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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Paris

GOLD RUSH AND DOLLAR DOLDRUMS - II

During his interview on BBC Television on July 26 last, Lord Butler underlined the bearing that monetary problems have on high-level political decisions. He recalled that serious concern as to the fate of the pound in October 1956 was a major factor behind the decision to halt the Suez Expedition. The then Secretary of the Treasury, George Humphrey, informed Butler personally of the United States' objections to the British and French moves, and at the same time emphasised the difficulties Britain would get into over the pound sterling if the campaign was not stopped. Eden's sudden illness took the Prime Minister out of the driver's seat, and Butler saw Harold Macmillan, who was then Chancellor of the Exchequer. "At first Macmillan was very loyal in support of Eden and his courage", said Butler, "but when he realised that the pound sterling was in danger, as Chancellor of the Exchequer, he stood shoulder to shoulder with me". And once Macmillan and Butler had agreed on a common standpoint, the decision to stop the expedition was inevitably the next step.

No government can manage without sound financial and monetary resources, if it wants to adopt and pursue bold policies. It would be an exaggeration to assert that de Gaulle would have been less independent in his attitude towards the USA on NATO and Vietnam if the French currency had not been enjoying its present strong reserve position; but there is no doubt that he derived considerable freedom of movement at the time from such a propitious situation. The real issue is whether any nation can ever be sure that its currency structure will be solid enough for long enough to ensure full independence of action for it in political matters. This question will remain open as long as the international monetary system - which is badly in need of an overhaul - continues to lag behind the times, and fails to be rationalised to meet the needs of modern world economics (see Comment No. 372).

To be acclaimed as successful, a thorough world-wide monetary reform would have to succeed, amongst other things, in restoring the health of the present "sick man" of the system, Britain. Overall reform might well serve to eliminate the chief sources of fear and insecurity in the set-up as a whole - either in one of the ways we outlined briefly last week, or in some other way - but, in addition, the change in climate that would result from such a general consolidation would undoubtedly also improve the position of the pound, which is suffering mainly from a crisis of confidence. Reform would not, in itself, suffice to restore the equilibrium of either the American or the British balance of payments situations, but it might well serve to temper current fixations with the need to re-establish that equilibrium. Any reform, to be adjudged satisfactory, would need to prove itself a suitable adaptation of the monetary system to the needs of a world in which distances have shrunk enormously. The very fact that we have to be ever-watchful over (and worried about) periodical balance of payments crises in the Western countries is itself indicative of the anachronistic situation we are in. The

criterion of success of any sort of reform would be its capacity to establish satisfactory monetary "communicating vessels" between the principal trading nations so that balance of payments deficits arising in certain countries could be regarded as less critical than now. This is what has been mainly lacking in recent years. The complete unification of Western currencies is scarcely for tomorrow, but one can imagine it being achieved in effect if the Group of Ten, for example, introduced among themselves a network of mutual guarantees - in terms of gold, of course, as nobody has suggested any other satisfactory form of guarantee.

This is precisely what the recent report of the Group of Ten's deputies is attempting to accomplish. One can, however, express two reservations on this subject: (1) The scheme is incomplete, as it only provides such a guarantee for the new forms of liquidity that will be created: these will be either "reserve units" or additional drawing rights on the IMF (in which case, of course, the guarantee would be implicit in the application of IMF rules), or both. The reserve currencies already held in the various national reserves - mainly the dollar and the pound - would not benefit from such a guarantee: unequal treatment of this sort would make for the continuing existence of a serious element of uncertainty in international monetary relations. (2) The "reserve units", it is true, could be transferred from one nation to another, but they would be far more difficult to handle than any of the principal convertible currencies, especially the dollar, at present the main international exchange unit. The report also states that the "reserve units" should carry interest (to encourage their being held in the reserves, in addition to gold and reserve currencies) but does not specify how this should be accomplished. One can imagine the complex problems that would face the issuing organisation - presumably the IMF - if it aimed (through multiple placement transactions with currencies comprising these units) to secure an interest yield for unit holders comparable with what they would earn if, for instance, they held dollars instead of units and placed them themselves.

If the Group of Ten's proposals were implemented, they would, for the reasons outlined in (1) and (2) above, only go a short way towards re-establishing much-needed monetary "communicating vessels" between the principal trading nations. The scheme as it is outlined lacks both the simplicity and the automatic nature that have always characterised satisfactory monetary relations between countries. This shortcoming may well be due to the fact that it carefully avoids applying to reserve currencies the strong point of the deputies proposal, which is the gold-guarantee clause. The importance of this clause is duly emphasised in the report, but according to the scheme defined there only the somewhat artificially created reserve units would benefit from it. It is not contemplated to extend these beneficial effects upon the reserve currencies held by the various central banks. As things stand at the moment such a proposal would undoubtedly be considered "too revolutionary", as it would, to a certain extent vitiate any possible devaluation of a reserve currency. But there may be no other way of restoring the climate of international monetary confidence which needed more than anything else if a free flow of exchange is to be re-established. The Group of Ten report, by stressing the importance of the gold-guarantee clause as a pre-requisite to new forms of liquidity, may have made it easier to appreciate that the lack of such a clause is really the Achilles' heel of those forms of liquidity which already exist (in addition to gold) - that is, the reserve currencies themselves.

VIEWPOINT

The Economic Theory of Roads

by

E. Carron de la Carriere

Director, International Road Federation (Geneva)

Although the economics of transport are already well-established, it was only recently that the first steps were taken towards the application of economic theory to transport infrastructure, especially road systems. In fact the decisive turning-point was the international Symposium on the theory and practice of transport economy which took place in Strasbourg from October 5-9, 1964, organised by the European Conference of Transport Ministries.

Economic theory provides the first real set of clear, sound answers to the problems connected with road systems:

- a) What new roads should be built, what alterations will have to be made to existing roads, and when should this be done?
- b) How much should road-users be charged for use of the roads?

Both the problem of road investment and that of the charges payable for road usage can be analysed and solved by the application of economic theory. The result is a cohesive solution based on a single criterion: how to attain the economic optimum.

The application of economic theory to the problem of road investment is particularly interesting and conclusive: it should lead in all countries, taking into account the rapid and constant growth of motor traffic, to a considerable speed-up of road construction.

For investment the theory is based on up-to-date returns: one side of the balance sheet carries investment, upkeep and running costs, the other the economic advantages offered to the road users and the economy as a whole. Unfortunately the present state of economic calculation only allows a computation of the direct benefits to users in the form of a reduction in their mileage costs; that is, vehicle costs, cost of time, cost of accidents, these costs being calculated in collective terms, that is in the terms in which they affect the whole community. Economic calculations have not yet evolved a satisfactory method of computing the indirect advantages for the economy as a whole, though these are usually considerable and even predominant in the case of capital investment.

In spite of this deficiency, most of the road investment proposals by public authorities are accompanied by extremely satisfactory estimated budgets, which should properly occupy a much higher place in investment programmes and should be approved very much sooner than certain other investments in other sectors.

This is a basic aspect of the information provided by the economic theory; so far as investment is concerned it provides the sole objective criteria available and these

criteria indicate a selection of investments very much more favourable to roads than any of those previously used. Those who defend the roads are scarcely likely to forget this, even though others may prefer to direct their attention to certain other less favourable aspects of the user charges.

The theory indicates what level of user charges should be applied to arrive at optimum utilisation of the road. These charges, known as the optimum toll, are composed of two parts:

- a basic toll, present in every case and equal to the marginal cost of use; in other words the maintenance and management costs directly occasioned by the passage of an additional vehicle.
- a supplementary toll in cases where a road is saturated; the level of this is adjusted so as to equate the total traffic demand to the supply, i.e. the capacity of the road.

Although this definition provides a clear indication of the factors controlling the optimum toll, it has the disadvantage of depending on concepts of capacity and saturation, for which no completely satisfactory definitions have yet been found.

It is for this reason that M. Andre Laure, chief highways engineer in the French Ministry of Works, has proposed a more precise, and definitely stricter, definition. When a motorist enters a saturated section of road, the mileage cost to which he is exposed is the average cost of congestion in terms of value to the individual. But the cost which he inflicts on other road users, and thus on the community, is the marginal cost of congestion in terms of value to the community. In order to make him fully aware of this and thus to influence his behaviour in the direction of optimum road usage, he must be made to pay the difference between these two costs. By this means a balance between supply and demand will be established.

By this definition the supplementary toll only begins to operate from a certain traffic level, but thereafter fluctuates as a function of the volume of traffic.

Actual road user charges applied in practice diverge considerably from the optimal rates defined by the economic theory. By actual user charges are meant all the taxes and other charges raised on vehicles and on traffic, with the exception of non-specific taxes or their equivalents; they thus comprise all specific fiscal impositions on vehicles and on fuels, together with the actual motorway tolls (1) charged in some countries.

On unsaturated routes, which include the great majority of the road system and a large proportion of the motorway network in open country, actual charges are indisputably too high under the economic theory. The result is that motor traffic is unnecessarily restricted and even rationed; as a result the economic operation of existing roads is impossible, to the detriment of the best interests of the community. It is impossible to achieve optimal use in these conditions.

(1) So called to distinguish them from charges in the economic sense

Estimates of future traffic will also be considerably lower than they should be and, as a consequence, economically desirable new investment cannot be shown to be profitable and is therefore rejected. Over-charging, undesirable in itself, also results in under-investment. This procedure is completely erroneous and uneconomic.

On the other hand, on saturated sections of road and for the period when they are actually saturated, actual charges are too low under the economic theory. Although it may be rational to apply a supplementary toll to saturated roads it is also essential to consider whether new investment is not warranted in these cases; in most cases it will be found that it either is already or is about to become justifiable. If the decision is taken to apply the economic theory honestly and cohesively, not only to the rate of charges to be made, but also to new investment, then, although supplementary tolls will continue to be levied on saturated sections, the duration of these tolls will be limited by the provision of new road capacity, through new investment at an optimal date, thus removing the causes of congestion. To sum up, if this economic theory were to be applied, it would be necessary to:

- reduce specific taxation to a very low general level, that is to the basic rate of toll;
- abolish actual charges on motorways which are not saturated;
- reduce the application of supplementary tolls to relatively brief periods, limited to those made unavoidable by the discontinuous nature of investment in roads.

There is every reason to believe that this operation would be basically beneficial to the road network and would also have considerable advantages for road users.

The examination of the problem of the budgetary equilibrium of the road system remains. A road balance sheet can be drawn up for a specific country in any one year. To do this, total expenses are set out on one side, comprising capital investment, maintenance, running costs, police and administration; and on the other total receipts both those from specific taxation and those from actual charges. The balance is usually in favour of the road, receipts in most countries being greater than expenditure. The user has every reason to demand that the road account should be made to balance, either by increasing road works or other expenses, or by reducing the charges laid upon him. In a good number of cases this is just the line that users have taken in their propaganda or in their protests to the public authorities.

But the economic theory does not admit the necessity, or even the desirability, of this kind of budgetary balance. The demand for it is a purely practical matter and it is not at all certain, in the case of a road system created and managed entirely by the public authorities, whether it is even well-founded. Economists take care not to become involved with this problem, which is completely outside their sphere. If pressed, the most they will do is to say that, if one really wants to look into the problem of balancing the road budget, it can be done, but not overall; it must be done separately for certain wide categories of sufficiently similar characteristics, for example:

- for urban road networks
- for heavily laden trunk road networks
- for secondary and local roads.

A balanced account appears to be quite out of the question for this last category; they carry only light traffic loadings and were constructed, not as a function of the traffic to be carried, but to ensure communications between towns and to provide an adequate network for the district. Receipts from traffic as defined in the economic theory would never do more than cover an extremely small fraction of the annual cost of maintaining this network .

If a balance is essential, it can only be applied to the first two categories of road; for these, there is every reason to suppose that the necessary distortion of optimal charges would result in a general lowering of tolls, which would again redound to the benefit of the road users.

The behaviour of the public authorities at the present time is much more motivated by political and social considerations than by any attempt to apply the economic theory, and this is readily understandable. It is the same in every sphere of the economy; especially for investments in general, for the creation of a transport infrastructure and for its operation through a charge on the user. Those who defend the roads have not so far thought it necessary to invoke the economic theory, partly because it was still being worked out, and partly because a good cause never lacks good arguments, and they have not really found it necessary to call upon those offered by the theory. We have already seen that these arguments, strictly objective, are about the most effective that have ever been advanced in favour of roads. Furthermore, whether one takes the economic theory or the theory of budgetary balance, roads will appear in a most favourable light in the present state of affairs. If the public authorities decided to base their roads policy on the economic theory, those who defend the roads would be happy to go along with this. The only stipulation they would make would be that the application of this policy should be honest and cohesive, that is to say:

- that it should include the selection of capital investments and not be restricted to user charges;
- that it should be extended to all forms of transport and possibly to all kinds of investment in public amenities;
- that it should be applied, not only in those aspects unfavourable to roads, but also in the favourable aspects.

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H FINANCE

Germany: AMERICAN EXPRESS CO mbH, Frankfurt splits into two new companies. Luxembourg: FINIMSA transfers minority share-holdings of FACIT and SVENSKA TANDSTICKS (both Swedish) to new investment company. The holding company SIG and two of its affiliates are among principal shareholders in a new investment company. GUYER ZELLER ZURMONT BANK, Zurich (subsidiary of SAMUEL MONTAGUE & CO LTD, London) backs formation of new holding company specialising in Spanish investment.

I FOOD & DRINK

Belgium: BRASSERIE ARTOIS, Louvain takes interest in CENTRALE DES BIERES DE MALMEDY. Benelux: A merger has been agreed in principle between GENERAL BISCUIT CO (GBC) SA and BISCUIT-& CHOCOLADEFABRIEK "VICTORIA" NV. France: The Swiss mineral water concern SOURCE DES SERVES DE SAINT-GINGOLPH negotiate the formation of a French distribution company. Germany: FREDE SORENSEN, Esbjerg (fish wholesalers) forms German company. Italy: Three wine-growing concerns, TORAZZI SpA, Milan, LUIGI CALISSANO & FIGLI, Alba and GIOVANNI ZOAAP are to co-operate closely and will set up a common selling organisation.

K OFFICE EQUIPMENT

Belgium: The Chicago group A. B. DICK forms a Brussels sales subsidiary, A. B. DICK SA, Brussels.

K OIL, GAS & PETROCHEMICALS

France: The Nassau subsidiary of the Swedish firm A/B IMODCO forms Paris sales subsidiary to cover Europe and North Africa. Luxembourg: TEXACO, New York increases its Common Market interests by forming a sales subsidiary.

K OPTICAL & PHOTOGRAPHIC

Germany: The Franke family acquires the 50% share of the Heidecke family in ROLLEIWERKE FRANKE & HEIDECKE, Brunswick and gains complete control.

PAPER & PACKAGING

Belgium: HERCULES INC, Delaware, U.S.A. and RIEGEL PAPER CORP, New York through their joint Dutch subsidiary take a 36% share in JEAN SAELS, Halen. Germany: MUENCHEN-DACHAUER PAPIER FABRIKEN HEINRICH NICOLAUS, Dachau acquires two similar concerns in Aschaffenburg combining them in a new company. Netherlands: The Swedish group SVENSKA CELLULOSA forms a Rotterdam sales company.

M PLASTICS

France and Netherlands: WINNER BOAT INC, Tennessee (pleasure boats) negotiating for import and distribution in The Netherlands of models built under licence in France.

M PRINTING & PUBLISHING

Germany: Herr Walter Matthes sells his majority interest in VERLAG WALTER MATTHES, Berlin to DEUTSCHER FACHVERLAG GmbH, Frankfurt.

M TEXTILES

Italy: The Liechtenstein holding company KRIS SA takes majority interest in KORATRON TECHNIQUE ITALIE, Milan.

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N TRADE

France: CIE DELMAS-VIELJEUX group, La Rochelle and IMEX (PTY) LTD, Johannesburg take interest in new Paris import-export concern. Germany: The Düsseldorf chain store group HELMUT HORTEN to cooperate with the store KAUFHAUS VETTER. Switzerland: The German group GROSSVERSANDUS QUELIE GUSTAV SCHICKEDANZ extends its Swiss interests.

N TRANSPORT

Belgium and Netherlands: The French shipping lines GENERALE TRANSATLANTIQUE and MESSAGERIES MARITIMES form joint Belgian and Dutch office. Netherlands: The Dutch travel agency ORANJE REIZEN VALKENBURG takes majority share in new air-freight firm, and the New York concern UNITED STATES TRANSPORT CORP also takes an interest. Switzerland: The French SNCF sells its share in CHEMIN DE FER DES ALPES BERNOISES, Berne to NATIONALBANK VON BERN.

O VARIOUS

Belgium: MAXON PREMIX BURNER CO INC, Indiana, USA (industrial burners and valves) forms Brussels sales subsidiary. Swedish interests form a second organisation and management consultancy concern. Germany: VEREINIGTE ELEKTRIZITAETSWERKE WESTFALEN, Dortmund takes a 50% interest in the electricity and gas producer and distributor - FUER VERSOR-GUNGS-UNTERNEHMEN IN ENNEPE-RUHRKREIS, Gevelsburg. Luxembourg: Seven European firms and co-operative groups form (all are involved in furniture selling) an equally-owned Luxembourg company to ensure closer contacts. Netherlands: NOVO INDUSTRIAL CORP, New York and its subsidiary BONDED TV FILM SERVICE (CANADA) LTD, Toronto form a company at Schipol to import and sell radio, cinema and television programmes. Switzerland: The Dutch diamond concern SAMUEL GASSAN DIAMANT ASSOCIATIE NV form a Zurich sales company.

ADVERTISING

** The German advertising agency, DIE WERBE GmbH & CO KG, Essen, is forming a Paris subsidiary called DIE WERBE PARIS SA (capital Ff 200,000). The new company will do work similar to that done by the German concern: advertising and marketing consultancy, publishing of advertising material using all forms of media .

AUTOMOBILES

** As a result of the agreements signed recently in Eastern Europe, RNUR - REGIE NATIONAL DES USINES RENAULT SA (see No 372) has formed SORIMEX -STE DE REPRESENTATION INTERNATIONALE -IMPORTATION EXPORTATION SA, Boulogne-Billancourt for all kinds of business connected with imports, promotion and distribution. Renault holds 89.9% of the Ff 1 million capital. The remainder is held by RENAULT-EXPORT SA (10%) and SAVIEM-SA DES VEHICULES INDUSTRIELS & D'EQUIPEMENTS MECANIQUES, Suresnes (see No 366) which has a nominal holding.

** With the backing of the Land of Bavaria, the merger of B.M.W. - BAYERISCHE MOTOREN-WERKE AG, Munich (see No 330) and HANS GLAS GmbH ISARIA-MASCHINEN-FABRIK, Dingolfing has now passed the preliminary stage by the join-up of the two companies' sales networks. The move has been under consideration for some months.

B.M.W. recently increased its capital from DM 75 million to DM 100 million. Its main shareholders are: the QUANDT group (see No 370) with about 40% and Mr. Jacques Koerfer of Berne with about 10%. In 1965 it produced 62,000 vehicles in its factories in Munich-Milbertshofen and Berlin (more than 11,000 workers) and estimated sales for 1966 will be around DM 700 million (1965 DM 591 million). Hans Glas, whose capital of DM 5 million is shared by Herren Hans Glas, Andreas Glas, and Frau Herta Mergarteu (nee Glas), with 60%, 25% and 15% respectively, has industrial plants at the head-office; Landshut; Pilsting; Isar and Wuerzburg (4,300 workers). Its turnover in 1965 was around DM 200 million. 1966 production will be around 30,000 vehicles.

BUILDING & CIVIL ENGINEERING

** WEST'S PILING & CONSTRUCTION CO LTD, Slough, Bucks and Colnbrook (formerly Harmondsworth, Middlesex), a member of the W.G.I. LTD, Manchester, and I.B. - INGENIEURSBUREAU VOOR BOUWNIJVERHEID NV, The Hague have signed a joint agreement to carry out building and civil engineering work using concrete. They will form a 50-50 subsidiary, WESTPAAL NV, Leiden (capital Fl 750,000).

** The chemical engineering group CHEMICAL & INDUSTRIAL CORP, Cincinnati (see No 371) has set up a second property company in Brussels under the direction of Messrs C.B. Giles, G.C. Gaines and R.P. Davidson. The new firm is called CIGI ESTATES SA and has Bf 1 million capital, all of which (like that of CIGI REALTY SA) has been put up by the American group's Brussels subsidiary C & I GIRDLER INTERNATIONAL SA (see No 366).

Since the end of 1964, the latter has had Bf 10 million capital, which was originally controlled by C & I/GIRDLER INTERNATIONAL LTD, Zurich, and then passed to a company of the same name in Nassau, Bahamas.

** STE FRANCAISE REDLAND SA has finally been formed in Paris with a capital of Ff 2.5 million. It has come into existence under the terms of an agreement signed in August 1965. The main shareholder in the new concern is REDLAND-BRAAS-BREDERO EUROPA NV, Utrecht (a 32.88% interest) which will make over to it an industrial site at St-Jean-le-Blanc, Loiret for the construction of a concrete tile factory. The Dutch concern is the common subsidiary of REDLAND TILES LTD, Reigate, Surrey, BRAAS & CO GmbH, Frankfurt (both controlled by REDLAND HOLDINGS LTD, Reigate - see No 368) and VERENIGDE BEDRIJVEN BREDERO NV, Utrecht (see No 364) who each have a token share in the new concern (0.3%).

The other shareholders with 18% each are STE DE COMBUSTIBLES DELMAS-VIELJEUX SA, La Rochelle (part of the DELMAS-VIELJEUX SA group) and BLANZY-QUEST SA, Paris and TUILIERIES J. PHILIPPE STURM SA, Saultzbach-les-Bains, Haut-Rhin (capital Ff 1.521 million) which employs some 400 persons in its factories at Saultzbach, Rouffach, Aspach-le-Bas, Eguisheim, Modenheim, Illzach (Haut-Rhin) and Froidefondaine, Territoire de Belfort.

** Having taken a 47.5% interest in the formation of a gas pipe-line laying company, EURO-GAS OMBOUW NV, Apeldoorn (capital Fl 100,000) - with the remaining interest held by Mr Jan Ruys - the Dutch industrialist, Jacobus P. Koppelle of Apeldoorn has formed SILAMIT ERDGAS UMSTELLUNG GmbH, Düsseldorf, (capital DM 100,000). He will manage this company in conjunction with Mr Rolf Dubois of Düsseldorf and the company's purpose is the same as the Euro-Gas Ombouw concern.

CHEMICALS

** STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA, Liege (see No 353) has extended the technical agreements signed in 1952 with ONIA-OFFICE NATIONAL INDUSTRIEL DE L'AZOTE, Paris (see No 341) to the latter's 50% subsidiary AZOLACQ-STE CHIMIQUE D'ENGRAIS & DE PRODUITS DE SYNTHESE DU SUD-OUEST SA, Paris (see No 333). The other shareholders in Azolacq are PIERREFITTE-STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA (40%) and STE FINANCIERE DE CASTIGLIONE SA, a holding company of BANQUE DE PARIS & DES PAYS-BAS SA, with 10%. Azolacq will now use the Belgian process for saturating nitrate of ammonia in its new industrial installations at Oissel, Seine Maritime.

** The German group WINTERSHALL AG, Celle (see No 372) and the French MINES DOMANIALES DE POTASSE D'ALSACE, Mulhouse, Haut Rhin (see No 344) have opened negotiations with a view to setting up a compound fertiliser factory in the Mulhouse area. It will be run by a joint subsidiary.

The German group which in 1965 produced 809,000 tons of potassium (installations at Lehrte, Herfa, Diekholzen and Neuhof, Fulda) already has oil interests in France through its wholly-owned subsidiary STE DES PETROLES WINTERSHALL Sarl, Paris (see No 316). In October 1965 the parent group transferred its 2.4% share in STE DU PIPE-LINE SUD-EUROPÉEN SA, Neuilly, Hauts-de-Seine (see No 341) and its 49.8% in UNI-PETROL-UNION POUR LA RECHERCHE & L'EXPLOITATION PETROLIERES SAHARIENNES SA, Paris over to this subsidiary. The French group (1965 turnover Ff 984 million) employs 10,000 workers and produced 1,868,000 tons of potassium in 1965.

** The German varnish, coatings and laminated panels group, DR KURT HERBERTS & CO, Wuppertal has formed a Paris sales subsidiary called HERBERTS-FRANCE Sarl (capital Ff 650,000). Its interests are represented by the holding company it formed in Basle in November 1965, (see No 333), HERBERTS AG with a 75.01% interest and by STANDOX GmbH, Wuppertal-Barmen with a 0.9% interest. The remaining 24% interest is held by M. Albert Weitzel of Paris.

The German group recently formed a London subsidiary, KURT HERBERTS (UK) LTD (see No 366). It also has extensive interests abroad: HERBERTS ITALIANA SpA, Trezzano Sul Navigo, Milan; HERBERTS BELGIEN PvbA, Brussels; HERBERTS VERKOOP-KANTOR NV, Rotterdam; DR. KURT HERBERTS & CO SKANDINAVIENBURO, Partille, Sweden, etc.

** The 48-52 agreement reached at the end of 1965 (see No 337) between ABBEY CHEMICALS LTD, London (part of the NATIONAL LEAD CO, New York - see No 344) and CARBONISATION & CHARBONS ACTIFS - C.E.C.A. SA, Paris for the manufacture in the latter's factory at Honfleur, Calvados of "Bentone" gels and stabilisers for paint, plastics, greases and adhesives has now become effective. Their joint subsidiary CECATYL Sarl, Paris has increased its capital to Ff 1,070,000 and has changed its status to that of a Societe Anonyme. The new shareholders, apart from Abbey Chemicals are THE HOYT METAL CO OF GREAT BRITAIN LTD (a direct subsidiary of National Lead) and its subsidiary KRONOS TITANIUM PIGMENTS LTD, London; BERK LTD, London (formerly F.W. BERK & CO LTD - see No 337), a co-shareholder of Abbey Chemicals; and its subsidiary POWER METALLURGY LTD, London.

Until now Cecatyl has been headed by M.A. Maznir. It was formed at the beginning of the year as STE DES BENTONES Sarl to process clay for use in metallurgy as bleaching agents (bentonite and hectorite). Since it was formed, control has been shared between SA DES MINES DE MENAT, Paris and its mother company CECA (whose capital is jointly controlled by two French subsidiaries of the Belgian group EMPAIN-: STE FRANCAISE DES DISTILLERIES DE L'INDOCHINE SA, Paris (a 26.4% interest) and CIE INDUSTRIELLE & FINANCIERE DE PLACEMENT SA (a 28.2% interest). The UGINE-KUHLMANN SA group has 14.7% interest, and the PROGIL group a 16.4% interest).

COSMETICS

** The cosmetic and beauty products firm STE DU CRAYON VENUS, Paris and its British sister-company VENUS PEN & PENCIL CO, London have been acquired from the Franco-American group LANVIN CHARLES OF THE RITZ INC, New York (through VENUS PEN & PENCIL CORP - see No 314) by the New York group LAIRD & CO.

With M. Yves Lanvin as president, LANVAN SA (TRADE MARKS), Paris (second of that name - capital Ff 65,020,000 million) has had a 54% interest in Lanvin Charles of the Ritz, New York since the split-up in 1965 of the former LANVIN SA (TRADE MARKS) - capital Ff 3 million. The main benefactors of this last move were: 1) CHAMPOLDER SA (capital Ff 6,660,000) which controls STE DE GESTION PATRIMONIALE CHAMPADOR Sarl, Paris; 2) OFICOL SA (capital Ff 23,890,000) which controls JEANNE LANVIN SA, SIVIF Sarl and SPRIM Sarl, all of Paris; 3) LANVESTER SA (capital Ff 2.54 million) which controls LAVALTEX Sarl, Paris.

ELECTRICAL ENGINEERING

** The Dutch group NV PHILIPS GLOEILAMPENFABRIEKEN, Eindhoven (see No 368) has formed a holding company in Luxembourg: PHILIPS INTERNATIONAL FINANCE SA (capital \$ 3 million). The group already has a manufacturing and sales subsidiary in the country, PHILIPS-LUXEMBOURG SA (capital Lux f 10 million) which was formed in 1956.

ENGINEERING & METAL

** The American producer of car accessories, BERG MANUFACTURING & SALES CO, Chicago, has formed BERG BENELUX SA, Ans, Liege (capital Bf 750,000) and thus now has a third European outlet (see No 318). Its first two subsidiaries, BERG MANUFACTURING (UK) LTD, London and BERG EUROPA GmbH, Waldorf-Baden, each have a 13.3% interest in the new company, whose principal shareholder (a 66.5% interest) is the head of the American company, Mr. Arthur A. Berg.

** HATRA, ALFRED HAGELSTEINMASCHINENFABRIK & SCHIFFSWERFT, Lülbeck (see No 361) which makes civil engineering and ship-repairing equipment in Germany has signed an agreement in Sweden with KOCKUM LANDSVERK SALES CO A/B, Malmo (subsidiary of KOCKUMS MEKANISKA VERKSTADS A/B, Malmo). The Swedish group will sell the German firm's hydraulic excavators in Norway, Sweden, Denmark, Finland and Iceland in return for co-operation in the research and development of civil engineering equipment.

In this field the Swedish group has an assembly plant in Germany run by DEUTSCHE KOCKUM LANDSVERK GmbH, Feldkirchen bei Munich (capital DM 700,000) which it controls both directly and through the Geneva holding company SEVONIA SA, Geneva (capital Sf 2 million).

** An agreement has been signed between BECKER EQUIPMENT & LIFTS LTD, Alperton, Middlesex and FAMA SA, Paris appointing the latter the French agent for the British concern's "Lifts" division. The BENSON ADVERTISING GROUP LTD, London are Becker's advertising agents through their subsidiary JOHN FOWLER & PARTNERS LTD.

Fama Sa manufactures "Translegere" elevators for loading rail trucks and lorries, as well as "Plastisol" roller tracks with plastic rollers. It is the French representative for the German concern KARL STUMPF, Düsseldorf.

** SCHANZLIN MASCHINENFABRIK GmbH, Weisweil, Germany which makes agricultural tractors, cultivators, mowing-machines, motor-sweepers, hoers, etc has formed a Swiss sales subsidiary, SCHANZLIN AG, Volketswil, Zurich (capital Sf 50,000).

The German company has had a 20% interest in SUDIM-STE URBAINE DE DIFFUSION DES INDUSTRIES MECANIQUES Sarl, Paris since December 1963.

** The American company, CHICAGO METALLIC CORP, Chicago Illinois, has taken an equal share with Belgian interests in forming CHICAGO METALLIC CONTINENTAL NV, Antwerp (capital Bf 500,000) responsible for the distribution of steel sections and castings. The Belgian interests are held as follows: ROTIMEX NV, Antwerp (20%) Messrs H.K. von Rothkirck-Panten (20%), L. van Hauwaert (7%), F. van Hauwaert, H. Wonneberger and G. Slabbaert, (each have 1%).

** W.G. ALLEN & SONS (TIPTON) LTD, Tipton, Staffs, has formed a Brussels subsidiary, MANUTENTION LAWRENCE SA (capital Bf 500,000; director Mr T.P. Parsons, president Mr J.H. Plant) to design, build and sell machine-tools and materials-handling plant and equipment (in Britain, most of these are produced by an Allen subsidiary, LAWRENCE ENGINEERING CO LTD, Tipton).

** The French company, CYCLES PEUGEOT SA, Beaulieu-Valentigney, Doubs, has chosen West Germany for its first foreign investment. It has taken a minority interest in the formation of CYCLES PEUGEOT ZWEIRAD VERIRIEBS GmbH, Radevormwald (capital DM 100,000). The latter, headed by Herr Manfred Böhmer, Brugge, Wuppenthal will be engaged in sales activities throughout West Germany.

The French company belongs to the Paris group PEUGEOT SA, Paris (see No 358) through STE INDUSTRIELLE & COMMERCIALE DES AUTOMOBILES PEUGEOT SA (formerly INDENOR SA, Bart, Doubs). The group's most recent moves abroad have been the setting up of assembly-lines in Malaysia and Australia. In the latter country, this was done in conjunction with RENAULT AUSTRALIA LTD.

FINANCE

** FINIMSA-FINANCIERE & IMMOBILIERE SA, Luxembourg, a subsidiary of KREDIETBANK SA LUXEMBOURG (see No 339), has transferred minority shareholdings in the Swedish groups FACIT A/B, Stockholm and SVENSKA TANDSTICKS A/B, Stockholm to a new investment company in Luxembourg: PROMOTION SA (capital Lux F 2.5 million).

** The Luxembourg holding company SIG-STE INTERNATIONALE DE GESTION SA (see No 250) and two of its French-controlled affiliates, EUROPEAN STEELFRAM SA, Luxembourg (represented by M. Paul Bugnet, Nancy) and ETUDES & REALISATIONS FLEX SA, Luxembourg are among the principal shareholders in a new Luxembourg investment company FRANCO-LUXEMBOURGEOISE D'ETUDES S.A.H. This company (capital Lux f 1 million) will have Comte J. de Lespinay of Waterloo as president and M. P. Bugnet as managing director.

** AMERICAN EXPRESS CO mbH (capital DM 4.7 million), a wholly-owned subsidiary in Frankfurt of AMERICAN EXPRESS CO INC, New York (see No 364) is about to be split into two new companies. The first, which will have the same name, will take over all the group's activities in Germany concerned with travel, freight, etc. The second, under the name of AMERICAN EXPRESS BANK GmbH, Frankfurt will be concerned solely with banking and will oversee the activities of the agencies in Munich, Düsseldorf and Hamburg.

** GUYERZELLER ZUMONT BANK AG, Zurich, the Swiss subsidiary of SAMUEL MONTAGUE & CO LTD, London has backed the formation of a holding company in Luxembourg, STE IBERIENNE DE GERANCE & D'INVESTISSEMENTS SA (capital Lux f 20 million), acting through VADEP HOLDING AG, represented by M. C. Andina (see No 334). The new company will specialise in Spanish investment; the directors are MM C. Andina, J. A. Henderson and R. Carmes (representing BANQUE COMMERCIALE SA on whose premises the new firm will be sited).

FOOD & DRINK

** After winding-up BRASSERIE DE MALMEDY SA, Malmedy last April, a company in which it had a minority shareholding, BRASSERIE ARTOIS SA, Louvain (see No 312) has taken 33.3% in the newly-formed CENTRALE DES BIERES DE MALMEDY SA (capital Bf 6 millions) which will produce and sell beer, mineral waters and other beverages. The new concern is headed by the principal shareholder M. Max Bragard.

** The Italian wine-growing concerns TORAZZI SpA, Milan, LUIGI CALISSANO & FIGLI, Alba and GIOVANNI ZOAAP (linked to Luigi Calissano & Figli) have decided to co-operate closely through a new company called CONVI SpA. They will first of all set up a common selling organisation CONSORZIO VINIVOLO PRODUTTORI & DISTRIBUTORI-CONVI which the "Chianti" producer GAGGIANO SpA may also join. Torazzi also has an agency in Antwerp.

** The Danish firm FREDE SORENSEN & CO, Esbjerg (wholesalers of fish) has formed FREDE SORENSEN & CO oHG, Elsenburg, Germany in which Messrs Frede Sorensen of Hjerting and Oswald Laursen of Esbjerg are partners.

** The Swiss mineral water concern SOURCE DES SERVES DE SAINT-GINGOLPH SA, Saint-Gingolph, Valais (capital Sf 100,000) headed by M. Albert Ruedi of Bellingen, Berne is negotiating the formation of a French distribution company at Thonon-les-Bains, Haute Savoie. This will market under the name of "Eau des glaciers" a non-aerated mineral water, which will be imported into Switzerland in disposable plastic containers for aeration and the addition of fruit flavouring. The founder will be associated with the "Eaux de Vals" group (exploitation and distribution) which includes STE DES EAUX MINERALES DE VALS FAVORITE SA, Vals-les-Bains, Ardeche (capital Ff 270,000) and STE D'EXPLOITATION SAINT-JEAN DELICIEUSE SA, Vals-les-Bains (capital Ff 1.2 million).

These last two have a joint annual turnover exceeding Ff 5 million and a common principal shareholder (with 36.9% and 40.3% respectively): STE COMMERCIALE D'EAUX MINERALES DU BASSIN DE VICHY SA, Paris (capital Ff 19.7 million). The latter, whose other subsidiaries include STE FRANCE SAINT-YORRE SA (99.8%) CIE HYDROTHERMALE DES GRANDES SOURCES SA (59.9%) and STE NOUVELLE DES EAUX DE CHATEAUNEUF SA (66.3%), had a 1965 turnover of over Ff 16.9 million; it is under the indirect control of CIE FERMIERE DE L'ETABLISSEMENT THERMAL DE VICHY SA, Paris whose annual sales exceed Ff 200 million and in which SOURCE PERRIER SA, Vergeze, Gard has recently become the majority shareholder (see No 363).

Perrier (headed by M. Gustave Leven) sold its 23.9% interest in BRASSERIES & GLACIERES DE L'INDOCHINE SA, Paris (see No 333) to its co-shareholders (especially CIE FINANCIERE DE SUEZ SA, LA PATERNELLE SA and BANQUE DE L'INDOCHINE SA) in return for the 55% interest held by Brasseries et Glacieres in Ferriere de Vichy. The Perrier group produces annually some 500 million bottles (under various brands - "Perrier", "Pschitt", "Contrexeville") and has a turnover of around Ff 175 million. By this move it strengthens its first place in the French market (in front of STE DES EAUX MINERALES D'EVIAN-LES-BAINS SA) by adding to its output some 250 million extra bottles of "Saint-Yorre", "Celestins", "Grande-Grille".

** Within the Benelux chocolate and biscuit industry a merger has been agreed in principle between GENERAL BISCUIT CO (GBC) SA, Herental (see No 340) and BISCUIT- & CHOCOLADEFABRIEK "VICTORIA" NV, Dordrecht, whereby the Dutch firm will be bought up and merged with the Belgian group.

The Dordrecht company was formed in 1916 as the Dutch offshoot of the Belgian firm BISCUITS-CHOCOLATS-CACAO-VICTORIA SA, Koekelberg, Brussels, which in June 1964 passed under the control of UNIBRA SA, Brussels (see No 354). Unibra took it over and made it a division, and at the same time acquired its minority shareholdings in the Dutch concern and its affiliate (joint with VICTORIA, Brussels), VICTORIA EXPORT NV, Dordrecht. General Biscuit Co covers about 65% of Belgian biscuit production: this year it closed its Antwerp factory in order to set up new production centres at Beveren-Waas and Herentals. The group has three manufacturing subsidiaries: in West Germany, FLAEMISCHE KEKSFABRIK ED DE BEUKELAER KG, Kempen, Nordrhein; in Italy, GUGIELMONE BISCOTTI SpA, Mortara (which became GBC-AFD GUGIELMONE SpA, when it was taken over in July 1965 - see No 320), and in Britain, WATFORD BISCUIT CO LTD, Watford, Herts. It has French interests at Bondy and Lille.

OFFICE EQUIPMENT

** The American group A. B. DICK, Chicago (office equipment, machinery and accessories for stencil, offset, dieline, "Lecotgraph" reproduction, electrostatic printing and binding - see No 276) has formed a Brussels sales subsidiary A. B. DICK SA (capital Bf 500,000) headed by Mr. Eberhard Vischer, a resident of Zug, Switzerland.

The American group already has sales subsidiaries in the Netherlands (Utrecht), West Germany (Frankfurt), Britain (London) and Switzerland (Zug). It has representatives or exclusive agents in numerous other countries including Y. A. CHAUVIN SA, Paris, NEBULONI & PICOZZI DI A. C. PICOZZI Sas, Milan and Rome.

OIL, GAS & PERTOCHEMICALS

** Through its holding company IMODCO INTERNATIONAL LTD, Nassau, Bahamas the Swedish manufacturer of floating equipment for the trans-shipment of hydrocarbon and gas A/B IMODCO-INTERNATIONAL MARINE & OIL DEVELOPMENT CORP, Stockholm has taken a joint interest with its Paris licensee ATELIERS & CHANTIERS DE LA ROCHELLE-PALLICE (ANC. CHANTIERS NAVALS DE LA PALLICE) SA (see No 315) in the formation of IMODCO-EUROPE Sarl (capital Ff 10,000). The new company will be responsible for sales promotion in France, Europe and Africa, and is headed by M. Michel Roulet.

The French licensee is a member of the CIE DELMAS-VIELJEUX SA group. The Swedish company has had an Italian subsidiary IMODCO ITALIANA SpA in Genoa since January 1962.

** TEXACO INC, New York (see No 367) has added to its Common Market sales network by forming a subsidiary REGENT OIL SA (LUXEMBOURG). The new company has a capital of Lux f 100,000 and the directors will be Messrs. Donald E. MacCoul, H. F. Brown and S. K. McSpadden.

The American group formed a similar subsidiary in Brussels recently, REGENT OIL SA (see No 343) in addition to other firms of the same name in Milan, The Hague, Frankfurt and Zurich, etc.

OPTICAL & PHOTOGRAPHIC

** The Heidecke family has sold its 50% share in ROLLEIWERKE FRANKE & HEIDECKE GmbH & CO KG, Brunswick to the Franke family which now has full control. The German company, has a payroll of about 1,700 workers making cameras, projectors "Rolleiflex" and is linked by technical and sales agreements with YASHICA CO LTD, Tokyo and HONEYWELL INC, Minneapolis, Minnesota (see No 357). It has a subsidiary in New York, ROLLEI INC.

PAPER & PACKAGING

** The German paper firm MUENCHEN-DACHAUER PAPIERFABRIKEN HEINRICH NICOLAUS GmbH, Dachau (see No 250) has paid DM 15 million for two similar firms in Aschaffenburg, A. NEES & CO KG and BUNTPAPIERFABRIK AG ASCHAFFENBURG which will be combined under a new company called MD PAPIERVEREDELUNG GmbH, Aschaffenburg (capital DM 10 million). The latter will also take over the installations of FRANZ DAHLEM & CO, Aschaffenburg which was taken over by the Dachau firm in 1963, and will have an initial turnover of DM 40 million (around 1,000 workers).

A. Nees & Co specialises in transfer processing (1965 turnover DM 12 million), and was previously headed by Messrs Albert Stadelmann and Walter Lätzig. Buntpapierfabrik makes coloured and plasticised papers and has a yearly turnover of more than DM 28 million. In Germany it controls (100%) ELFOX GESELLSCHAFT FUER ELECTROFOTOGRAFIE mbH, Aschaffenburg and (60%) SPEDITIONSKONTOR ASCHAFFENBURG GmbH, Aschaffenburg. Since June 1963, it has owned a 4.6% interest in the French company KDP-PAPIERS KELLER-DORIAN & FUTOIS FRERES SA, Lyons (in which CIE FINANCIERE DE SUEZ SA, Paris has a 20% share). Several of its assets, including the factory at Wildbad and the 60% share in the Austrian firm PAPIER- & ZELLULOSE-FABRIKEN BRIGL & BERGMEISTER AG, Niklasdorf a.d. Mur have been excluded from the merger and are still owned by its shareholders, BAYERISCHE STAATSBANK and BAYERISCHE HYPOTHEKEN & WECHSELBANK, Munich (see No 367) with more than 50% and the Dessaver family.

München-Dachauer Papierfabriken (headed by Herr Heinrich Nicolaus) employs 2,000 workers in its factories at Dachau, Pasing and Olchin. In 1965 it produced 150,000 tons of paper for printing, a turnover of DM 160 million. The company has a capital of DM 6 million and has full control of MUENCHEN-DACHAUER PAPIERFABRIKEN HEINRICH NICOLAUS EIN- & VERKAUF GmbH (capital DM 100,000). It also owns 50% in LETRON GmbH & CO KG, Aschaffenburg (the remainder is held by DR KURT HERBERTS & CO VORMALS OTTO LOUIS HERBERTS, Wuppertal).

** The Swedish paper group SVENSKA CELLULOSA A/B, Sundsvald (see No 268) has formed a Dutch sales company SVENSKA CELLULOSA NEDERLAND NV, Rotterdam (capital Fl 500,000) and the board is composed of M.K. Torenstra of Amsterdam and three directors of the Swedish group from Sundsvald. Svenska Cellulosa recently bought 100,000 sq. m. of land at Eemhaven, Rotterdam with the aim of investing Fl 4,500,000 in the construction of storage and unloading facilities for timber.

It manufactures cellulose, paper, wood-pulp, chemical products, vinyl floor coverings and semi-finished wood products. WIDMARK & PLATZER A/B, Stockholm was the main contractor for its timber-yards at Tilbury Docks, London and Hamburg, West Germany. The group has numerous subsidiaries throughout the Six: in Paris, Nantes, Brussels, Milan and Dusseldorf.

** HERCULES INC, Wilmington, Delaware (see No 367) and RIEGEL PAPER CORP, New York (see No 363), through their joint Dutch subsidiary, NV MIJ TECHNICAL PACKAGING, The Hague (see No 357), have taken a 36% interest in the Belgian paper and cardboard packing concern JEAN SAELS SA, Halen. The latter has thus raised its capital to Bf 58.5 million (at the end of 1960 it was raised to Bf 25 million, and was controlled by the Saels family through the Halen holding company V.E.P.A.N. NV).

PLASTIC

** The American manufacturer of plasticised glass-fibre hulled pleasure boats, WINNER BOAT INC, Dickson, Tennessee (a range of 18 models between 4.3 m. and 6.8 m. in length) is negotiating for the import and distribution within the Netherlands of models made under licence in France. For this purpose it has appointed the engineering consultants MARC WOOD SA-POUR LE PROMOTION DES ECHANGES TECHNIQUES INTERNATIONAUX (situated on the same premises as BANQUE DE L'INDOCHINE SA, and headed by M. R. Languier), the French branch of MARC WOOD INTERNATIONAL INC, New York.

PRINTING & PUBLISHING

** Herr Walter Matthes, Berlin, has sold his 70% majority shareholding in VERLAG WALTER MATTHES & CO KG, Berlin to the technical printing group, DEUTSCHER FACHVERLAG GmbH, Frankfurt. The remainder of the capital is held by Herr Willy Klar. Walter Matthes & Co (branches in Düsseldorf, Munich and Stuttgart) publishes mainly textile journals, including the weeklies "Textil-Report" (circulation 20,000 copies) and "Textil-Schnellreport" (circulation 31,000) and the monthly "Herrenjournal" (17,000). The firm employs 156 workers, and had a turnover of DM 8.5 million in 1965. Deutscher Fachverlag GmbH (entirely controlled by the Lorch family) is responsible for 24 publications including "Lebensmittelzeitung" (circulation 35,000) and "Textilwirtschaft" (32,000). It has 550 employees and had a turnover of DM 40 million in 1965. Its sister firms in Germany include VERLAG FUER WIRTSCHAFT-PRAXIS GmbH, Frankfurt; LORCH VERLAG GmbH, Frankfurt; DEUTSCHE WIRTSCHAFTS-BERICHTE GmbH, Bonn; DRUCKEREI SCHWENK & CO GmbH, Frankfurt etc. It also controls the French firm, EDITEUROPE Sarl, Paris formed in December 1963.

Herr Matthes will now devote himself mainly to his advertising business especially the agency, DORLAND INTERNATIONAL WERBEAGENTUR GmbH, Düsseldorf (offices in Berlin and Munich) of which he is the main partner. This company works in association with DORLAND & GREY SA, Brussels (formerly DORLAND Sprl) and DORLAND & GREY SA, Paris (formerly DORLAND SA) which have been linked since January 1964 through crossed shareholdings with GREY ADVERTISING INC., New York (see No 330).

TEXTILES

** The Mauren, Liechtenstein holding company KRIS SA has just taken 90% in KORATRON TECHNIQUE ITALIE SpA recently formed in Milan (capital Lire 20 million) to promote the textile crease-proofing patents of KORATRON INTERNATIONAL CORP (see No 362) in Italy.

"Koratron" patents have been granted to various European firms by Koratron International Corp (which is linked with the two New York group UNITED MERCHANTS & MANUFACTURERS INC and DUBIN HASKELL JACOBSON INC - see No 309). Koratron International is mainly managed by such firms as: KORATRON TECHNIQUE EUROPE-KTE Sarl, Paris (formerly TRICETRI Sarl - see No 300); KIC-KORATRON INTER CORP SA, Basle; KORATRON TECHNIQUE IBERICA SA, Barcelona; KORATRON TECHNIQUE (U.K.) LTD (director Mr G. Vukotic) etc.

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TRADE

** The Düsseldorf chain store company HELMUT HORTEN GmbH (capital DM 50 million), owned by Herr H. Horten, intends to associate with the store KAUFHAUS VETTER GmbH (capital DM 5 million) owned by the Vetter family and whose mail order sales department is run by a subsidiary called GROSSVERSANDHAUS VETTER GmbH, Mannheim.

The Helmut Horten group, whose turnover rose to DM 1,528 million in 1965, employs about 19,000 workers in 50 shops in Germany under the names of "Horten", "Merkur", and "Defaka". Its main subsidiaries are: in Düsseldorf; ALLGEMEINE DEUTSCHE INKASSO GmbH, HANDELSGESELLSCHAFT HANSE GmbH and MERKUR HORTEN & CO; and in Heidelberg, PARKHAUS GmbH.

** The German group GROSSVERSANDHAUS QUELLE GUSTAV SCHICKEDANZ KG, Furth (see No 364) which formed GUSTAV SCHICKEDANZ KG in Zurich in February, 1965 (funds Sf 1.2 million) is expanding in Switzerland with a new branch in Berne. This firm will run a store stocking photographic equipment, transistor radio-sets and leather goods.

Outside Germany, the group (which had a turnover of DM 2,170 million in 1965) has subsidiaries in France (QUELLE SA, Paris - see No 319) and Austria (GROSSVERSANDHAUS QUELLE AG, Linz), branches in Luxembourg, Malmo, Sweden, New York and Montreal and sales offices in Florence, Kobe, Japan and Hong Kong.

** The French group CIE DELMAS-VIELJEUX SA, La Rochelle, Charente Maritime has taken a 20% interest in the Paris import and export company MUNDIALIMEX FRANCE SA (capital Ff 200,000). Its other partners in the new concern are the South African company IMEX (PTY) LTD, Johannesburg and the latter's London subsidiary IMEX MERCANTILE (UK) LTD which has a token interest.

TRANSPORT

** The Dutch travel agency ORANJE REIZEN VALKENBURG, Limburg has taken a 51% share in forming a new air-freight firm NETHERLANDS AIRWAYS-NEDERLANDSE CHARTER VLIEG MIJ NV, Zuid-Limburg (capital Fl 500,000, shortly to be raised to 2.5 million). It will be associated in this venture with the New York company UNITED STATES TRANSPORT CORP, New York (48%) and Mr P. van Meeuwen of Limburg who holds the remainder of the capital.

** The French shipping line C.G.T. -CIE GENERALE TRANSATLANTIQUE SA, Paris (see No 371) and CIE DES MESSAGERIES MARITIMES SA, Paris (see No 288) are continuing their policy of having joint foreign offices by forming two sales branches in the Benelux countries. One will be at Antwerp covering Belgium and the other in Rotterdam for the Netherlands. They already have joint offices in London, Guadeloupe, Australia and New Zealand.

** S.N.C.F. -STE NATIONALE DES CHEMINS DE FER FRANCAIS has sold its 15.5% share in the Swiss company CIE DU CHEMIN DE FER DES ALPES BERNOISES-BERNE-LOETSCHBERG-SIMPLON SA, Berne (capital Sf 59,365,000) to the publicly-owned bank, NATIONALBANK VON BERN, Berne.

The French company's principle foreign interests include FRENCH RAILWAYS LTD, London (99.9%), FRANCE-TOURISME SERVICE SpA, Rome (44.4%; mainly in association with CIE NATIONALE AIR FRANCE SA, - see No 341 - and AGENCE HAVAS SA - see No 330), EUROFIMA -STE EUROPEENNE POUR LE FINANCEMENT DU MATERIAL FERROVIAIRE SA, Basle (26%), INTERFRIGO-STE FERROVIAIRE INTERNATIONALE DE TRANSPORTS FRIGORIFIQUES SC, Brussels (11.2%), etc.

VARIOUS

** VEW-VEREINIGTE ELEKTRIZITAETSWERKE WESTFALEN AG, Dortmund, the second largest German electric power concern (1965 turnover DM 848 million) has taken 50% in the electricity and gas producer and distributor, AG FUER VERSORGUNGS-UNTERNEHMEN IN ENNEPE-RUHRKREIS, Gevelsberg by increasing the latter's capital from DM 20 million to DM 40 million. The remainder is still divided among the original shareholders: the local authorities of Ennepetal, Gevelsberg and Schwelm and of the Ennepe-Ruhr district.

** The New York company NOVO INDUSTRIAL CORP, and its Toronto subsidiary BONDED TV FILM SERVICE (CANADA) LTD have taken respective interests of 90% and 10% in the formation of BONDED SERVICES (INTERNATIONAL) NV which is at Schipol, Netherlands (capital Fl 50,000). The new company will import and sell radio, cinema and television programmes.

The New York concern which commenced its activities in this sector in September 1959 with the acquisition of BONDED FILM STORAGE CO INC and BONDED TV FILMS SERVICES INC has numerous interests; electrical and mechanical engineering etc. Its 1965 turnover was worth some \$34 million. Its principal subsidiaries are NOVO SERVICES INC, FLEET CARRIER CORP and EMPRESAS INDUSTRIALES LATINOAMERICANOS LTD.

** Swedish interests, represented by Mr. Erling Cednas of Monte-Carlo, behind the recent formation of the Belgian organisation and management consultancy VECTOR PROJECTOR SA (see No 372) have now formed a second similar company at Woluwe-St-Lambert, INTERNASJONALE KOENSULENTER SA (capital Bf 50,000).

** The Amsterdam diamond cutting and dealing concern SAMUEL GASSAN DIAMANT ASSOCIATIE NV has formed a Swiss sales subsidiary SAMUEL GASSAN DIAMANTEN AG, Zug (capital Sf 500,000).

The founder (capital Fl 1 million) employs about a hundred persons and has an important foreign distribution network including SAMUEL GASSAN DIAMANTEN GmbH, Düsseldorf, DIAMONDSHIPPIING NV, Antwerp and DIAMONDSHIPPIING (ISRAEL) LTD, Tel Aviv.

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** Seven firms or co-operative groups specialising in furniture distribution have formed an equally-owned company in Luxembourg; UNION EUROPEENNE DU MEUBLE Sarl. This will have a capital of Lux f 210,000 and is intended to facilitate the exchange of information between the associates and to co-ordinate their international advertising. The founders are GROSSEINKAUF EUROPA-MOEBEL GmbH, (which represents some 125 German firms); INKOOPCOMBINATIE NEDERLAND NV, Amsterdam; INKOOPCOMBINATIE NOORD BELGIE NV, Kapellen, Antwerp; UNION FRANCAISE D'AMEUBLEMENT, Bordeaux; COMPTOIR DU MEUBLE, Luxembourg; EUROPA-MOEBEL WEISS, Vienna; and MOEBEL-LIGA SCHWEIZ, Biel, Berne.

** The American firm MAXON PREMIX BURNER CO INC, Muncie, Indiana (industrial burners and valves) has formed a Common Market sales subsidiary in Brussels (later to manufacture also), called MAXON INTERNATIONAL SA. The new company has Bf 500,000 capital, and is directed by Mr. Harry R. Maxon Jr.

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A.B. Dick	K	Hatra	G
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Allen & Sons (Tipton)	H	Hercules	L
American Express	I	Hoyt Metal, London	F
Becker Equipment	H	Imex	N
Belge de L'Azote	E	Imodco International	K
Berg Manufacturing	G	Ingenieursbureau voor Bouwnijverheid	D
Biscuit & Chocoladefabriek "Victoria"	J	Internasjonale Koensulenter	O
B. M. W.	D		
Bonded TV Film Service	O	Kaufhaus Vetter	N
Braas	E	Kockum Landsverk, Malmö	G
Brasserie Artois	I	Koratron	M
Bredero	E	Kris	M
		Kurt Herberts	F
Carbonisation & Charbon Actifs	F		
Chantiers de la Rochelle-Pallice	K	Laird, New York	G
Chemical & Industrial	E	Lanvin	G
Chemin de Fer des Alpes Bernoises	O	Luigi Calissano	I
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Cigi	E	Maxon Premix Burner Co	P
Crayon Venus	G	Messageries Maritimes	N
		Mines Domaniales de Potasse	F
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Die Werbe	D	Nationalbank von Bern	O
		Novo Industrial Corp	O
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European Steelfram	I	Oranje Reizen Valkenburg	N
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		Peuceot	H
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Fama	H		
Finimsa	H	Quelle	N
Flex	I		
Francaise Redland	E	Redland Holdings	E
Frede Sorensen	I	Renault	D, H
		Riegel	L
Gaggiano	I	Rolleiwerke	K
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Generale Transatlantique	N	Saint-Gingolph	J
Giovanni Zooap	I	Saint-Yorre	J
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Guyertzeller Zurmont Bank	I		
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SIG	I
S.N.C.F.	O
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Svenska Cellulosa	K
Svenska Tandsticks	H
Texaco	K
Torazzi	I
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United States Transport Corp	N
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VEW	O
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Winner Boat	M
Wintershall	F

