, it is above all due to the spectacular switch of the working population into productive sectors. The labour force in agriculture has fallen by 22% since 1958, although it has risen by 13% in industry and 15% in services. The flight from the land is probably the most important reason for the constant decrease in the number of self-employed persons, compared with wage earners, the latter amounting to between 74% and 80% of the labour force in five of the member countries, although in Italy they only amount to 64%. But it is also likely that concentration of production has influenced this trend.

Many more wage-earners therefore, but not a larger proletariat. Incomes in the Six have risen faster than in most other industrialised nations. In the manufacturing sector, gross hourly gains have been around 80%, equivalent to a 40% real increase in net annual incomes. During the same period the number of persons covered by social security regulations has also grown. Depending on the country concerned, social security contributions have risen by between 30% and 90%, and the least well-off have been slowly catching up on the others. The housing situation has improved. The annual number of housing units finished increased from 1,215,000 in 1958 to 1,580,000 in 1965, and during these eight years, 11 million new housing units were built, although this was insufficient to wipe out the backlog. But a new indicator of rising prosperity has appeared; the number of "public" or "collective" housing units built is constantly decreasing, although their quality, in other words their size and finish, has considerably improved. There is one bad feature however in that the prices paid for building sites has been constantly rising, and this has affected construction costs.

Another factor, in a society whose aim is always increasing productivity, with its accompanying need for ever-greater skills, has been the spread and intensification of education. In 1958, compulsory nine years schooling was still the exception, although it is now the rule, and in some countries, France for example, the trend is towards lengthening this period. The number of pupils staying on at school after the compulsory basic period, has increased noticeably. Educational expenditure in all countries has increased considerably, and in some it has doubled. Together with this financial effort, there has been a generalised policy of reshaping educational systems (professional orientation, inter-acceptability of qualifications) to deal with the problems and needs of economies dominated by science and technology.

Competition: Exemption en bloc for 25,000 Exclusive Agreements

On July 26, the Official Journal of the European Communities published a draft regulation proposed by the Commission "dealing with the exemption of certain bilateral exclusive agreements". Until now the parties involved in these contracts had to notify the Commission of the terms of their exclusive contract, and then the latter dealt with each case individually, to see if it was compatibile or not with the rules of the Treaty banning agreements. With the position concerning the legality of certain exclusive agreements clarified by the important rulings recently given by the Court of Justice, and authorised by the EEC Council to deal with whole categories, the Commission has been able to draft regulations setting out under what conditions, such contracts will be exempted without the need for the formalities involved in prohibitive agreements, in other words no notification will be required. Interested parties will have until October 31st to study the draft and decide upon their comments. Then the Commission will have talks with the "Agreements" Committee (which represents the administrations concerned in each of the six countries), before giving legal status to the regulation.

The practical interest of this method is clear. Some 32,000 dossiers have been piling up in the offices of the Commission's "Agreements" department. The regulation will obviate the need to deal with around 25,000, either because the contracts in question already conform to the terms of the regulation, or because they can easily be made to do so. It is also probable that in future, when concerns make new exclusive agreements, they will be drawn up in such a manner that they will be exempt from the need for notification. The system of exemption by categories will remain in force until December 31st, 1971, and it is then possible that the requirements for individual exemption will be reintroduced, once the present backlog of casses has been dealt with.

The regulation will allow exemption of bilateral exclusive agreements and concerted practices involving an arrangement for either sole distributor contracts or exclusive supplier contracts or bilateral exclusive distributor and supplier agreements applying to a given territory within the Common Market. Additionally these agreements may include the following obligations connected with competition: prohibition against stocking competitor's products, advertising outside the given territory, and the obligation to use fixed brands.

But greater restrictions on competition, such as a prohibition against exporting, or imposed prices, will not qualify for group exemption. Furthermore, exemption will only be granted if the goods in question have effective competitors within the given territory; if it is not considerably more difficult for other manufacturers to sell similar products, at the same distribution level as that held by the exclusive agent; if the manufacturers of competing products do not have reciprocity agreements covering distribution; if the exclusive agent has without reasonable justification, refused to supply certain purchasers; if the opportunities for the exclusive agent to obtain supplies of the goods in question elsewhere in the Common Market are not lessened and finally if his opportunities to supply clients outside the defined area are not restricted.

In support of its proposal the Commission considers as a general rule, that the "legal" exclusive agreements defined in its regulation helps consumers to share in the profits arising out of such agreements (improvements in distribution, and the accompanying reduction in costs and its side-effects on the selling price), and this is a condition of "good" agreements tolerated by the Treaty. The Commission considers that another acceptable condition occurs under the exclusive agreement system: the improvement of production and distribution. It also thinks that "the designation of an exclusive agent who undertakes, instead of the manufacturer, to promote sales and launch the product, to store it and arrange for after sales service, is often the only way for small and medium size concerns to compete in a market".

This interest in small and medium size concerns had already been clearly defined in the Commission's statement on mergers in January of this year. The European "executive" has just restated its interest, in connection with an agreement made covering sales and research co-operation by "The Transocean Marine Paint Association". It consists of 18 medium-size concerns established in 18 European and other countries (five in the Common Market) and its aim is to assist its members in pooling their manufacturing experience for special marine paints as well as rationalising selling methods (identical packaging and brands) so that they can strengthen their competitive position with their rivals, the large international marine paint consortium.

To start with, the "Transocean agreement" did not comply completely with the rules of the Treaty, but its signatories have now modified it, so the only remaining restrictions on competition are those which are essential if the association is to achieve its aims. The Commission has therefore decided to publish the agreement in the Official Journal of the Communities. This procedure will allow other interested parties to give their opinion, and it normally precedes a favourable decision.

Economic Outlook: a hopeful Prospect

The EEC Commission has just published the results of its second quarterly survey on economic prospects amongst management in the Community (but excluding the Netherlands). The overall conclusion arrived at in this survey is comforting: industrial activity has continued at a vigorous rate; for industry as a whole, the outlook for production was considered "very hopeful", over 90% of management believes that business will stay at the same level or even increase; and reports indicate that order-books are steadily improving. The Commission states that "the buoyant trend of industrial production can be expected to continue" in a less anxious economic climate than before "as, according to management, there has been no increase in the pressure on prices since the start of the year".

But when looked at country by country, economic developments have not been so encouraging everywhere. In France and Italy, where the brakes on expansion had been applied with the most pressure, this optimistic outlook is most wide-spread. But in West Germany, Belgium and Luxembourg there are a number of signs indicating uncertainty. In West Germany, the Commission says "the lull in the internal domestic situation has continued and the slowing-down of production is becoming more general", spreading to the consumer goods sector, which in its turn is showing signs of weakening. Even so, at the end of May, management's expectations concerning production were optimistic, and it is unlikely that the rate of production will fall much further during the next few months.

Belgian management was much more doubtful about the state of their total order-books: around 30% consider they have insufficient orders, and at the end of May only 8% of managements considered that production would rise, although the figure was 20% in January. In Luxembourg economic growth has remained at a low level; the falling-off of foreign orders has principally affected the steel industry.

In France, however, industrial expansion has continued at a vigorous rate, and the upward trend is now making itself felt in the capital goods and basic industries. Three-quarters of management considered that the order-books were normal or above-normal, and 26% are expecting an increase in production, whereas only 9% are expecting a decline. In general "the level of activity is unlikely to slow down during the coming months, although as far as growth is concerned the emphasis may tend to shift from the consumer goods industries to the capital goods industries". In Italy "expansion appears to have a firmer basis, and it is now spreading in differing degrees to all sectors". Replies on order-books "showed a very marked improvement in March, revealing a degree of optimism not felt since 1963". Finally "the dynamic developement of industrial production should, during the coming months, maintain its level and possibly increase".

The trends towards closing the gap between France and Italy and Germany, which are appearing in the first two countries are confirmed by the results of a survey into manufacturing investments in the three largest countries of the Community. In the Federal Republic, a difficult period occurred during the autumn of 1965, and since then the position has again worsened, following the fall in profit margins and the increased difficulties experienced in finding external sources of capital. However the latest forecasts indicate a slight increase in investments (3% compared with the 1965 figure). The figure for France is 4% and for Italy it is 10%, although in both cases previous surveys had shown a reduction. In the first of these countries "the forecasts show a revival of the propensity to invest" and the revival should more than compensate for the previous decline. According to the Commission this fact is due to the increased opportunities for self-financing, encouraged by the recent fiscal incentives introduced by the government. In Italy, "investment will be more dynamic, and this is reflected in distinctly positive growth rates". Here also, the government policy of encouraging business has played its part. But with the persistence of excess production capacity, it is likely that new investments will be largely aimed at increasing rationalisation once more, and it seems doubtful whether because of the very sharp decline in investments during 1964 and 1965, the increase forecast for 1966 will be able to bring them up to the record level reached in 1963.

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ECSC

Doubt About the Merger of the Executives: Uncertainty besets the High Authority

With the end of the long vacation, the High Authority finds itself faced with a heavy pile of problems some of which will need to be solved quickly if irreparable damage is not to be done to the development of the Common Market in coal and steel. The worst of these problems of course, cannot be solved without the active co-operation or even the unanimous agreement of the governments of the member countries. But until the merger of the executives has been completed it will be the responsibility of the High Authority (and later of the single Commission) to take whatever steps are required, to invoke the appropriate provisions of the Treaty of Paris, to submit proposed solutions to the Commission, and finally, if all else fails, to confront the governments concerned with their responsibilities. And if the rumour about the postponing of the merger for some years is confirmed, time alone will tend to consolidate the position of the ECSC Executive and the High Authority could find itself back in business again. Because in spite of anything said to the contrary and despite the proven good faith of the executive during the past months, under the direction of M. Del Bo, the Damocles sword of its eventual dissolution hanging over it must necessarily induce a certain degree of lethargy. And this is especially so at the moment when nearly all the important problems affecting ECSC industries at the moment can only be solved by long term policies and measures. And even if the merger took place in the time originally specified, these could only be implemented by the new executive whose leanings are still unknown, making it impossible to predict what particular attention would be given to the problem of the coal and steel industries. Obviously the new Executive would also be bound, until the merger of the Communities is completed, by the Treaty instituting the Coal and Steel Community; however, it is no secret that this Treaty, drafted under a completely different set of economic circumstances, has proved completely incapable of dealing with the most urgent problems and that a considerable degree of impromptu and inventive action is required to avoid a complete breakdown of the coal and steel community which would be disastrous for the integration of Europe.

Take, for instance, the High Authority's failure to set up a common finance mechanism for coke and coking-coal: of course this problem does not greatly affect countries like Italy and the Netherlands which depend on non-member countries for supplies of coking-coal, or Germany and France which are at present working out their own national solutions. But there are other member-countries which will have to pay for this relapse into pre-Common Market procedure. This applies to the Luxembourg steel industry which depends entirely on imports of coke from other Community countries. But being without subsidies or any other national aid of this kind, she cannot buy it in at world market prices. And since the steel industry has always been the Grand Duchy's largest source of revenue, there is little prospect of State aid. And the absence of any Community mechanism to deal with the problem must mean that the Luxembourg steel industry is left at the disadvantage when it comes to competing against the steel industries of other countries, who either buy American coke or receive distribution subsidies to bring Community coal prices in line with American prices. Clearly this kind of situation is entirely contrary to the spirit of the Treaty of Rome and must seriously hinder the operations of the Community steel market.

This problem of non-discriminatory supplies of raw materials is not the only one facing the Community steel industry in this period of basic reconstruction of the steel market. In nearly every country the steel industry - with or without state aid - is trying to operate reconstruction plans based on national plans. Over the next few months, the High Authority will have to decide if the various measures proposed are in accordance with the rules of the Treaty and a great deal of discretion will have to be exercised in examining these measures. There must be some doubt however as to whether these plans and measures - no matter how useful and necessary they may appear at the moment - will be enough to keep the Community steel industry in its position in world steel rankings. This is more than just a national problem, more than just a Common Market problem. It is a world problem, because the best efforts at modernisation and centralisation are not enough if the source of trouble is coming in from other countries. Individual rescue operations, whether on a national or Community basis, should be allowed to achieve their purposes but should be over-ruled on a world basis, at least as far as the big coal-producing and exporting countries are concerned. In this respect the High Authority has already set the ball rolling by organising periodic consultations with other producer countries such as Japan. These have already proved extremely useful. Under the GATT negotiations (Kennedy Round) where the High Authority is the Community spokesman, the EEC has already taken the first step towards a multilateral solution by suggesting a uniform system of anti-dumping regulations. However some High Authority circles feel that this partial improvement of the steel market position falls a long way short of solving all the problems facing it today and which will certainly not be easily removed. What is really needed is more a set of "fair trade rules" for the steel market to be accepted by all the steel producing countries of the free world. These rules would have to be rigidly enforced to ensure that despite all the efforts and discipline of the enterprises, the countries and the Community as a whole, disturbing influences could not be introduced on the steel market from outside. Especially as this market is a fundamental part - and certainly one of the most important both as an importer and an exporter - of the world steel market.

The High Authority seems to be the obvious body to launch such a plan but it must first of all know whether or not a merger in the near future is likely to prevent it from carrying it out. It is therefore essential, both from a practical and a psychological point of view, that the ECSC Executive should know what to do in the time left to it. Let us hope that when the representatives of the various governments meet in October, they will be able to make a final pronouncement on the fate of the merger.

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The Bonn Government goes to Law.

The West German Government has just appealed to the Court of Justice demanding the annulment of the conditions accompanying the High Authority's decision, Number 14-66, dated July 20, 1966. This deals with the authorisation of special tariffs charged by the Deutsche Bundesbahn for the carriage of coal and steel to and from the Saar. In its decision allowing these, the High Authority had taken into consideration the changes in the competitive position of Saar steel concerns brought about by the canalisation of the Main, the Neckar and the Mosell. This factor had lead to improved outlets in Southern Germany for concerns from the Ruhr, Lorraine and recently for those from Luxembourg, in an area long considered a traditional market for Saar concerns.

But the High Authority had tried to prevent competition becoming unfair by granting these special tariffs, and it had authorised them on condition that they should be extended to the frontiers between West Germany and Belgium, France, Luxembourg and the Netherlands.

It is against this extension of the charges that the Bonn Government has appealed. The High Authority for its part considers that its decision authorising them forms part of a whole which cannot be divided up - in other words, if the Court of Justice accepts the German case and bans the particular conditions, it will have the practical effect of annulling the whole authorisation.

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D	ADVERTISING	Spain: DIDOT-BOTTIN, Paris (directories) forms Madrid agency with Spanish agencies, ALAS, SIE, VALERIANO PEREZ and CID.
D	BUILDING & CIVIL ENGINEERING	Belgium: BUTLER BUILDINGS (UK), Coventry (prefabricated building units) opens Brussels branch. BREDERO, Utrecht (civil engineering) forms Brussels property company.
D	CHEMICALS	Belgium: The German chemicals company BRANDER FARBWERKE opens Brussels branch. Germany: The American NASHUA CORP and the German ink, carbon-paper etc manufacturer GUENTHER WAGNER form joint subsidiary to market its electrocopying processes. Italy: MOLYBDAL CO SA, Paris (lubricants) forms Milan subsidiary. Netherlands: WEDCO (HOLLAND), Rotterdam (equipment for the chemical industry) is new 50-50 subsidiary of the American WEDCO INC and PAKHUISMEESTEREN, Rotterdam (storage etc). The American FRAM CORP (air-purifiers etc) forms Dutch subsidiary.
E	ELECTRICAL ENGINEERING	Britain and Germany: The British domestic electrical equipment company MORPHY-RICHARDS signs reciprocal agreement with the similar German firm ROBERT KRUPS. Germany: The Italian electrotechnical firm BASSANI forms Hanover sales company.
F	ELECTRONICS	France and Germany: CSF, Paris and GRUNDIG, Fürth, Bavaria sign cooperation agreement for the development of colour television. Italy: American, British and Italian interests form ELETTRONICA MUSICALE EUROPEAN, Milan (audio-visual equipment). RADIO CORP OF AMERICA, New York forms RCA AMICI DEL DISCO, Rome (music and sound reproduction).
G	ENGINEERING & METAL	Austria: GEBE-KOCH, Vienna signs technical and sales agreement with the French USINES & FONDERIES ARTHUR MARTIN to increase its sales of gas-heaters. Belgium: The Dutch RAPISTAN LANDE INTERNATIONAL (handling equipment etc) opens Brussels branch. SORIANO, Paris (metal traders) forms Belgian import-export firm. The British machine-tool makers SHEFFIEL TWIST DRILL & STEEL CO forms Belgian company. GRAU-BREMSE, Heidelberg (braking and mechanical equipment) opens Belgian branch. France: HANS VIESSMANN, Allendorf, Germany (heating equipment) forms French sales company. The joint subsidiary of DELMAS VIELJEUX, La Rochelle, Charente Maritime and CIE GENERALE DES EAUX, Paris forms two management subsidiaries. Germany: The American CUMMINS ENGINE CO and FRIED KRUPP, Essen will form diesel research centre. Canadian interests form Frankfurt metallurgical consultants SORELMETAL BERATUNGS. The German sewing-machine makers PFAFF sells its interest in NAEHMASCHINENTEILEFABRIK MUELLER to HECKLER & KOCH,

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		Oberndorf, Neckar. Netherlands: The Dutch firm AMGAS, Amersfoort (gas-heating) and the AMERICAN BURNHAM CORP form joint Dutch subsidiary. Switzerland: GEBR LEITZ, Oberkochen, Wurttemberg (machine-tools for wood) forms Swiss administration company.
I	FINANCE	Belgium: The American investment bank R.S. DICKSON & CO, Charlotte, North Carolina takes interest in formation of R.L. LARCIER; the other main shareholder is LUSUS-HOLDING, Luxembourg. The Chicago financial group WALTER E. HELLER forms HELLER FACTORING, Brussels. Luxembourg: The New York metallurgical group AMERICAN METAL CLIMAX forms a holding concern, AMAX OVERSEAS. The American finance company RIKER DELAWARE forms a holding concern, BANQUE COMMERCIALE.
J	FOOD & DRINK	France: Two French table-wine wholesalers DISTRIBUTION DE MARQUES SELECTIONNEES, Paris and VINS DU POSTILLON, Narbonne are to cooperate closely. The London concern MAC-PHERSON TRAIN forms a regional produce sales company MACPHERSON TRAIN (FRANCE), Mazamet, Tarn.
K	OFFICE EQUIPMENT	West Germany: INTERTIP, Zurich opens a Munich branch.
K	OIL, GAS & PETRO-CHEMICALS	Austria: OMV (a State concern) to build another refinery. Belgium: A cooperative society AVIA BELGIE LUXEMBOURG, Antwerp formed to promote "Avia" oil products. Netherlands: The independent New York oil group SINCLAIR OIL negotiating construction of large-scale refinery installations.
L	PHARMA-CEUTICALS	Belgium: The American KEY PHARMACEUTICALS, Miami forms wholly-owned sales subsidiary KEY PHARMACEUTICALS INTER-NATIONAL. Germany: A.H. ROBINS, Richmond, Virginia forms A.H. ROBINS, Frankfurt.
	PLASTICS	France: GUENTHER PAPENMEIER MASCHINEN & APPARATE-BAU, West Germany forms French subsidiary STE PAPENMEIER-FRANCE. Germany: KUSTO AG, Zurich (plastic compounds) to form a German subsidiary.
L	PRINTING & PUBLISHING	Belgium: Dutch music publishers LES EDITIONS INTERNATIO-NALES BASART forms Brussels subsidiary.
M	RUBBER	France: GOODYEAR and MICHELIN will build a tyre factory at Le Havre. Luxembourg: RUBBERFABRIEK VREDESTEIN, The Hague, forms a Luxembourg sales company. Netherlands: GUMMI-WARENFABRIK PONGS, Aix-la-Chapelle forms Dutch sales subsidiary.

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N	TEXTILES	Belgium: The British readymades manufacturer JAMES HARE LTD, Leeds forms an almost wholly-owned subsidiary. Germany: I.G. DIBBERN the oldest Hamburg textile dealer is taken over by W.M. KLOEPPER, also of Hamburg.
N	TRANSPORT	Belgium: FEDERAL COMMERCE & NAVIGATION adds to its Antwerp interests by forming BELCAN NV through its Canadian subsidiary. France: WEST EUROPESE TRANSPORT MIJ. "WETRAM", Rotterdam and TRANSPORTS INTERNATIONAUX FERNAND WITTLER form a Paris fuel and lubricant transport firm.
N	VARIOUS	Belgium: COLEXPO, Zurich (organiser of foreign exhibitions of Swiss products) forms a Belgian company. LES RELAIS EUROPEENS, Brussels (management of hotels, etc and sports grounds) is now a majority interest of ALMO, a Luxembourg holding concern. France: DENISON MINES LTD, Toronto, Canada is diversifying its French interests by forming two subsidiaries.

ADVERTISING

** DIDOT-BOTTIN SA, Paris which specialises in publishing almanacks and directories and in direct mail advertising has chosen Spain for its first foreign holding. It has taken a 50% share in forming a direct advertising concern in Madrid called ADRESS IBERICA SA (capital Pts 2 million). The new firm (director Sen. Pablo Bieger) is also owned by the Spanish advertising agencies ALAS, SIE, VALERIANO PEREZ and CID.

BUILDING & CIVIL ENGINEERING

** BUTLER BUILDINGS (UK) LTD, Coventry (pre-fabricated building units) has opened a Brussels branch headed by M. Donald Boettger. The British company itself is controlled by BUTLER MANUFACTURING CO, Kansas City, Missouri which has a direct subsidiary in Brussels, BUTLER EUROPE SA (see No 257).

The American group also controls BUTLER BAUTEN GmbH, Frankfurt and BUTLER DE FRANCE SA (see No 296).

** The Utrecht civil engineering group VERENIGDE BEDRIJVEN BREDERO NV (see No 373) has formed a property company in Brussels, BREDERO VAST BEZITBREE-VAST NV (capital Bf 5 million). Six of the company's Dutch subsidiaries have token shareholdings. They are: NV MIJ VOOR PROJEKTONWIKKELING "EMPEO", Utrecht; BREDERO'S BOUWBEDRIJF NEDERLAND NV, Utrecht; BREDERO INTERNATIONAL NV, Utrecht; VILLAWIJK STADSPARK NV, Utrecht; INDUSTRIE- & HANDELMIJ "PERFORA" NV, Nymegen; VIBRO NV, Nymegen.

In Belgium the Dutch group has 4.16% in GROUPE I-GROUPE IMMOBILIER BELGE SA, Brussels (see No 331) and is mainly associated with this group for the purpose of forming STE DE DEVELOPPEMENT DE PROJETS IPEO SA, Brussels and OMNIUM TECHNIQUE DE LA CONSTRUCTION-I.T.H. SA, Brussels (see No 341).

CHEMICALS

** The German maker of chemical products for wood-protection and rough cast for buildings, BRANDER FARBWERKE CHEMISCHE FABRIK GmbH, Solingen-Ohlings has opened a Brussels branch headed by M. Thierry de Volder, to be known as BRANDER BELGIUM.

The German company (capital DM 2 million) employs some 300 workers in its factory at Bochum and it has two other branches (in Paris and in Ede, Netherlands).

** The French company, MOLYBDAL CO SA, Paris, has added another agent to its sales network with the formation of MOLYBDAL ITALIANA Srl, Milan, and the capital of Lire 900,000 is shared between Sigs Gustave Polacco (66.6%) and Tullio Pantaleoni, Venice (33.3%). The Paris company exploits American patents connected with molybdenum bisulfite lubricants. Its network includes MOLYBDAL CO SA formed in September 1961 in Lausanne and DEUTSCHE MOLYBDAL GmbH, Darmstadt.

** NASHUA CORP, Nashua, New Hampshire has made an agreement with the West German manufacturer of inks, carbon-papers and type-writing ribbon GUENTHER WAGNER, HANNOVER PELIKAN-WERKE KG, Hanover (see No 288) with the aim of finding an outlet in West Germany for its electrical photocopying processes. A joint subsidiary (45-55) COPYGRAPH GmbH, Hanover has been formed (capital DM 50,000) headed by Herr Franz Schubert, Wuppertal.

The German group is owned by the Beindorff family and at the beginning of the year it took over the artists paints firm HANS REBHAN, Nuremburg (around 100 employees). Its 1965 turnover was DM 207 million and it employs over 6,000 persons (over 4,000 at Hanover). The American company (1965 turnover $ 59 million) has two wholly-owned European subsidiaries PARAMOUNT INTERNATIONAL SA, Brussels (formerly CIE COMMERCIALE DES ETIQUETTES - see No 346) and COPYCAT LTD, London. It also has interests in the British company SAMUEL JONES NASHUA LTD where it is associated with SAMUEL JONES & CO (HOLDINGS) LTD, London, a member of the London paper group WIGGINS, TEAPE & CO LTD (see No 341).

** WEDCO (HOLLAND) NV, Rotterdam (equipment for the chemical industry) has been formed recently (capital Fl 500,000) as a 50-50 subsidiary of the American company WEDCO INC, Garwood, New Jersey and the general store, depot and storage company PAKHUISMEESTEREN NV, Rotterdam in which the Rotterdam petrochemical group VLISMAR NV, Rotterdam has just bought a 15% interest (see No 364).

** The American producer of air-purifiers, oil-filters and filter-paper (for use in the car and aeronautical industries) FRAM CORP, Providence, Rhode Island has formed an almost wholly-owned Dutch subsidiary FRAM FILTERS (NEDERLAND) NV, Hilversum (capital Fl 100,000) through its British manufacturing subsidiary FRAM FILTERS LTD, Glamorgan, Wales.

The Rhode Island group had a 1965 aturnover of Sf 60 million and recently formed two South American companies, FILTROS FRAM DO BRASIL SA, Sao Paulo and FRAM VENEZUELA SA, Caracas. It holds an interest in FRAM FILTER GmbH, Beienheim b. Freidberg formed in December 1963 and its capital now stands at DM 2.1 million.

ELECTRICAL ENGINEERING

** The British domestic electrical company MORPHY-RICHARDS LTD, London (percolators, toasters, mixers - see No 318) has made a reciprocal distribution agreement with the West German family owned concern ROBERT KRUPS ELEKTROGERAETE- & WAAGENFABRIK KG, Solingen-Wald. The latter had a 1965 turnover of DM 80 million. In its three factories in West Germany and Limerick, Eire (run by its local subsidiary KRUPS ENGINEERING LTD) it employs some 2,700 persons in the manufacture of electrical coffee-grinders, toasters, mixers, domestic and industrial weighing appliances etc. It is also negotiating an interest in a German watch firm.

The British company was the wholly-owned subsidiary of EMI-ELECTRICAL & MUSICAL INDUSTRIES LTD, Hayes, Middlesex (see No 357) but during 1966 it was taken over by BRITISH DOMESTIC APPLIANCES LTD (capital $ 16 million) which was formed equally by EMI and ASSOCIATED ELECTRICAL INDUSTRIES, London in May 1966 with the aim of merging their electrical appliance departments.

** The Italian electrotechnical equipment firm (transformers, circuit-breakers etc.), BASSANI SpA, Milan has backed the formation of a sales company in Hanover, ELEKTRO-GERAETE HANDEL TICINO GmbH (capital DM 100,000: manager Sig Franco Cattaneo of Lugano).

The latter is also a shareholder in PROMOTION TICINO BELGE SA, St-Gilles, Brussels (see No 345) for which the holding company HANNOVER ANSTALT FUER FINANZ & INDUSTRIE, Vaduz, Liechstenstein subscribed almost the entire Bf 3 million capital. In France, the group controls the distribution company TICINO-FRANCE Sarl, Charenton, Seine which was formed in September 1960.

ELECTRONICS

** RADIO CORP OF AMERICA, New York (see No 363) has added considerably to its Italian interests with the formation of R.C.A. AMICI DEL DISCO SpA, Rome (capital Lire 20 million) which will have extensive musical and sound reproduction interests. It holds 90% of the capital and the remainder is held by Sig. Adone Caligiuri of Rome. R.C.A. already has a 90% subsidiary in Rome, R.C.A. ITALIANA SpA (capital Lire 500 million - see No 350). This was formed in July 1951 as RADIO & TELEVISIONE ITALIANA SpA and sells all R.C.A.'s products throughout Italy as well as running recording studios.

In the realm of colour television the American group took the decision in August of this year to build a colour television tube factory in Britain at Skelmersdale in Lancashire, which will start production in the middle of 1967. A common subsidiary (66.6% - 33.3%) will be formed with RADIO RENTALS LTD, London called R.C.A. COLOUR TUBES LTD (capital £ 1 million).

** Signor Astolfo Danielli has been appointed president of E.M.E. - ELETTRONICA MUSICALE EUROPEAN SpA, now finally formed in Milan with a capital of Lire 1 million (shortly to be increased to Lire 100 million). It will build and operate a factory at Montecassiano, Macerata manufacturing electrical and electronic audiovisual equipment and employing some 1,500 persons. The new company has been formed by an association of American, British and Italian interests holding respectively 30%, 22% and 48% (see No 372).

The American partner is THOMAS ORGAN CO, Sepulveda, California, the wholly-owned subsidiary of WARWICK ELECTRONICS INC, Chicago, itself a 64.5% interest of SEARS, ROEBUCK & CO, Chicago. The British interests are held by JENNINGS MUSICAL INDUSTRIES LTD, Dartford, Kent (maker of instruments for the Beatles and a member of the ROYSTON INDUSTRIES LTD group of London - see No 322). The Italian interests are represented by RECANATI DI PERDOMINICI AUGUSTO & CO Sas, Milan (26%) as well as by Sig. A. Daniel (13%) and E. Ungini, R. Massimo and L. Vita (each with 3%).

** A technical co-operation agreement in the micro-electronics sphere for the mass consumer market (television, radio recording equipment has been reached between CSF-CIE GENERALE DE TSF SA, Paris (see No 270) and GRUNDIG-WERKE, Fürth, Bavaria (see No 360). The two groups are about the same size; in 1965 they had turnovers of Ff 138,000 million and DM 12,000 million respectively (28,000 and 33,000 employees). Co-operation will be especially close in the realm of colour television, despite the fact that France and Germany are using different systems (SECAM and PAL). The German group is already one of the country's leading producers of television sets (annual capacity of 500,000 black and white sets). CSF is already producing colour television sets through CIE FRANCAISE DE TELEVISION SA, Levallois-Perret, Hauts-de-Seine (see No 366) and the first sets will go on sale towards the end of next year.

ENGINEERING & METAL

** The sales network of HANS VIESSMANN KG KESSELWERK, Allendorf, Eder, now includes the newly formed STE VIESSMANN-FRANCE Sarl, Metz, Moselle (capital Ff 100,000 and headed by M. Rene Perrin). The German concern deals in heating equipment (boilers, regulating equipment, etc.) and employs around a thousand persons. It also controls a number of sales subsidiaries: HANS VIESSMANN HANDELS GmbH, Allendorf, VIESSMANN BELGIUM Sprl, Verviers, and BIESSMANN HANDELS GmbH in Basle (see No 282) and also a holding company in the same town, INTIHAG GmbH.

** The joint subsidiary of CIE DELMAS-VIELJEUX SA, La Rochelle, Charente-Maritime (see No 373) and CIE GENERALE DES EAUX SA, Paris (see No 370), STE TECHNIQUE D'EXPLOITATION DE CHAUFFAGE SA, Paris (capital Ff 3 million) has formed two management subsidiaries STE POUR LA CONSTRUCTION & LA VENTE DE MATERIEL AERAULIQUE & THERMIQUE Sarl (capital Ff 95,000) and STE DE FABRICATIONS D'APPAREILS AERAULIQUES & THERMIQUES Sarl (capital Ff 100,000), both have their offices on the premises of their founder. In May 1965 it took part in the formation of SOVEDEC-STE POUR LE DEVELOPPEMENT DE L'EXPLOITATION DE CHAUFFAGE SA, Paris (capital Ff 1 million).

** GEBR. LEITZ WERKZEUGFABRIK KG, Oberkochen, Wurtemberg which makes machine tools for wood-working has set up a Swiss administration company called LEITZ HOLDING GmbH, Weiningen (capital Sf 120,000: manager Mr. H. R. Neukomm).

The German firm (about 500 workers) has had a subsidiary in France since May 1961, LEITZ-SERVICE Sarl, Colmar, Haut-Rhin. In Switzerland it also controls the Zurich holding company LEITZ GmbH (capital Sf 580,000).

** Canadian interests have formed the Frankfurt firm of engineering consultants (specialising in metallurgy) SORELMETAL BERATUNGS GmbH (capital DM 20,000: manager Mr. George Wagner, Montreal.

** The German sewing-machine manufacturer, G. M. PFAFF AG, Kaiserslautern (see No 356) has made over its 77.5% interest in the sewing-machine accessories manufacturer, NAEHMASCHINENTEILEFABRIK MUELLER GmbH, Oeschelbronn b. Pforzheim (capital DM 9.75 million) to HECKLER & KOCH GmbH, Oberndorf, Neckar. The latter also manufactures small calibre fire arms and its capital of DM 1 million is shared between the Heckler family and Herren Koch, Heidel and Hummel. The remaining interest in Nähmaschinenteilefabrik Müller is held by the Müller family.

** The Paris firm V. SORIANO & CO (traders in metal and steel products) has formed a Belgian import-export company at Charleroi, V. SORIANO & CIE Sprl. The capital of Bf 50,000 is equally shared between Messrs Victor and Roland Soriano of Paris.

** The Dutch firm INGENIEURSBUREAU VOOR GASTECHNIEK AMGAS NV, Amersfoort (capital Fl 100,000) and the American BURNHAM CORP, Irvington, New York have formed a joint subsidiary in the Netherlands: BURNHAM EUROPA NV, Amersfoort in which they have 51% and 49% respectively. The new firm (capital Fl 2 million) will make and install heating systems, burners etc. The Dutch parent firm is itself a wholly-owned subsidiary of WOLTER & DROS NV, Amersfoort which transferred its gas heating department over to it in 1965 (see No 307). The American company (turnover $ 19.5 million in 1965) already has a foreign subsidiary called LORD & BURNHAM CO LTD, St. Catharines, Ontario.

** The British manufacturer of precision machine-tools, THE SHEFFIELD TWIST DRILL & STEEL CO LTD, Sheffield, has extended its interests to the Continent by forming NV DORMER TOOLS (BELGIUM) SA, Antwerp (capital Bf 4.75 million). It has a direct 20% shareholding and the other shareholders are Messrs A. Dormer (its own chairman), N. Waple, S. Gratton, W. Stuart and J. Stuart.

Until now, all its overseas interests were in Commonwealth countries: GEORGE LOVITT GROUP LTD, Australia, BRITISH WAREHOUSE SERVICES LTD and DORMER TOOLS OF CANADA LTD, Canada.

** The German manufacturer of braking, mechanical and similar equipment, compressors etc GRAU-BREMSE GmbH, Heidelberg has opened a Belgian branch at Schaerbeek-Brussels headed by Sig. Oscar Pizziga.

The founder (capital DM 3 million) is owned by Dr. Ernst Grau and has a Zug holding company GRAU-BREMSE SYSTEM GmbH (capital Sf 60,000). It had formed a number of companies in conjunction with PIETOCO SA, Trazegnies, Charleroi, Belgium, but these have been dissolved, PIETOCO-FRANCE Sarl, Sars-Poteries, Nord (dissolved 1964) and GRAU ITALIANA Srl, Milan, (dissolved 1965 - see No 317).

** GEBE-KOCH & HEIZAPPARATE FABRIKATIONS GmbH, Vienna has made a technical and sales agreement with the French firm USINES & FONDERIES ARTHUR MARTIN SA, Paris (see No 362) and the latter's 20% subsidiary in Switzerland MENA-LUX SA, Morat (see No 259). The Austrian company is hoping thereby to increase its share of the Austrian gas-heater market (it already controls 85%). The company is run by Frauen Langer and Nibelle and it also manufactures electrical and gas cookers, and kitchen equipment in its factory in Vienna (400 employees) with agencies in Linz, Graz and Bregenz.

The ARTHUR MARTIN group will be able to use its new partner's sales network which will distribute under the joint brand name "GEBE-Arthur Martin" and will later be in a better position to market equipment especially for the German market.

** Cooperation between the American group CUMMINS ENGINE CO INC, Columbus, Indiana (see No 335) and FRIED. KRUPP, Essen (see No 267) will mean the formation of a diesel engine research centre, to be headed by Herr Klaus Tuch (who already heads the German group's research in this sphere). It will start work in January 1967. Cooperation between the two groups has already resulted in FRIED. KRUPP MOTOREN & KRAFTWAGENFABRIKEN, Essen obtaining a licence from the American concern.

The latter hopes that these moves will lead to an increase in its European sales. It has had a subsidiary CUMMINS DIESEL DEUTSCHLAND at Essen formed in November 1965 by its sales subsidiary CUMMINS DIESEL SALES CORP, Columbus. As far as the German group is concerned, these new agreements will not affect its recent agreement for the manufacture and sale of heavy vehicles with FORD MOTOR CO LTD, Dagenham (see No 367) the British subsidiary of the FORD MOTOR CO, Dearborn, Michigan.

** The Dutch company formed last April RAPISTAN LANDE INTERNATIONAAL NV, Veghel (capital Fl 10,000 - see No 356) has opened a Brussels branch under M. Georges Thiange. The Dutch company is the subsidiary responsible for foreign marketing operations of RAPISTAN VAN DER LANDE NV, Veghel, a materials handling, transport and chain conveyor concern controlled by J.H. FENNER & CO (HOLDINGS) LTD, Marfleet, Hull, which is an associate of the American company THE RAPID STANDARD CO INC., Grand Rapids, Michigan.

FINANCE

** The New York metallurgical group AMERICAN METAL CLIMAX CO (see No 301) is forming an international holding company in Luxembourg: AMAX OVERSEAS SA (capital $ 20,000) in which it has a direct 70% share in association with Messrs Crowl, Donahue, Evans, Frawley, Nolan and Weil (5% each).

The American group (1965 turnover 475 million) already controls the Common Market firm CLIMAX MOLYBDENUM NV, Rotterdam (with a 99.3% subsidiary in Paris, CLIMAX MOLYBDENUM SA - see No 301) and KAWNEER GmbH, Rheydt, Germany which was formed in February 1963, capital DM 100,000 (later raised to DM 2 million - see No 273).

** The American investment bank R.S. DICKSON & CO INC, Charlotte, North Carolina has taken a direct 20% interest in the formation of a Brussels financial concern R.L. LARCIER SA (Bf 10 million). The other shareholders are the Luxembourg holding company LUSUS-HOLDING SA, Luxembourg (50%); SOFICO SA, Lenzerheide, Grisons; a Swiss holding company (capital Sf 50,000 whose director is the British business man Patrick Pakenham) with a 19% interest; M. and Mme Larcier with a combined 8.5%; M.G. Dryepondt (1.5%) and M.C. Tournay (1%).

In November 1965 the American bank took an 80% interest in the formation (through FINANCIAL CONSULTANTS INTERNATIONAL LTD, Nassau, Bahamas) of FINANCIAL CONSULTANTS INTERNATIONAL SA, Brussels (see No 333).

** The Chicago financial group WALTER E. HELLER has strengthened its European interests by forming HELLER FACTORING SA, Brussels (capital Bf 10 million) to carry out all types of factoring operations. A 50% interest in the new concern is held by the Belgian LES ASSURANCES DU CREDIT SA, Jambes. The American group holds a direct 20% interest, and its two Chicago subsidiaries WALTER E. HELLER FACTORING INC. and ASSOCIATE FACTORS INC. hold 20% and 10% respectively.

Heller recently made an agreement with the FRENCH-AMERICAN BANKING CORP, New York (a joint subsidiary of BNP-BANQUE NATIONALE DE PARIS SA, BANQUE DE L'INDOCHINE SA and CIE FINANCIERE DE SUEZ) with the aim of forming STE FRANCAISE DE FACTURATION-FACTO-FRANCE HELLER SA, Paris, whose capital of Ff 5 millions is shared by American and French interests (see No 368). Its other European subsidiaries and affiliates include: HELLER FACTORING BANK AG, Mainz., H. H. FACTORS LTD, London., WALTER E. HELLER TRANS-CORP SA, Glarus., INTERLEASE, Luxembourg., CIA ESPANOLA DE FACTORING SA, Madrid.

** The American finance company RIKER DELAWARE CORP, Burlington, New Jersey has backed a new Luxembourg holding company through BANQUE COMMERCIALE SA, Luxembourg, called RIKER DELAWARE INTERNATIONAL CORP SA (capital $ 100,000). In the United States the American company is mainly concerned with large stores and motels.

FOOD & DRINK

** Two of the leading French table-wine wholesalers DMS-DISTRIBUTION DE MARQUES SELECTIONNEES SA, Paris and ANC. MAISONS GERBAUD, VINS DU POSTILLON, A.M.G.R., COMBASTET & CIE Snc, Narbonne, Aude have decided to co-operate closely. As a first move the two companies will centralise their sources of supply.

The former (capital Ff 21 million) is controlled by C.D.C.-CIE GENERALE DES PRODUITS DUBONNET-CINZANO-BYRRH SA, Paris (see No 358) and is the leading French bottling concern (198 million litres of wine in 1965). Last year it sold some 1.7 million hectolitres of wine under the "Prefontaines" and "Grap" brand names. All its storage depots are managed by D.M.L.-DEVELOPPEMENT DES MARCHES LOCAUX SA, Paris formed last January with a capital of Ff 17.5 million. Vins du Postillon (capital Ff 10 million) has its main centre at Ivry-sur-Seine, Val-de-Marne and last year it sold 1.1 million hectolitres of wine.

** The London company MACPHERSON TRAIN & CO LTD (wholesale produce merchants) has formed a company selling regional produce called MACPHERSON TRAIN (FRANCE) Sarl, Mazamet, Tarn. It has a capital of Ff 40,000 and is managed by M. Roger Garayroux, Mazamet.

OFFICE EQUIPMENT

** The Zurich office equipment sales company, INTERTIP AG, (capital Sf 300,000) has opened a Munich branch headed by Herren R. Gattineau, Wuppertal, and J. Maly-Motta, Munich. The parent firm was formed in March 1966 by two Zurich lawyers, Messrs. H. van Schulter and Bartholomaï, and Herr W. Mittmann of Munich.

OIL, GAS & PETROCHEMICALS

** A co-operative society called AVIA BELGIE LUXEMBOURG Sc has been formed in Antwerp (capital Bf 80,000) to promote "Avia" oil products in Belgium and Luxembourg. It is an equally owned subsidiary of: NV BELGOMAZOUT, Antwerp; NV BELGOMAZOUT BRUSSEL, Brussels; NV BELGOMINE SINT-NIKLAAS, St-Niklaas-Waas; NV ETS ROSSEEL, Bruges; SA PETROLES & DERIVES, Luxembourg; AVIA NEDERLAND NV, Soestdijk; AVIA FRANCE, Paris and AVIA MINERALOEL, GmbH, Munich. The latter had a part last November in forming the Munich sales organisation INTEREG (see No 358) in association mainly with AVIA MAINERALOEL AG, Zurich (5% shareholder in RAFFINERIE DU SUD-OUEST SA, Collombey-Muraz-see No 362); AVIA MINERALOEL GmbH, Vienna, etc.

** The "independent" oil group SINCLAIR OIL CORP., New York (see No 326) which runs five oil refineries in the USA (at Houston, Texas; Markus Hook, Pennsylvania; Sinclair, Wyoming; East Chicago and Wood River, Illinois) and another in Venezuela, is negotiating the construction of large-scale refinery installations in the Netherlands.

It is the eighth largest American oil group ($ 1,275,000 million turnover) and has an indirect interest in the Dutch drilling company NEDERLANDSE BOORMIJ. NV, Rotterdam (formed in 1962) through DRILLING & EXPLORATION CO INC, Texas. It also has a sales subsidiary in Brussels, SINCLAIR BELGIUM SA with branches in the same town and in Essen, SINCLAIR DEUTSCHLAND ERDOEL GESELLSCHAFT.

** The Austrian state concern OMV-OESTERREICHISCHE MINERALOEL VERWALTUNG AG, Vienna which runs the only oil refinery in Austria at Achechat, has decided to build another refinery at Wilden in Styria near the junction of the pipelines between Trieste and Ingolstadt (the "TAL" project - see No 317) and the pipeline between Trieste and Schwechat. The latter will be exploited by AWP- ADRIA-WIEN-PIPELINE GmbH, Vienna, a 51% subsidiary of OMV (see No 332).

Five foreign groups, shareholders of AWP (ROYAL DUTCH SHELL, 14.5%; MOBIL OIL CO UNC., 12.5%; STANDARD OIL CO OF NEW JERSEY, 7.5%; THE BRITISH PETROLEUM CO, 6.5% and CIE FRANCAISE DES PETROLES SA, 4%) all having Austrian distribution networks will take a 74% interest in the construction and operation of the new refinery; 75% of the cost will come from long term foreign loans: the first loan will be issued in Vienna before the end of the year.

PHARMACEUTICALS

** The American company KEY PHARMACEUTICALS INC., Miami, Florida has just formed a wholly-owned sales subsidiary within the Common Market, KEY PHARMACEUTICALS INTERNATIONAL SA, Battice, Belgium (capital Sf 1.25 million). The Florida concern, which is headed by Mr Jack Kantor, has a German agent BYK-GULDEN LOMBERG CHEMISCHE FABRIK GmbH, Konstanz (part of the QUANDT group - see No 355).

** The American group, A.H. ROBINS CO INC., Richmond, Virginia has now finally formed its Frankfurt chemical and pharmaceutical sales company, A.H. ROBINS GmbH. With a capital of DM 20,000, the latter is run by Mr William Forrest Junior, Richmond, Virginia.

PLASTICS

** The Swiss producer of plastic compounds KUSTO AG, Stallikon, Zurich intends to form a German subsidiary to start operating a factory of about 250 workers by 1967. It is at present negotiating with the municipal councils of Warstein, Sauerland and Ibbenbüren, Westphalia. The Swiss company has a capital of Sf 100,000 and its president is Mr W. Peter.

** The German firm GUENTHER PAPENMEIER MASCHINEN- & APPARATEBAU Detmold which specialises in equipment for the plastic materials industry has formed a French subsidiary STE PAPENMEIER-FRANCE Sarl, Dannemarie, Haut Rhin with a capital of Ff 25,000. The manager is Herr Günther Papenmeier, Privitsheide, Detmold, who occupies the same post in the Austrian company GUENTHER PAPENMEIER GmbH, Vienna recently formed with a capital of Sch 100,000 (see No 357).

PRINTING & PUBLISHING

** The Dutch music publishers LES EDITIONS INTERNATIONALES BASART NV, Amsterdam has formed EDITIONS BASART BELGIUM Sprl, Brussels. The new company will publish and sell all types of musical material, and its capital of Bf 150,000 is shared equally by three Dutch nationals M. Strengholt of Blaricum, M. Gompertis of Aerdenhout and M. Jansen of Larena. The founder is a subsidiary of the Amsterdam import-export concern A.J.G. STRENGHOLT'S UITGEVERS MIJ NV dealing in records and sound reproduction equipment.

In December 1961 the Amsterdam group signed an agreement with the American publisher George Picus, New York resulting in the joint formation of PINCUSGIL MUZIEK NV (capital Fl 2,000).

RUBBER

** A new synthetic rubber factory is to be built in France. This is the result of an equal association between the CIE GENERALE DES ETS MICHELIN (MICHELIN & CIE) SA group of Clermont-Ferrand (see No 343) and the GOODYEAR TIRE AND RUBBER CO, Akron, Ohio (see No 370) and is intended to exploit the American firm's isoprene rubber processes in a new factory to be built in the industrial zone of Le Havre. The new plant will supplement the industrial installations of STE DES ELASTOMERES DE SYNTHESE SA at Berre, Bouches-du-Rhone; STE DU CAOUTCHOUC BUTYL SA, Gravenchon, Seine Maritime; POLYMER CORP SAF, Wantzenau, Bas-Rhin; UGINE-KUHLMANN SA, Villiers-St-Sepulchre and CIE FRANCAISE GOODYEAR SA, Sandouville, Le Havre, Seine Maritime.

The two groups concerned will form a new joint subsidiary in Paris called CIE DE POLYISOPRENE SYNTHETIQUE SA (starting capital Ff 100,000). The new factory (annual output 58,000 tons) should be in operation by the second half of 1968. This represents an investment of around Ff 125 million. It will be supplied with raw materials by the petrochemical complex at Feysin, Isere run by RHONE-ALPES-UNION POUR LE RAFFINAGE & LA PETROCHIMIE SA - (see No 312) - controlled by the nationalised group UGP-UNION GENERALE DES PETROLES SA, Paris (see No 371).

Michelin (capital recently raised from Ff290.4 to Ff 319.44 million) is at present greatly developing its industrial activities in Europe through extensions to its factories in Belfast, Northern Ireland; Cuneo, Italy and Vitoria, Spain (all opened recently) and Burnley, Britain. It will shortly be opening its new plant at Bad Kreuznach, Germany. Goodyear is now building a new German tyre factory at Philipsburg, Bruchsal to be run by DEUTSCHE GOODYEAR GmbH, Cologne (see No 370). Its other Common Market installations are in France (Amiens, Somme), Luxembourg (Colmar-Berg) and Italy (Cisterna, Rome).

** GUMMIWARENFABRIK PONGS & CO KG, Aix-la-Chapelle is forming a Dutch sales subsidiary at Geldermalsen. It owns 88% of the capital of Fl 100,000; Mr Cornelis van der Horst owns the remainder. The new company is called PONGS (NEDERLAND) NV.

The German firm in which the principal partner is Mr Herbert Pongs employs some 2,000 in the manufacture of flexible laminated pipes, "Moltoprene" plastic foam products, natural latex and neoprene goods etc.

** The Dutch rubber group NV RUBBERFABRIEK VREDESTEIN, The Hague (see No 359) owned 21% by B.F. GOODRICH CO, Akron, Ohio, has formed a Luxembourg sales company, SA VREDESTEIN LUXEMBOURG (capital Lux F 1 million). The main shareholders in the new company are seven of the group's subsidiaries: VREDESTEIN SA, Brussels (88%); RUBBERFABRIEK VREDESTEIN LOOSDUINEN NV, Loosduinen; NEDERLANDSCH-AMERIKAANSCHE AUTOBANDENFABRIEK VREDESTEIN NV, Enschede; RUBBERFABRIEK VREDESTEIN DOETINCHEM NV, Doetinchem; RUBBERFABRIEKEN HEVEA NV, Heveadorp; VREDESTEIN BEKLEDINGSTECHNIEKEN NV, Enschede and BATAAFSCHE RUBBER INDUSTRIE RADIUM NV, Maastricht - all with 2% each.

The Dutch group also has an interest in the German company PAUL LALDMANN GmbH (through NV VREDESTEIN INTERNATIONAL EXPORT MIJ VOOR RUBBERPRODUKTEN) and in VREDESTEIN FRANCE SA, Paris; VREDESTEIN SA, Brussels and VREDESTEIN NORDISKA A/B, Stockholm.

TEXTILES

** The British readymades manufacturer JAMES HARE LTD, Leeds has started up in Belgium by forming an almost wholly-owned subsidiary at Ixelles-Brussels, HARE OF ENGLAND SA (capital Sf 200,000: president Mr. Clifford Hare of Wetherby, Yorkshire).

** The oldest Hamburg textile wholesaler, I. G. DIBBERN KG until now run by Herr Müller, has been taken over by W. M. KLOPPER KG, Hamburg, headed by Herr Emil Vollstedt. The latter company hopes that the move will double its annual turnover to some DM 30 million. It also has a subsidiary in Cologne, UNION MODEGROSSHANDEL GmbH.

TRANSPORT

** A joint Dutch-Luxembourg association has led to the formation of WETRAM (FRANCE) Sarl, Argenteuil headed by M. Daniel Borel. The Ff 20,000 capital of the new fuel and lubricant transport concern is shared between WEST EUROPESE TRANSPORT MIJ. "WETRAM" NV, Rotterdam and TRANSPORTS INTERNATIONAUX FERNAND WITTLER, Roodt, Syr-Banzelt.

** The New York shipping and maritime transport agency FEDERAL COMMERCE & NAVIGATION CO has added to its Antwerp interests, by forming a new agency BELCAN NV (capital Bf 8 million) through its Canadian subsidiary FEDERAL COMMERCE & NAVIGATION CO LTD, Montreal. Its 25% associate in the new venture is COCKERILL YARDS HOBOKEN NV, Hoboken (see No 330) a shipyard and shipping company, 96% owned by the steel group COCKERILL-OUGREE SA, Seraing (see No 372) and 4% by MERCANTILE MARINE ENGINEERING & GRAVING DOCKS SA, Antwerp (STE GENERALE DE BELGIQUE group).

The American group has just formed NV FEDERAL COMMERCE & NAVIGATION (BELGIUM) SA, Antwerp (see No 367) and since January 1965 has had a Hamburg agency, FEDERAL COMMERCE & NAVIGATION (HAMBURG) GmbH.

VARIOUS

** DENISON MINES LTD, Toronto which has a Paris branch formed in October 1965 with the aim of selling uranium to European countries (headed by M. Jean Bodson - see No 327) intends to diversify its business in France. Its president, M. Stephen Roman, hopes to form two French-Canadian companies, one in the Paris area exploiting gravel pits supplying the building industry (it already owns LAKE ONTARIO PORTLAND CEMENT CO LTD, Toronto, which has its own subsidiary PREMIER BUILDING MATERIALS LTD) and another in the Lyonnais concerned with the breeding of milking cattle. At the same time the Canadian company is negotiating with French interests with the aim of exploiting nickel deposits in New Caledonia.

** The organiser of foreign exhibitions of Swiss goods and products, COLEXPO SA, Zurich (capital Sf 50,000) now has Belgian interests. Its founders, Messrs Rene and Edgard Albrecht, each hold 48% in the newly-formed COLEXPO BELGE Sprl, Rhode-Saint-Genese (capital Bf 50,000). The manager of the new concern, M. Rudolf Schnezler, holds the remaining 4%.

** The Brussels company, LES RELAIS EUROPEENS SA, (capital Bf 200,000) is now a 75% interest of ALMO SA, Luxembourg (a holding company formed in October 1953). The remainder is shared by local interests held by Messrs J. de Monbranc, L. Chavallier, F. Carlier, G. Carnoy, C. Floris, J. Vandeuren and W. Truyen. The Brussels company intends to run restaurants, hotels, bars and sports grounds in Belgium and elsewhere.

INDEX OF MAIN COMPANIES NAMED