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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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ECONOMIC PLANNING IN GREAT BRITAIN

by Richard Bailey

The Approach to Planning

Today the British Government with the co-operation of management and the trade unions is preparing a Plan for the years to 1970. Ten years ago the term "planing" was a term of abuse in British politics. How has this change come about?

The controls and regulations used by the British Government in the late 1940's were to a great to a great extent a hangover from wartime restrictions. They were associated in the public mind with shortages, rationing and other measures involved in fitting supply to demand. By the middle 1950's British economic policy was a mixture of planning and freedom based on ideas of free competition. Policy objectives at this period were concerned almost entirely with maintaining the level of demand for goods and services. If production failed or unemployment rose, then credit was pumped into the economy by means of the Budget, the banks, or easier credit arrangements generally. If on the other hand, labour was scarce and the balance of payments began to create difficulties then money was withdrawn from the economy by reversing this process. The assumption was that, provided the level of demand for goods and services was right, then the self-interest of companies and individuals would keep the economy running at about the right level. This was the type of policy which the "Economist" called "Butskellism".

In the second half of the 1950's two changes came into economic policy. The first was the increasing emphasis on the need for a high level of investment in plant and new equipment, a field in which British industry seemed to be lagging behind that of its principal competitors. The other change was the new emphasis on the need for more competition. This was seen in the Restrictive Practices Act which made it necessary for companies to register various types of trading agreements which they had between themselves, the removal of non-tariff import restrictions and the, at that time, unsuccessful attempt to secure the abolition of resale price maintenance. The arguments that were put forward in favour of Britain joining the European Common Market all centred round the need for a more liberal and expansionist outlook. The end of this period saw the attempt to control national spending by "stop go" policies, particularly during the period when Mr. Selwyn Lloyd was Chancellor of the Exchequer.

Economic Growth and the NEDC

The idea that a faster rate of economic growth was necessary for the British economy has dominated the 1960s. The fact that unemployment has been low in Britain throughout the post-war years meant that the economy had been forced against the limits of labour scarcity and attention had shifted to the means whereby the growth of output per head might be stimulated. There was also the continuing anxiety over the balance of payments position and the desire to get away from the uncertainties of the policy of "stop-go". This is the background against which the decision to create some more formal type of economic organization was taken.

The National Economic Development Council was set up in March 1962 with instructions to examine the economic performance of the nation with particular concern for plans for the future in the private and public sectors of industry; to consider the obstacles to quicker growth and what could be done to improve efficiency and secure the best use of resources; and to seek agreement upon ways of improving economic performance, competitive power and efficiency. The Council decided that its first main task should be to prepare a report stating the implications of an average annual rate of growth of 4 per cent for the period 1961 to 1966, that is an increase of nearly 22 per cent over the whole period. It was decided that the staff of NEDC should discuss with a selected cross section of industries in the private and public sectors the impact of a 4 per cent growth rate on them, and also study the general implications of faster growth for the main components of the national economy, that is for manpower, investment, and the balance of payments.

In February 1963 the NEDC published its first report entitled "Growth of the United Kingdom Economy to 1966". This report set out the results of an inquiry into the effects of a faster growth rate of seventeen different industries. (Four of these, coal, gas, and electricity and the Post Office were in the public sector; the others were agriculture, chemicals, chocolate and sugar confectionery, building, civil engineering and building materials, heavy electrical machinery, electronics, iron and steel, machine tools, mtor vehicles, paper and board, petroleum, and wool textiles). A study was also made of distribution. The most important conclusions of the report were that the achievement of an average rate of growth of 4 per cent per annum between 1961 and 1966 would be possible although it would raise problems. The total manpower available, provided it is reasonably fully used, should be broadly sufficient though there may be shortages of certain skills. Industrial capacity would be adequate to meet the demands upon it and total investment needs should not be excessive. Consumers' expenditure was expected to expand faster than in the past but exports also would need to grow more quickly.

The second report of the NEDC published in April 1963 was called "Conditions favourable to Faster Growth" and discussed changes which might be needed in policies relating to training and management education, labour mobility and redundancy, regional development, balance of payments, taxation, the level of demand and prices and incomes. The report emphasized the desirability and advantages of running the economy at a higher level of demand. It stressed, for example, the importance on social grounds of providing everyone with work, and the substantial contribution to national growth that would be made by providing more jobs in the less prosperous regions of the United Kingdom. As a necessary part of the need to secure greater mobility of labour the report emphasized the importance of providing good housing accommodation, increased transfer and resettlement allowances, better training facilities for displaced workers and better financial arrangements for redundant workers.

The role of the NEDC under the Conservative Government was essentially that of indicative planning. It influenced but did not direct the policy makers and although some measures put into operation by the Chancellor of the Exchequer followed on from NEDC recommendations, it had some conspicuous failures notably in the attempt to agree on an incomes policy in the first months of 1964. The points in its favour were first, that it could stimulate an expansionist Chancellor like Mr. Maudling to carry out policies about which some of his colleagues would otherwise have been unenthusiastic, and second that it had the support of the trade unions and therefore represented a means by which they could influence Conservative thinking on economic policy.

The New Machinery

The Labour Party had criticized the NEDC as a form of "Planning without teeth". Mr. Wilson's Government which came into power in October 1964 had a completely new approach to planning. The centrepiece of the new arrangement was the Department of Economic Affairs (D.E.A.) set up under Mr. George Brown as First Secretary of State, with responsibility for long term aspects of economic policy and the use of physical resources. Short term measures to regulate the economy or the balance of payments are dealt with by the Treasury. The D.E.A. is responsible, in co-operation with other departments, for the preparation and implementation of a realistic plan for economic expansion. As an entirely new department the D.E.A. drew staff from other ministeries, notably the Treasury and Board of Trade. It also took over most of the Economic Section of the NEDC together with its Director, Sir Donald MacDougall.

The D.E.A. is organized in four inter-related groups concerned with:

(1) economic planning;

(2) industrial policy;

(3) economic co-ordination;

(4) regional policy.

The economic planning group has the task of preparing medium and long term forecasts of the development of the economy. Its immediate task on formation was to prepare an Outline Plan by March 1965 and a full scale plan later in the year covering the period to 1970, on the basis of a 25 per cent increase in the gross domestic product by 1970 compared with 1964. The economic planning group is in many ways continuing the work begun by the NEDC in its two surveys of the economy. The main difference is however that the plans now being prepared will, when agreed, have the force of Government statements on policy to which Ministers will be committed in framing their own departmental programmes.

The industrial policy group has been staffed at its upper levels by recruits from industry and business. The Chief Industrial Adviser, Mr. H.F.R. Catherwood has been seconded to the Department by the British Aluminium Company of which he was Managing Director. Seven industrial advisers have been appointed to the group, all men holding senior positions in such highly reputable concerns as Shell Refining Company, Unilever Exports Ltd., General Electric Company and "The Sunday Times". The work of the industrial policy group is closely bound up with that of the Economic Development Committees for particular industries set up during 1964 by the NEDC. These EDCs, of which nine had been formed by the time of the General Election, consist of representatives of management, the trade unions and the Government Department concerned, together with two or three independent members. Their task is to consider and report on problems and obstacles to growth in their industries. The EDCs (or "Little Neddies" as they are generally known) now in existence cover the following industries : Chemicals, Chocolate and Sugar Confectionery, Electronics, Machine tools, Paper and Board, Mechanical Engineering, Electrical Engineering, Wool Textiles and the Distributive Trades. A number of new committees are projected to bring the total to twenty by the end of the year.

The NEDC's Role

Both the Economic Planning and Industrial Policy groups of the D.E.A. have close contacts with the NEDC. The First Secretary of State is Chairman of the National Economic Development Council to which he reports on the progress of the Plan being prepared by the Economic Planning group. The NEDC, whose membership was re-constituted at the end of 1964, meets regularly on the first Wednesday of each month. The chief difference arises from the fact that the main associations representing mangement have been reorganized into a single body, the Confederation of British Industries, and this is represented on the Council by members able to speak on its behalf in the way that the trade unionists speak for the Trades Union Congress. The role of the Council in the planning operation is now both more exacting and less obvious than it was under the previous government. The First Secretary has undertaken to consult the Council on the Plan but at the same time has made it clear that political policy decisions will determine whether particular measures will go forward. It is conceivable therefore that the Council could be used simply for rubber stamping government projects. It could equally play an important part in forming government policy by firm and constructive criticism of the proposals put before it. Experience so far indicates that the latter role is being adopted. The Outline Plan put before the Council in March was so strongly criticized for its imprecision and lack of detail that the N.E.D. Office was given the task of revising it.

The Economic Planning Group is also in contact with the N.E.D. Office in the collection of material for the Plan. This is being done by questionnaires sent out by the E.D.C.'s for the industries where these exist, and by the N.E.D. Office or the Government department concerned for the rest. The Industrial Policy Group is also involved in this exercise and each of its Industrial Advisers is working with one or more of the EDCs. Their background of industrial experience is, of course, of considerable help in discussions of specific problems but it must be remembered that most of the staff of the NEDC's industrial department have also been seconded from industry and are not career civil servants.

The work of the EDCs while not being particularly spectacular, has nevertheless had great value in bringing a number of long standing problems and attitudes into the spotlight of discussion. The Machine Tool E.D.C. has been particularly active in promoting studies into particular problems, one of which was published as an N.E.D.C. pamphlet entitled "Investment in Machine Tools".

Prices and Incomes

The most controversial element in the new arrangements concerns the prices and incomes policy. This is regarded by the Government as a necessary part of a programme involving faster economic growth. It is easy enough to state the objectives of economic policy as full employment and a rapid rate of growth, combined with stable price and a sound currency, coupled with a social policy which ensures a just distribution of the benfits obtained, But in practice without stable incomes and prices, the rest may be unattainable. The objective of the D.E.A. is to increase the rate of growth of <u>real</u> incomes. The really urgent need for stable prices and incomes arises from Britain's long standing balance of payments problem. The steady rise in costs that has taken place has reflected a continued lack of balance between increases in money incomes and real incomes. For many years costs per unit of output have been rising faster than those of our competitors. To improve our competitive position money incomes for the nation as a whole will have to rise in line with, but no faster than, the growth of national production.

The problem is being tackled under the Government's planning arrangements from both the productivity and the incomes side. Through the E.D.Cs and various economic policy measures the Government is attempting to increase productivity. The measures needed include improved training facilities, incentives to increased mobility of labour such as severance payments and transfer grants for those changing their jobs, and regional policies to make better use of under-employed resources.

At the same time the Government has been working to secure agreement both from employers and trade unions to keep wages and prices stable. A declaration of intent to this effect was signed by the representatives of the Trades Union Congress, the Federation of British Industries, the National Association of British Manufacturers and the Association of British Chambers of Commerce in January. In March the Government set up a Prices and Incomes Board with a former Conservative Minister, Mr. Aubrey Jones, as its Chairman. The Board works in two panels covering prices and incomes respectively. Criteria for assessing individual cases for reference to the Board have been worked out in consultation with N.E.D.C. The first cases, both of price and income increases, were referred to the Board in May. With unemployment at a record low level spectacular successes in holding down wages or prices are not to be expected.

The New Plan

The British machinery for planning now in operation is extremely complicated and involves a large number of people both inside and outside the Government service. The central problems with which it is concerned are to effect a permanent improvement in the balance of payments position, to secure and sustain a faster growth of output, and to strike the best balance between public expenditure, private investment and personal consumption. In carrying out these tasks practically every Government department has a supporting role to sustain. But the major burden of co-ordinating the mass of activities involved falls to the D.E.A. as the responsible ministry. It is too soon yet to judge whether this type of planning is the one best suited to the British situation and whether the operation will succeed in attaining its objectives. What is clear is that the new machinery has been set up in remarkably quick time and is working with apparent smoothness and efficiency.

THE WEEK IN THE COMMUNITY
June 21 - 27, 1965
From our Correspondents in Brussels and Luxembourg

* * *

THE COMMON MARKET

Community Finance - Short-Term Compromise Likely

As we go to press, the Common Market's ministers are meeting again for another discussion about the Community's own funds. Nobody knows now many more meetings there will be and it is unlikely that they will succeed in reaching agreement by the deadline of June 30 (see No. 310 p 5). There may be still plenty of squabbles both on points of principle and on the means of applying them.

People in Brussels have not forgotten the attack which Sig. Ferrari-Aggradi launched in the final stages of the arguments over the Mansholt Plan (see No. 280 p 9) and the Italians may repeat such an attack know. After the last talks between the Permanent Representatives and the Franco-German discussion between M. Wormser (the French Foreign Ministry's economic director), and Herr Lahr (State Secretary in the German Foreign Ministry), the Community finance argument looked like being settled by a constructive armistice. This optimism was mainly based on the fact that since June 15 the French government had been busy re-assuring both the French farmers and her partners about the effects of its ceasing to demand that the agricultural levies should be pooled as from July 1, 1967. The French Government insists that this should not be regarded as a deliberate attempt to apply the brake to the Common Market's progress. M. Wormer told Herr Lahr that his government considered that the July 1967 deadline should be honoured, not only for the purposes of the Common Market's agricultural policy, but also for customs union.

The last point is not merely formal: until now France had reserved her opinion whether customs union should be accelerated for industrial products - something which does not altogether suit her. M. Wormser also agreed that some other steps should be taken earlier (between now and 1970) which depend on customs union; this applies to the common trade policy - a subject on which France has rather hung back before. In a round-about way, therefore, the discussions on the Commission's proposals for the Community's finances may lead to approval of the plan it put forward several months ago under the title "Initiative 1964" (see No. 288 p 6).

Since the Commission agrees with the French and Germans that the Common Market's progress should be speeded up, it is unlikely to quarrel with this first result of the Franco-German meeting. It may have more difficulty over its other consequence, which is to put off the establishment of the Community's own funds indefinitely, with all the political repercussions which this implies. The heart of the matter has not indeed been touched by France's agreeing not to press for the levies to be pooled before the latest permissible date, which is January 1, 1970. Under the agreement of January 14, 1962 the Six have already formally undertaken to pay the levies into a common pool as soon as a single market is established for agricultural produce. The Wormser-Lahr arrangement would in fact create such a market with effect from next week, but perhaps the French now accept the views of Germany (which, it must not be forgotten, would be the main contributor of levies) that fixing common prices is not enough to constitute a single market, but that there must also be official recognition by the Common Market Council. Of course, this legal fiction settles nothing.

France is very anxious that the European market should be open to receive her agricultural exports (especially of grain) and in her opinion, even if a single price does not make a single market, at least it implies free movement of produce. It remains to be seen whether her partners share her view, especially Germany, which has always stressed the need to put competition in this field on an equal footing throughout the Community. It also remains to be seen whether French ideas on pooling customs duties will be acceptable, especially by the Commission. In fact, the French are suggesting that the duties should not be pooled until the Community's working expenses exceed the value of the levies and the customs duties. This may suit some countries, particularly the Netherlands, for breeches pocket reasons, but the Commission consider - and they have good reason to do so - that customs duties must share the fate of the levies, whatever the amount of the Community's expenses (which may, incidentally, vary widely).

Several countries share this opinion, and in view of the attitude which he has taken towards the powers of the European Parliament, it is doubtful whether Mr. Luns could accept that there should be no further talk about the Community's own funds without running the risk of being accused of having betrayed basic principles. Faced with these contradictions, the Commission has, not surprisingly, decided to stick to its original proposals. Of course it knows very well that it will have to modify them sooner or later, but it will try to do so as advantageously as possible, which means that it will strenuously resist any move to postpone consideration of Community financing problems.

In other words, the argument should be about the commitments which the Commission and its supporters will be asking the Six to make for the future. It is not impossible that a solution may be found on the lines of the suggestions which M. Werner of Luxembourg made on June 15 (see No. 310 p.8). This will not end all argument, however, for when all the high policy has been discussed, financial problems will still remain at a lower level concerned with financing the common agricultural policy in the period which precedes the coming to effect of a single market. These, too, are likely to be bitterly argued, but they should not jeopardize the chances of positive agreement in the next few days.

* * *

Outline Agreement on Transport Policy

After several years of fruitless negotiation, agreement was reached at last on the main lines of a common transport policy, at the meeting of Common Market Transport Ministers on June 22. The political importance of this step must be emphasized immediately. Resistance to the Commission's tariff proposals came mainly from the Dutch. But six months from now, on January 1, 1966, the Common Market enters its third stage and decisions on transport can then be taken by a qualified majority, so that the French as the main opponents of the Dutch on this as on other more burning questions, have been under some temptation to delay the negotiations so as eventually to be able to outvote the Dutch Government, if the need arose. However, Mr. Marc Jacquet, French Minister of Transport, resisted this temptation, and instead took a leading part in working out the final compromise. This was undoubtedly a conciliatory gesture and shows a genuine desire not to add another bone of contention to the European dogfight - this inspite of the fact that Gaullist policy is in general against the supranational rule of the majority and that a change seems to be taking place in the organization of transport in France.

The final agreement has allowed the Dutch certain privileges safeguarding the important,in some cases vital,interests they have acquired in transport and shipping on the Rhine. The Dutch were most concerned here to keep complete freedom to fix charges which, given the efficiency and quality of their inland water transport, would enable them to stand up without much trouble to competition from their fellow Community members. The Commission, on the other hand, proposed (in order to do away with some abusive practices in Rhine transport) to introduce a price "fork" or "bracket" for transport charges, which would mean that the Dutch transporters could not lower their charges, below a minimum. This system has now been abandoned for all inland water transport. It has been replaced by a simple reference charge system, which will no doubt in practice always mean a "fork", but which it will be possible to ignore, provided that freight rates and conditions imposed instead are published.

This is the first measure to go against the Dutch who, particularly in the ECSC transport negotiations, were fiercely opposed to publication of charges, and it is the more so, because publication is going to be very strictly controlled. The Netherlands have also accepted the fork rates for all other forms of transport, except for certain contracts which have to be examined and approved. However, for an initial period of three years, these rules will only apply to international transport, not to transport inside national borders. When they are eventually extended to internal transport, the Dutch will receive some compensation, in that contracts for the transport of heavy goods in bulk by rail (which are the main cargo of river transporters) will also be subject to the reference charge system, as will certain types of national transport to be specified by the member countries later on.

In General, and taking into account the varying capacities of the different kinds of transport involved, it is far to say that the system adopted on June 22 follows to a major extent, the Dutch principle of maximum freedom possible from price controls, but the new system will be closely controlled by a Community organization (an inspection committee is to be set up). In fact, while the Dutch system may be very liberal as far as charges go, it is very effectively controlled when it comes to organization. The agreement also had to deal with the question of brining the various national transport markets into line with each other; the Council provided a timetable which fixed an initial period of three years in which the first efforts towards harmonization should be made, especially of the conditions for setting up in the industry, of controls on capacity and load of conditions of competition between transporters (see No. 296 p.13) and of financing of infrastructures (roads, railways etc.) There remains the question of how to achieve a satisfactory competition between the railways and other forms of transport. This will be accomplished by 1972, by which time the railways should be paying their way. (The Dutch railways already are doing so).

M. Jacquet admists quite freely that all these problems will still be very difficult to tidy up. The Agreement of June 22 is only an outline, - it does not, for instance, fix the rates of the "fork" charges agreed on so far only in principle. Nevertheless it really does provide the basis for a common transport policy, and more important, it shows that the Six are ready and willing to have such a policy. Considering the differences there are in this sector, the diversity of practices between one country and the next, and one kind of transport and the next, the general desire to succeed is of vital importance and must not be allowed to cool over the years. It is also reassuring to know that harmonization, when it comes, will be based, as far as possible, on the system of the most advanced of the Six in this sector - the Netherlands.

* * *

Outlook Hopeful for Austrian Negotiations

The first phase in the negotiations for an association agreement between Austria and the Common Market ended last week on a fairly optimistic note, and there is room to hope that the Commission will have little difficulty in getting a further mandate from the Council to continue talks. The results so far are as follows:

(1) Industrial products: Both sides agree that a customs union is not incompatible with Austria's statute of neutrality, but the Austrians have asked that the step-by-step lowering of customs duties between the two, should be carried out more quickly by the Community, Austria being given a longer period in which to do so.

(2) Agricultural products: In this sector the Commission was hampered by its rather limited mandate, and could only offer Austria reciprocal preferences on a certain number of agricultural products to be decided on later. On closer examination, this method turned out to be rather unsatisfactory and Vienna repeated her proposal that there should be a complete harmonization of agricultural policies by bringing Austria's policy into line with the Community's. However, because of Austria's neutrality, alignment could not be achieved automatically nor could it be brought about by any formal undertaking. The Austrian proposal therefore involves some delicate problems.

(3) Trade relations with the East Bloc: The negotiators agreed to abandon, for the moment, discussions of general principles (always connected with the neutrality problem) in order to give some attention to some of the more practical difficulties involved in this question - for instance how to maintain Austria's normal trade relations with the East Bloc. This is a matter of deciding the size and importance of the tariff quotas to be granted by Austria to the East Bloc countries and of drawing up a few measures to prevent any distortion of trade.

(4) The EFTA question: This problem is due to be dealt with as a whole at a later stage in the discussions but it has already cropped up in connection with the customs union, when there was a question of whether the common external tariff (CET) should apply to Austria's EFTA partners. The Six, for their part, have always been opposed to any double membership and Austria is reserving her position, though she has already, in theory at least, agreed that in the event of association, the common external tariff, with which her own will be harmonized, will apply to all other countries.

* * *

An Enquiry into Margarine

The Commission has decided to start an enquiry into margarine. Thus for the first time making use of article 12 of regulation No. 17 (an elaboration of the Rome Treaty's rules on competition). The article in question authorizes an enquiry into the industry whenever the facts lead to the presumption that competition is being distorted. In the case of margarine these are: In spite of the freedom of trading within the Common Market and the considerable price differences between one country and another (they range from Ff 1.80 per kg in the Netherlands to more than Ff 5 in Italy), there is no increased trade across frontiers and no tendency for prices to find a common level.

The reasons for this state of affairs may be perfectly legal from the point of view of the Rome Treaty's anti-trust provisions. For instance, they may be due to differences in manufacturing or selling methods or in national tax arrangements, which may affect prices or imports and exports. The Commission will enquire into all aspects of the problem and the fact that it has decided to make the enquiry does not imply that there are any restrictive practices in the margarine industry. On the other hand, the possibility is there; two thirds of the Community's margarine industry is in any case controlled by Unilever.

ECSC

Steelmen Seek Special Statute

The president of the Community's steel producers' associations Mr. Van der Rest has just sent the High Authority a letter setting out the European steelmen's views about the special statute which they would like to see given to the industry within the framework of the future single Treaty. (The High Authority is to be merged with the Common

Market and Euratom Commissions next January 1; later the Treaties of Paris and Rome, which created these institutions will also be combined in a new single treaty, about which discussion is now underway - see No. 304 p.10). They consider that the establishment of a common (and separate) system for coal and steel, which as a matter of history had enabled the whole process of the European economic integration to be successfully launched, would have no further justification after a general Common Market was set up, taking in all industrial and agricultural products. They also hold that once the much-needed common energy policy began to work it would mean that coal and other sources of energy would in any case be combined under statutory arrangements of their own.

The steelmen want to keep the system of publication of prices laid down in the Paris Treaty (providing for the publication of tariffs and for non-discrimination). This system takes into account the special conditions of the steel market and ensures "market transparency" for the benefit of both producers and users. Of course they do not rule out the possibility of some improvements being made to this system in due course. They also consider that the existence of a common market for steel presupposes that when special protection is needed action can be taken rapidly at the frontiers, and that the provisions to this end in article 74 of the Paris Treaty should be kept in being. (This enables the High Authority in certain circumstances to make recommendations to the governments of the Six in cases of dumping, a threatening increase in imports, etc).

They believe however that the experience gained since the Paris Treaty came into force shows that complete prohibition of agreements, which is written into the Treaty, is ill-adapted to European industrial organization and to its social and economic objectives. They think that the rules should be made more flexible and that producers, in partnership with the single commission, should be enabled to deal jointly with market upheavals.

They are of opinion that a special statute should be included in an additional section of the future single Treaty and that a common external tariff should also cover steel.

Sub-Contracting Exchange Studied

In answer to an appeal from the Luxembourg Government, the High Authority has organized a meeting of representatives of all local authorities and interested firms from Luxembourg and neighbouring areas, this week to discuss the possibilities of setting up an inter-regional sub-contracting exchange. This would be designed to organize the supply and demand for sub-contracting on the best possible terms. (A sub-contractor is defined as any industrialist or businessman who carries out for some other firm a special order for materials, finished or semi-finished components and main and secondary parts to be used by the other firm in completing the finished product).

The Luxembourg Government has plans for the exchange to operate not only for Luxembourg but also for the Saar and Trier areas, the department of the Moselle and the province of Luxembourg in Belgium. The High Authority has welcomed the idea so far, as it thinks an exchange of this sort could be of great service to the areas in question.

$20 Million Workers Housing Programme

The High Authority has decided to loan $20 million to help finance its sixth housing programme for coal and steel workers. The programme aims to achieve the following:

1 To build houses where there are shortages owing to the expansion of the coal and steel industries, particularly in areas where new factories and plants are planned or are actually being set up;

2 To provide homes for miners who have been transferred to different coal-mines as a result of rationalization or industrial redevelopment schemes;

3 To meet the housing shortage which still continues in many coal-fields of the Community.

The sixth housing programme will be carried out during the next three years, and the High Authority's $20 million loan will be taken from the special reserve and will be available at the usual very low interest rate of 1%. As far as possible, the money will be used in conjunction with other funds from different sources. On some occasions the High Authority has itself borrowed funds which it has then reloaned for housing projects and on other occasions it negotiated with a bank, or financial institution or social security organization to persuade one or other of them to join in providing the funds required. By combining funds borrowed on the Community's capital markets and from the special reserve the High Authority manages to offer low interest rates on capital provided for its housing schemes.

On January 1, 1965, the High Authority had contributed to the financing of 97,187 new homes of which 64,179 had been completed by that date.

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(Please note there is no Page 18 this week)

EUROFLASH

		VEREIN FUER GUSSTAHLFABRIKATION; Factory built and joint subsidiary set up at Norf, result of agreement between ALUMINIUM, Montreal and VEREINIGTE ALUMINIUMWERKE, Bonn.
26A		France: Merger between SACM - STE ALSACIENNE DE CONSTRUCTIONS MECANIQUES and STE FRANCAISE HISPANO-SUIZA. W.Germany: W.KREFFT, Gevelsberg comes under control of G. BAUKNECHT, Stuttgart.
29	FINANCE	Belgium: Through its Lancaster subsidiary, NAIRN WILLIAMSON (HOLDINGS), London has Antwerp subsidiary; DONALDSON, LUFKIN & JENRETTE, New York turns its Brussels office into a subsidiary.
30	FOOD & DRINK	Belgium: ETS EDOUARD MATERNE transfers "Frima" department to VIKING INTERNATIONAL, Brussels which changes its name; SOVEDI - STE DE VENTE & DE DISTRIBUTION formed at St-Gilles by three French distillers. France: RIZERIES INDOCHINOISES, Paris sets up more companies in Lancon-de-Provence. Italy: HERO CONSERVEN LENZBURG takes interest in LAVORAZIONE INDUSTRIALIE DELLI ORTOFRUTTICOLI (LIDO), Verona. Netherlands: CACAO- & CHOCOLADEFABRIEKEN BENSDORP and KON CACAO- & CHOCOLADEFABRIEKEN BLOOKER set up joint sales organization. Spain: UNIBRA, Brussels transfers interest in CICSA - CIA INTERNACIONAL DE CERVEZAS, Barcelona to DAMM.
31	INSURANCE	Belgium: VERSEKE RING-MIJ NOORD-HOLLAND, Alkmaar opens Brussels branch. Italy: CONSUMER LIFE INSURANCE not allowed to take over CIA MEDITERRANEA DI ASSICURAZIONI.
32	OIL, GAS and PETRO-CHEMICALS	Britain: STE DE PROSPECTION ELECTRIQUE SCHLUMBERGER, Seine plans off-shore prospecting in British North Sea. France: Two pipeline projects, that of UGP - UNION GENERALE DES PETROLES and the one which led to STE DU PIPE-LINE MEDITERRANEE-RHONE, unite. Persian Gulf: Agreement between NIOC - NATIONAL IRANIAN OIL and the German group, PERSIAN GULF OIL formed.
33	PLASTICS	France: CICM - CIE INDUSTRIELLE DU CHAOUTCHOUC MANUFACTURE & DES PLASTIQUES sells subsidiary to Swiss interests; STOCKAGE RATIONNEL "STORA" changes its name. Italy: ALKOR-WERK KARL LISSMANN, München-Solln sets up Milan company.
34	PRINTING & PUBLISHING	Italy: ARNOLDO MONDADORI EDITORE, Milan gains complete control of PANORAMA, Milan. Switzerland: MEDUSA PRODUCTIONS formed at Glarus; LIBRAIRIE A.HATIER, Paris sets up HATIER EDITIONS, Fribourg.

34	TEXTILES	Britain: PHILIPPART INTERNATIONAL, Tournai opens Bradford branch.
35	VARIOUS	Belgium: NV RANDSTAD UITZENDBUREAU, Amsterdam sets up subsidiary in Brussels. France: STE DE DISTRIBUTION MENAGERE in liquidation. Netherlands: HANDELSONDERNEMING "ALVU" formed at Utrecht. Switzerland: APPARATENBOUW "MOBA", Barneveld sets up Basle subsidiary; KNIGHT & WEGENSTEIN formed at Zurich.

ADVERTISING

311/22 LONSDALE HANDS ORGANIZATION LTD, London has bought out the 50% interest which LENNEN & NEWELL, New York (see No 204) owned in CROSSLEY LENNEN & NEWELL LTD, London and also its interests in LONSDALE-HANDS, LENNEN & NEWELL LTD SECOND HOLDING SAN, Luxembourg (see No 190), LONSDALE HANDS, LENNEN & NEWELL CENTRALE SA, Fribourg (see No 202) and LONSDALE HANDS, LENNEN & NEWELL FIRST HOLDING SA, Geneva (see No 307).

311/22 The London Advertising group, COLMAN PRENTIS & VARLEY LTD (see No 295) is increasing the financial assets of its Brussels subsidiary, CPV BART Sprl (see No 225) which has had a capital increase to Bf 700,000 - 50% subscribed by Mr Charles J. Maples and Mme S. Bajart-Poisson.

The British group which is linked by interlocking shareholdings and a cooperation agreement with the New York company, KENYON & ECKHARDT INC, is represented on the Continent by several subsidiaries (at Milan, Lausanne, Frankfurt and Paris). It recently increased its interests in France by taking over the business of the PROMOS agency (set up in 1952 by M. Rene Giraud) and setting up, through its subsidiary, CPV PROMOS SA, the CONSORTIUM DE TECHNIQUES PUBLICITAIRES SA, Paris which it controls (with an interest of 50%).

311/22 The fifth largest advertising agency in Britain, MASIUS WYNNE-WILLIAMS LTD (formerly MASIUS & FERGUSSON LTD - see No 294), London, has increased its interests abroad through its London subsidiary, MASIUS INTERNATIONAL LTD, which has set up a wholly-owned subsidiary in the Netherlands called MASIUS NV (capital Fl 10,000) temporarily installed at The Hague to be moved later to Amsterdam.

The British company already has a number of interests in the Six including MASIUS GmbH (formerly MASIUS & FERGUSSON GmbH) at Hamburg; AGENCES DE PUBLICITE REUNIES MASIUS-CLAEYS SA (formerly APR - AGENCES DE PUBLICITE REUNIES SA), Brussels; MASIUS-LANDAULT SA (formerly STE DE PUBLICITE JEAN LANDAULT SA) Paris; MASIUS OMNIA SpA, Milan). It also controls MASIUS AG, Zurich; MASIUS HARBO ANDERSEN A/S, Copenhagen; MASIUS HARBO ANDERSEN A/S Oslo; and TORE MALMROS A/B, Stockholm.

AUTOMOBILES

311/22 HENSCHEL-WERKE AG, Kassel (see No 302) and ROOTES MOTORS LTD, London (see No 267) have put an end to the agreement which they made two years ago to cooperate over sales and service for a whole series of different kinds of trucks. The agreement covered Germany, France, Italy, Belgium, Switzerland, Luxembourg and Australia.

Henschel-Werke's main interest in the agreement was to be able to supplement its range of heavy trucks, with the medium-heavy and lighter trucks made by Rootes Motors. However, it has since become the wholly-owned subsidiary of the Essen group, RHEINISCHE STAHLWERKE (see No 265) and will in future cooperate over production and sales with its sister company, RHEINSTAHL HANOMAG AG, Hanover which makes light trucks and engines. It will, however, continue for five years to sell in Germany spare parts and components for the trucks made by its ex-partner, Rootes Motors.

311/23 WHITE MOTOR CO of Cleveland, Ohio plans to set up an international subsidiary at Paris under the management of M. Hans V. Graaf (Geneva), director of the international division, which already has an office at Ville d'Avray, Seine et Oise. This will enable it to penetrate more quickly into the European long distance road transport business in which the group thinks there is plenty of room for expansion.

The White Motor group (president, Mr J. N. Bauman) is the second largest company building heavy trucks and truck engines in the United States and Canada (WHITE MOTOR CO OF CANADA, Toronto - trade names White, Diamond T, Reo, Autocar, PDQs, etc..). The largest truck-building company is INTERNATIONAL HARVESTER CO.

White Motor's subsidiaries, OLIVER CORP, South Bend, Indiana and MINNEAPOLIS-MOLINE INC both make agricultural machinery. The group also has numerous agents and representatives in Europe including SOVI SA, Clichy, Seine, France and DIAMOND T. MOTORS LTD, Isleworth, Middlesex.

BUILDING & CIVIL ENGINEERING

311/23 The Civil Engineering group RICHARD COSTAIN LTD, London is carrying out its plan to set up a firm in the Netherlands to use its "Jackblock" building system on the Continent; it was developed by the research department of its subsidiary RICHARD COSTAIN (CONSTRUCTION) for building skyscrapers (see No 306). The new business JACK-BLOCK INTERNATIONAAL (capital Fl 100,000) is a 50-50 subsidiary of the British group and the building materials firm H B M HOLLANDSCHE BETON MIJ, The Hague (see No 300).

311/23 The Swedish company, THORSMAN & CO A/B, Nyköping, which makes fixings for the building industry, (capital Kr 50,000) reformed in 1959 (it now has about 35 employees), has set up a sales subsidiary called THORSMAN & CO GmbH at Monchengladbach, Germany (capital Dm 20,000; manager, Mr Svante Landström of Nyköping).

CHEMICALS

311/23 The American company, CHEMISTRY HALL LABORATORIES INC of Bradenton, Florida, is setting up its first European subsidiary in Berlin. This is to be primarily a sales company. It is called CHEMISTRY HALL EUROPE GES. FUER CHEMIE mbH (capital Dm 20,000) and is managed by Mr Charles B. Moran.

311/23 MINERALS & CHEMICAL PHILIPP CORP, Menbo Park, New Jersey is extending its Milan interests (No 271); its PHILIPP BROTHERS Division is forming PHIBRO ITALIA SpA (capital lire 10 million) 50-50 with one of the group's Zug subsidiaries PHILIPP BROTHERS AG, (see No 246). The new company's president is Mr Adolf Blum; it will sell and process chemical, mineral and metal products.

The group has several Italian subsidiaries: PHILIPP BROTHERS ITALIA SpA, Milan (which formed PHIBROFER SpA in June 1963; BORMED-MEDITARRANEA PER LA CHIMICA DEL BORD SpA (see No 214) formed at Milan in April 1962 50-50 by the Zug subsidiary and POLYMER INDUSTRIE CHEMICHE SpA, Milan (MONTECATINI group).

311/24 Two Dutch groups, KONINKLIJKE SCHOLTEN, FOXHOL NV, Foxhol, Groningen (see No. 263) and HONIG NV, Koog-aan-de-Zaan, which both produce a whole range of chemical and food products including potato starch, dextrin, glucose, starch, gum, emulsions and emulsifiers, agglutinants, oils, oil derivatives, fats, etc, are negotiating to merge in a joint holding company.

The two groups combined in one concern will employ a labour force of about 4,500 in the Netherlands and abroad, and will have a joint annual turnover of more than Fl 300 million. It will in fact be the largest concern specializing in these products in the world.

The operation will be carried out in the following way: Scholten, Foxhol will become a holding company under the name SCHOLTEN-HONIG NV (capital Fl 48.9 million, headquarters at Amersfoort). The holding company will have absolute control of Honig and of another company to be formed under the name SCHOLTEN-FOXHOL NV, Foxhol, Groningen, to take the place of the present Koninklijke Scholten, Foxhol.

The main subsidiary (wholly-owned) of Koninklijke Scholten, Foxhol, in the Netherlands is W.A. SCHOLTEN'S CHEMISCHE FABRIEKEN NV, Foxhol, which itself wholly-owns four other companies producing potato starch, glucose, dextrin and starch: W.A. SCHOLTEN'S AARDAPPELMEEL-FABRIEKEN NV, O.J. MEIJER'S DEXTRINEFABRIEKEN NV, NATIONALE ZETMEELINDUSTRIE NV and KONINKLIJKE BEDRIJVEN K. & J. WILKENS NV. A second wholly-owned subsidiary, SERVOZUILEN NV, is in charge of the group's interests in chemical products, oils and plastics. It has 100% control of RESINA CHEMIE NV, which was set up only recently (components of polyurethane) and of NV OLIERAFFINADERIJ ZUILEN (oils) and 99.7% control of NV CHEMISCHE FABRIEK SERVO.

The group's research department is managed by a wholly-owned subsidiary called SCHOLTEN-RESEARCH NV, Foxhol, which is also in charge of the group's licences and patents. A fourth wholly-owned subsidiary, SCHOLTEN - INTERNATIONAL NV, Foxhol, looks after the group's interests abroad. It has holdings in Britain: 90% in GORDON SLATER LTD, 76% in STARCH PRODUCTS LTD, Slough, and 16.6% in HENDERSON HOGG & CO LTD; in Sweden, 100% in STADEX A/B; in Portugal, 40% in ENAC - EMPRESA NACIONAL DE AMIDOS & PRODUCTOS QUIMICOS LTDA (which itself has a wholly-owned subsidiary called AMIDEX LTDA), and 55% in COPAM LTDA; in Belgium, 96% in USINES VERMYLEN NV, Baasrode; in France, 25% in ETS PAUL DOITTEAU SA, Corbeil-Essones, Seine & Oise, and in Germany, 70% in EMSLAND-STAERCKE GmbH, Emlichheim (this holding was acquired some months ago from HENKEL & CO GmbH, Düsseldorf - see No. 298).

The Honig group has numerous subsidiaries in the Netherlands: the production companies FABRIEK VAN HONIG'S ARTIKELEN KOOG NV; FABRIEK VAN HONIG'S ARTIKELEN NIJMEGEN NV; AMYLO CHEMIE NV; HONIG MAISAMYL NV; HONIG GLUCOSE NV; LATENSTEIN'S FABRIEKEN NV and NEDERLANDSE RIJST-STIJFSELFABRIEK NV, and the sales company, HONIG MERKARTIKELEN NV (all at Koog-aan-de-Zaan). Its main interests abroad are in Belgium, HONIG NV, Ghent; in Britain, BOSTON STARCH & GLUCOSE CO LTD, HONIG'S ROCHESTER LTD and LANCASHIRE CONDENSERIES LTD; and in South Africa, JOHN MOIR PTY LTD and VAL-ORANGE PTY LTD.

CHEMICALS

311/24 BREDERO PRICE NV, Utrecht, which is equally owned by Mr. Harold Price Jr of Bartlesville, Oklahoma, and VERENIGDE BEDRIJVEN BREDERO NV, Utrecht (see No. 308) and which makes protective coatings for tubes and pipework (see No. 249), has backed a new company, BREDERO PRICE GmbH formed at Munich (capital Dm 20,000; manager, Mr. William Gordon Creel of Bartlesville).

The Bredero group already has interests in Germany including a direct subsidiary, BREDERO BAUGESELLSCHAFT GmbH, a civil engineering company formed at Frankfurt in March 1964 (capital Dm 250,000 - see No. 250), and a 5% interest in BRAAS & CO GmbH, Frankfurt, manufacturers of concrete tiles.

ELECTRICAL ENGINEERING

311/25 SCHNEIDER RADIO-TELEVISION SA, Ivry, Seine (see No. 295) is the third largest French manufacturer of radio and television receivers (behind LA RADIOTECHNIQUE SA, Suresnes, Seine - which is linked with NV PHILIPS, Eindhoven - and CFTH - CIE FRANCAISE THOMSON-HOUSTON SA, Paris). Schneider has manufacturing and selling links with PHILCO CORP, Philadelphia (see No. 267) and is negotiating a shareholding of about 65% in CGTVE - CIE GENERALE DE TELEVISION & D'ELECTRONIQUE SA, Paris (capital Ff 14,715,000), which will take about 20% in the increased capital (now Ff 18,177,000) of the Ivry firm.

CGTVE belongs to the FLOIRAT group; its manufactures consist of household electrical apparatus ("Tevea", "Arphone", "Amplix", "Telemaster", "Frivea", "Narval"); it also makes television sets (about 60,000 a year). These are made in its factory at Limours, Pantin, Bagnolet and Le Pre - Saint-Gervais. The company distributes in France refrigerators made by the Italian firm SILTAL - STA ITALIANA LAVORAZIONE TECNICA ARTICOLI IN LASTRA SpA, Abbiategrasso, and since July 1964 (see No. 262) it has a Belgian subsidiary at Forest, Brussels, CGTVE-BENELUX SA (capital Bf 750,000). This reorganization will result in the group supplying about 15% of the French market for radio receivers and television sets, with an annual turnover of Ff 250 million.

311/25 IGNIS SpA, Comerio, Varese (see No. 274), one of the largest Italian manufacturers of refrigerators and washing machines (backed by Sig. M.G. Borghi) has extended for five years the representation agreement which it made last year (see No. 262) with the American company, THOMPSON-STARRETT CO INC, New York. The New York company will distribute about $20 million worth of Italian household electrical equipment in the United States through its DELMONICO INTERNATIONAL Division in Long Island (acquired in 1958).

A similar arrangement was made recently in France between the Italian group and the Dutch group, PHILIPS of Eindhoven, for the distribution of "Ignis", "Fides" and "Algor" refrigerators. Refrigerators represent 50% of the production of Ignis, which is represented in France by IGNIS FRANCE Sarl (manager, Sig. Giuseppe Tanzy).

311/25 ELECTRO INSTRUMENTS INC of San Diego, California, makers of oscilloscopes, amplifiers and other electrical precision instruments for laboratories, has taken complete control of the sales company (see No. 270) which it set up last August at Schaerbeek, Brussels, under the name ELECTRO INSTRUMENTS SA and has closed it down to replace it with a branch.

ELECTRONICS

311/26 MIAL SpA Sabaudia, Latina has formed a Munich sales subsidiary called MIAL ELEKTRONISCHE BAUELEMENTE VERTRIEBS GmbH (capital Dm 20,000) which will be directed by Sig. E. Maietti, Herr Norbert Tretter and Herr Erich Tretter, of Starnberg. Mial is a member of the Italian SAN PIETRO group (closely linked with CSF - CIE GENERALE DE TSF, Paris through the latter's Italian subsidiaries DUCATI ELETTROTECNICA SpA, Bologna and MISTRAL SpA, Sermoneta, See No. 206).

Mial SpA (capital lire 400 million) makes electronic components. Its president is Sig. Carlo San Pietro and it has operations at Sabaudia, Latina, Lomagna, Como and Milan. Last year it took over several associated companies : IMMOBILIARE BOVIA SpA, Milan, COMPONENTI RADIO TELEVISIONE SpA, Sabaudia, LABORATORI INDUSTRIA COMPONENTI ELETTRONICI SpA, Lomagna and Mial ELETTRONICA SpA, Milan. Since 1958 it has had a subsidiary MIALBRAS SA Sao Paulo in Brazil. It also has a minority shareholding in ADRIATICA COMPONENTI ELETTRONICI, Lulmona (see No. 206) of which 60% control is held by SIEMENS ELETTRA SpA, Milan (controlled by SIEMENS & HALSKE, Berlin). It has a Luxembourg holding company MIAL INTERNATIONAL SA, formed in May 1962, whose capital was doubled to Sf 2 million in April 1964).

311/26 THE HAMPDEN CO ELECTRONICS (NEDERLAND) NV, which was formed recently in Amsterdam (see No. 309) to sell transistors and electronic equipment for broadcasting stations, is controlled by THE HAMPDEN CO (ELECTRONICS) LTD, London, which is directed by Mr. Harry. B. Simmonds. Like its sister company THE HAMPDEN CO-ELECTRONICS DEUTSCHLAND GmbH (formed at Düsseldorf in 1964; directed by Mr. Brian C. Wells), it is not (as indicated in No.309)under HAMPDEN ENGINEERING CORP, East Longmeadow, Massachusetts, which makes electrical switchboars, light indicator systems, etc.(despite the similarity of the names).

311/26 The paper group MEAD CORP, Dayton, Ohio (see No. 295) is continuing to expand its sales organization in the Common Market (for its packaging and automatic vending for self service stores and supermarkets) by forming a Milan subsidiary; the president will be Mr. Robert M.O'Hara, the manager of MEAD PACKAGING INTERNATIONAL FRANCE Sarl, Paris. The new company, MEAD PACKAGING INTERNATIONAL (ITALY) SpA, will take care of the machine tools and equipment needed for packaging mass produced goods. Its lire 3 million capital is controlled by MEAD PACKAGING INTERNATIONAL, Dayton, Ohio, a part belonging to MEAD AG, Zug (see No.285).

The American group has a number of European subsidiaries, in Belgium, France, Germany, Switzerland, etc. It recently made a sales and technical agreement with GEBR. SMITH NV, Rotterdam, giving it the agency for its subsidiary MEAD BOARD SALES INC. (Kraft and semi-chemical papers). The last company already has several agents in Europe, MEAD PULP PAPER LTD, London, MEAD ZELLSTOFF & PAPIER GmbH, Düsseldorf, GRELCO SA, Brussels, AGENCE DES PAYS DU NORD, Paris. The group recently made a 50-50 arrangement with E.S. & A. ROBINSON (HOLDINGS) LTD in Britain, leading to the formation of MEAD ROBINSON LTD.

311/26A The German manufacturer of cooking and heating appliances, W. KREFFT AG, Gevelsberg (capital Dm 7.5 million), whose 1964 turnover was Dm 54 million and which has almost 1,600 employees, has been in financial difficulties for several years and is now coming under control (65%, shortly to be raised to 80%) of the electrical household appliance maker (washing machines, refrigerators, deep freezers, water heaters, etc) G. BAUKNECHT GmbH, Stuttgart. The two companies were already linked by manufacturing and sub-contracting agreements. The Stuttgart company is taking over (1) the 25% shareholding in Krefft held by the Eicken family, which founded it; (2) the 40% interest held by a group consisting of USINES ET FONDERIES ARTHUR MARTIN SA, Paris (capital Ff 20.6 million) and its former Belgian subsidiary USINES ET FONDERIES NESTOR MARTIN SA, Ganshoren, with which it has retained close manufacturing and sales links. This group, (which in 1960 caused INDELEC-STE SUISSE D'INDUSTRIE ELECTRIQUE SA, Basle to acquire for it an approximately 22% share in Krefft - see No 99), is now associating itself with Bauknecht (whose manager, Herr Gert Bauknecht is becoming managing director of the group's Rheims subsidiary SA DU PEI GNAGE DU RHEIMS & DES INDUSTRIES DE L'EST both technically and commercially.

Bauknecht, which employs about 8,500 people in its factories at Stuttgart, Klingenmuhle, Welzheim, Calw, Schorndorf and Saarwelligen, has since November 1964 had a Strasbourg sales subsidiary BAUKNECHT-FRANCE Sarl (see No 277), and in West Germany it controls BAUKNECHT G.E.A. ELEKTRONISCHE FABRIKEN GmbH, Fellbach jointly with THURINGER GASGESELLSCHAFT, Cologne.

311/26A After long negotiations two French groups whose businesses complement each other, SACM-STE ALSACIENNE DE CONSTRUCTIONS MECANIQUES SA, Mulhouse, Haut Rhin (see No 277) and STE FRANCAISE HISPANO-SUIZA SA, Bois Colombes (LILLE, BONNIERES & COLOMBES SA with about 20%, is the largest shareholder of each) have agreed to merge. SACM (1964 turnover Ff 477 million) is being taken over by Hispano Suiza (Ff 266 million), which will take the name STE HISPANO ALSACIENNE and remain a holding company controlling specialized subsidiaries. This deal will not lead to any change in the traditional business nor in the organization of Hispano Suiza's main subsidiary SEMHS - STE D'EXPLOITATION DES MATERIELS HISPANO-SUIZA SA (see No 304).

This re-grouping, which involves mechanical engineering, capital equipment, electronics and nuclear equipment, will lead to SACM being re-organized so as to increase the efficiency of its subsidiaries, which include ALCATEL and ALSTHOM (in which CFTH-CIE FRANCAISE THOMSON-HOUSTON SA is also a large shareholder).

311/27 The German group, GUTEHOFFNUNGSHUETTE AKTIENVEREIN, Nuremberg (see No. 310) has increased from 58.35% to over 75% its majority interest in HACKENTHAL-DRAHT- & KABEL-WERKE AG, Hanover, wire and cable manufacturers. It plans to link this company to another of its subsidiaries (94.16%), OSNABRUECKER KUPFER- & DRAHTWERK, Osnabrück which also makes electric wire and cables and then to merge both companies in a "cables" Department whose annual turnover would then reach about Dm 700 million. A combined effort of this sort would be better able to meet competition from the Berlin group, AEG - ALLEMEINE ELEKTRICITAETS- GESELLSCHAFT AG which is also trying to increase its production capacity for electric cables (see No. 309).

Hackenthal-Draht & Kabel-Werke (capital Dm 18 million) has 100% control of KABEL- & METALLWERKE NEUMEYER AG, Nuremberg (wire-drawing, cables), SCHALTBAU AG, Munich (electrical equipment) and BRINKER BAU GmbH (property management company), Hanover. It also has other interests including 94% in FRISCH KABEL- & VERSEILMASCHINENBAU GmbH, Ratingen, Düsseldorf (machine tools for cable-making and wire-drawing) and 28% in BRUNKER HAFEN GmbH which is in charge of a port on the Hanover canal and runs a private branch-line railway.

Osnabrücker Kupfer- & Drahtwerk has three wholly-owned subsidiaries, OSNABRUECKER METALL & KABEL - VERTRIEBS GmbH, which sells cables, ELMORES METALL GmbH, Schladern, Sieg, which makes metal tubes (see No. 167) and TEUTO-METALLWERKE GmbH, Osnabrück, a company in liquidation. It also has a 50% interest in the London company, STEEL & METAL PRODUCTS CO. LTD (see No. 274) the other 50% being held by its sister company, FERROSTAAL AG, Essen.

311/27 PYRONICS INC of Cleveland, Ohio, which makes gas heating equipment, has joined with some of its licencees in the Common Market, to set up a production and sales company called PYRONICS INTERNATIONAL SA at Brussels. Pyronics Inc holds a 27.3% interest in the new company, which will distribute all kinds of industrial equipment connected with the gas industry (cocks, taps and fittings, meters and control devices for fluids, pressure-regulators, pumps, vaporizers, compressors etc). The company has a capital of Bf 1,375,000 and is under the chairmanship of Mr. Robert M. Buck (Cleveland). Its other shareholders include, in Belgium EUROGAS Sprl. Woluwe St-Pierre (7.25%), whose manager, M. Emile Kroch (holding 15.4%) has become the new company's managing director; in France, STEFI - STE TECHNIQUE D'ETUDES & FOURNITURES INDUSTRIELLES SA, Gagny, Seine et Oise (4.55%); in Italy, the PADOVAI company in Milan; and in the Netherlands, COMPRIMO NV, Amsterdam (18.2%) subsidiary of NERATOOM NV, The Hague (see No. 157).

311/27 SEVESO (DEUTSCHLAND) KLIMATECHNISCHE VERTRIEBS GmbH has been formed at Bensberg, Cologne by German interests and will be directed by Herr Harst D. Walterscheid. It will have the exclusive agency for West Germany for air conditioning, heating appliances, ventilators, and refrigerators made in Italy by OFFICINE DI SEVESO SpA, Milan (see No. 122).

The Milan firm has no subsidiary abroad and distributes its manufactures through agents. In Italy it holds 45% in the manufacturing company SEVESO AIR CONDITIONING INTERNATIONAL SpA, Milan, in which the other shareholders are ANDREW AIR CONDITIONING LTD, London (45%) and BUENSOD STACY CORP, New York (10%).

311/28 HUETTEN- & BERGWERKE RHEINHAUSEN AG, Rheinhausen (see No 276) which is a wholly-owned subsidiary if FRIED KRUPP, Essen (see No 296), and which operates both as its holding company and as the largest of its mining and steel production companies, has taken complete (100%) control of the steel company, BOCHUMER VEREIN FUER GUSSTAHLFABRIKATION AG, Bochum (capital Dm 120 million - see No 178). Huetten- & Bergwerke Rheinhausen had previously had the majority 75.04% interest in this company (2% being held by Fried. Krupp itself).

The Bochum company had an annual turnover of Dm 942 million in 1964 (a 30% increase on 1963) with an output of 1.69 million tons of crude steel (a 26% increase). It has a wholly-owned subsidiary, SCHMIEDEWERK CHRISTINE GmbH, Essen-Kupferdreh and interests in CAROLINGENGLUECK-GRAF MOLTKE BERGBAU AG, Bochum (50%); in SILIKA- & SCHAMOTTEFABRIKEN MARTIN & PAGENSTECHER AG, Cologne-Mulheim (34.03%); in WESTDEUTSCHEWOHNHAEUSER AG, Düsseldorf (10%); in RHEINISCH-WESTFAELISCHE KALKWERKE AG, Dornap, Düsseldorf (8.04%); in RHEINISCH WESTFAELISCHE WOHNSTAETTEN AG, Essen (10%); in BARBARA ERZBERGBAU AG, Düsseldorf (8%) and in WESTFAELISCHE TRANSPORT AG, Dortmund (7%). In 1962 it took an interest in a new mining company, BON-MINING CO formed in Liberia, the other shareholders being the Italian group, FINSIDER and the German groups, AUGUST-THYSSEN-HUETTE, DORTMUND-HOERDER-HUETTENUNION, PHÖENIX-RHEINROHR, NIEDERRHEINISCHE HUETTE and RHEINISCHE STAHLWERKE.

311/28 Two members of the EVENCE COPPEE & CIE Scs group, Brussels (see No 279) - SA METALLURGIQUE D'ESPERANCE LONGDOZ, Liège (see No 273) and ETUDES & CONSTRUCTIONS EVENCE COPPEE RUST SA, Brussels - have decided to merge their research departments at Liège.

The former (in which the Swedish group TRAFIK A/B GRANGESBERG OXELOSUND (see No 293) has a large shareholding) is completing its expansion programme for metallurgical engineering by setting up a complex at Chertal, Belgium.

Etudes & Constructions Evence Coppee Rust (in which HOESCH AG and DORTMUNDER BRUECKENBAU G.H.JUCHO, Dortmund are minority shareholders along with THE RUST ENGINEERING CO, Pittsburgh - see No 202 - has offices in Brussels, Paris and Pittsburgh. It has several projects in hand both in Belgium and abroad; metallurgical works at Wandre belonging to SA ARMCO-PITTSBURGH; ammonia and chemical fertiliser works in Bulgaria for TECHNOIMPORT, Sofia (in cooperation with the French companies, GEXA and CIFAL, which are supplying two thirds of the equipment); a complex producing ammonia and urea at Barcika in Hungary, working under licence from HUMPHREYS & GLASGOW LTD (an ICI process for reforming natural gas and a VETROCOKE process for decarbonating gas); another for synthesizing ammonia for STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA (which will be its partner in running the plant early in 1966).

311/28 As a result of the recent agreement between the Canadian group, ALUMINIUM LTD, Montreal and the German group, VEREINIGTE ALUMINIUMWERKE AG, Bonn (see No 297) to set up a plant in Germany for hot-rolling (and secondarily cold-rolling, as well) with an initial capacity of about 200,000 tons of aluminium a year, a factory is now being built at Norf which is due to come into operation before the end of 1966. It will be run by a joint and equally-owned subsidiary of the two companies called ALUMINIUM NORF GmbH (capital Dm 5 million) managed by Mr Ernst Weckesser (Grevenbroich) and Mr Albert Weber (Bremen).

311/29 The Italian company, NUOVO PIGNONE-INDUSTRIE MECCANICHE & FONDERIE SpA, Florence (capital lire 3,400 million), - conversion of metals, oil engineering, prefabricated building materials - has set up a 99% sales subsidiary called STE INDUSTRIELLE & COMMERCIALE PIGNONE FRANCE Sarl at Paris (capital Ff 10,000; manager, M. Claud Quillet of Levallois-Perret, Seine).

Through this new company, Nuovo Pignone, which is part of the ENI group, will distribute on the French market its meters, regulation devices, pumps, heat exchangers and heavy equipment for boiler-work.

Not long ago, Nuovo Pignone granted a licence for the manufacture of its reciprocating compressors to CHANTIERS DE L'ATLANTIQUE (PENHOET-LOIRE) SA, which is part of the group CIE INDUSTRIELLE & FINANCIERE DES CHANTIERS & ATELIERS DE SAINT-NAZAIRE SA (see No. 302).

311/29 BYRON JACKSON NV, Etten, a subsidiary of BORGWARNER CORP, Chicago (see No. 305) has opened a branch at Croydon, Surrey, to represent it for its oil well or water well drilling equipment etc. A sister company, B.J. SERVICE NV, was formed at The Hague a short time ago to take care of its sales and after-sales service.

FINANCE

311/29 Through its subsidiary, NAIRN WILLIAMSON LTD, Lancaster, the London group, NAIRN & WILLIAMSON (HOLDINGS) LTD, is forming a sales subsidiary at Antwerp, NAIRN WILLIAMSON (BELGIUM) SA (capital Bf 50,000). The board includes M. C.A.J. Guillaume, Antwerp, Mr. H. Priestley, Norvil, Mr. P.H. Barley, Morecambe, Lancashire, and M. A. Picot (director of the subsidiary NAIRN FRANCE SA, Tours, Indre & Loire, formerly CIE FRANCAISE DU LINOLEUM NAIRN, Choisy-le-Roi).

The British group makes plastic goods, linoleum, floor covering, tiles and vinyl asbestos sheets. It is the outcome of a merger in 1962 between two linoleum and plastic firms, J. WILLIAMSON & SON, Lancaster, and MICHAEL NAIRN & GREENWICH, Kirkcaldy, who have rearranged their manufacturing capacity under a company which was formed, called NAIRN WILLIAMSON; it is headed by Mr. G. Nairn and Mr. E. Peel.

311/29 The New York bank DONALDSON, LUFKIN & JENRETTE INC has turned the office which it opened recently in Brussels (see No. 287) into a subsidiary under its own name (capital Bf 2 million), which will be directed by Mr. C.Q. Williams and M. E.J. Messenkopf (financial director).

The new business will handle government securities and undertake all kinds of commercial and financial operations and investigations, particularly for American firms in Europe, but will not act as exchange brokers, nor as Belgian bankers.

FOOD & DRINK

311/29 The Swiss company, HERO CONSERVEN LENZBURG AG, Lenzburg (see No. 268), which is one of the leading European manufacturers of tinned foods (more than 300 specialities - drinks, meats, fruits, jams, etc) has increased its interests in the Common Market by taking a large shareholding in LAVORAZIONE INDUSTRIALIE DELLI ORTOFRUTTICOLI (LIDO) SpA, Verona. This company (president, Sig. Paolo Bianchini) was set up in 1960 with a capital of lire 120 million (which has since been doubled) and specializes in fruit preserves.

The Swiss group has two subsidiaries in the Common Market: CONSERVES LENZBOURG SA FRANCO SUISSE, Lyons (capital Ff 4.5 millions; factories at Perpignan and Machilly, Haute Savoie) and HERO CONSERVEN BREDA NV, Breda (issued capital Fl 7.5 million; authorized capital Fl 12.5 million), which has two branches in Belgium. The group also has subsidiaries in Switzerland, CONSERVEN-FABRIK ST GALLEN AG, St Gall (only recently acquired) and HERO FLEISCHWAREN LENZBURG AG (capital increased last March to Sf 2 million) and interests in Spain, HERO ALVANTARILLA SA, Alvantarilla, Murcia, and in Brazil where it is giving technical and scientific assistance to the building of a cannery.

311/30 ETS EDOUARD MATERNE SA, Jambes-Namur (see No. 268) has a 50% interest in VIKING INTERNATIONAL SA, Brussels (see No. 253) whose capital has been raised to Bf 140 million and its name changed to SA DES PRODUITS SURGELES FRIMA. This was in exchange for Materne's "Frima" (frozen foods) department at Grobbendouck and a shareholding in STE GENERALE DE DISTRIBUTION - SOGEDI SA, Brussels.

Viking International (capital raised to Bf 65 million early in 1964) was formed in 1962 on the initiative of STE DE TRACTION & D'ELECTRICITE (of the STE GENERALE DE BELGIQUE group) to make and distribute food products including frozen and refrigerated food. It took over the business of EUROGEL, Brussels; acquired a large shareholding in STE GENERALE DE DISTRIBUTION - SOGEDI; formed jointly with FAIRMONT FOODS CO, Omaha, Nebraska, a Brussels company FAIRMONT-VIKING-FAIRVIK SA (see No. 218) to sell ice cream; and took control of FRIGORIFERES DU LITTORAL SA, Ostend, the largest Belgian producer of frozen fish, in which GORTON'S OF GLOUCESTER INC, Gloucester, Massachusetts (see No. 253) recently became a shareholder. Before Edouard Materne came on the scene control was divided between CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE, Brussels, and CIE DU KATANGA, Brussels, the former having acquired some months ago shareholdings from STE GENERALE DE BELGIQUE and several group companies (TRACTION & ELECTRICITE and MERCANTILE MARINE ENGINEERING & GRAVING DOCKS CO SA, Antwerp).

311/30 RIZERIES INDOCHINOISES SA, Paris, is continuing to set up new companies to promote its property business, in Lancon-de-Provence, Bouche du Rhone. Having set up STE AGRICOLE DU CHATEAU DE CALISSANE SA, STE AGRICOLE DE LA DURANCOLE SA and STE AGRICOLE DES GRENACHES SA (see No. 291), it has now formed STE AGRICOLE DE LA PLAINE DES BERRATINS SA (capital Ff 48,000), STE AGRICOLE DU DOMAINE DE RIVOIRE SA (capital Ff 284,000), STE AGRICOLE DES CAVES DE CALISSANE SA (capital Ff 628,000) and STE AGRICOLE DES TERRES DU BAILLI SA (capital Ff 412,000) which all have their headquarters at Lancon-de-Provence.

Recently Rizeries Indochinoises took over completely SA DES TUILERIES DE L'INDOCHINE, Paris (capital Ff 30,000) and in doing so increased its own capital from Ff 2.8 to 2.9 million; its president, M. Jean-Louis Chancel, was recently appointed to the board of STE D'ALIMENTATION DE PROVENCE SA, Avignon (factories at Champfleury, Vaucluse, at Abervilliers, Seine, at Fenouillet, Hte Garonne, and at Capdenac, Aveyron).

311/31 A joint sales subsidiary, SOVEDI - STE DE VENTE & DE DISTRIBUTION SA, Saint-Gilles, has been formed in Belgium by three French distillers which wish to increase their foreign representation (see No. 290). They are COINTREAU Sarl, Angers (through its subsidiary SIMFA - STE D'IMPORTATION & DE FABRICATION SA, Saint-Gilles, Brussels - formerly SOVEDI SA - which is directly controlled by STE BELGE COINTREAU & CIE Snc, St-Gilles), MAISON E. REMY MARTIN & CIE SA, Cognac, Charente, and IZARRA-DISTILLERIE DE LA COTE BASQUE Sarl, Bayonne.

M. J. Degroof, a Brussels banker, is president of the new company, and it will be directed by M. Huy Manguin, a director of SIMFA. Its initial capital of Bf 6 million is held 45% by Remy Martin, 39.8% by Simfa, 10% by Izarra, and 5.2% by Ste Belge Cointreau. Each of the three French companies has its own sales organization abroad and they are already partners in the Dutch sales company SOVEDI-NEDERLAND NV, Nijmegen. Recently they took a minority interest in the firm which represents them in West Germany, SCHNEIDER-IMPORT GmbH & CO, Bingen.

311/31 The UNIBRA SA group, Brussels (see No. 297) has transferred to its associate, DAMM SA, Barcelona, its shareholding in the Barcelona brewery CICSA - CIA INTERNACIONAL DE CERVEZAS SA, Barcelona. The brewery has transferred to it a site at Vigo in Galicia, which it is now planning to develop. The Belgian group has a shareholding in the Spanish company LA ESTRELLA DE AFRICA, FABRICA DE CERVEZAS SA, Cento, and has already made large property investments in Spain, particularly at Marbella, Costa del Sol.

Apart from the holding company SKOL INTERNATIONAL LTD, Hamilton, Bermuda, Unibra has interests in NV BISCUIT & CHOCOLADEFABRIEK VICTORIA, Dordrecht, VICTORIA EXPORT NV, Dordrecht, BRASSERIE KAROLOS FIX SA, Athens (which will soon be brewing "Skol" lager beer), VICTORIA-AIGLON-PAREIN, Elisabethville, Congo, and UNIBRA-CONGO Sarl, Leopoldville.

311/31 The two Dutch companies, CACAO- & CHOCOLADEFABRIEKEN BENSDORP NV, Bussum, and KON. CACAO- & CHOCOLADEFABRIEKEN BLOOKER NV, Amsterdam, which are both controlled by BENSDORP INTERNATIONAL NV, Bussum (see No. 299) and which both make well-known brands of chocolate and confectionery, are becoming linked by combining their sales systems in a new joint sales organization at Bussum under the management of Mr. A. Duyn. The products of the two companies will continue, however, to be sold under their own brand names.

INSURANCE

311/31 CONSUMER LIFE INSURANCE CO LTD, London, which is controlled by Mr. W.J. Burke (Jamaica, New York) and directed by Mr. Floyd J. Kops of London (former chairman of UNION TRUST LIFE INSURANCE, Milwaukee, Wisconsin) has failed in its attempt, begun last autumn, to take over the insurance business of CIA MEDITERRANEA DI ASSICURAZIONI SpA, Palermo and Rome, which is in compulsory liquidation.

This Italian company was set up in 1952 under the name CIA MEDITERRANEA DI SECURITA (backed by Sig. Riccardo Ricciardi, its president, and Sig. Angelo Mescola, its director general). Its premiums were about 40% lower than those of other automobile insurance companies, which was economically unsound and the company could not stay in business in spite of a capital contribution of lire 2,280 million. Put into liquidation in the middle of 1964, it made over its "Life insurance" branch to the Istituto Nazionale di Assicurazioni.

The Italian government has refused the Consumer Life Assurance offer because of its plan to introduce a new form of life insurance which would be against the Italian law which fixes the amount of the reserves invested in securities at 15%. The new British method, introduced in Britain as the GEE PLAN (Guaranteed Equity Endowment) would have combined the total investment of premiums and reserves in securities.

311/32 The Dutch insurance company, VERSEKERING-MIJ NOORD-HOLLAND NV, Alkmaar (backed by Mr H.J.Hofstee, banker of Alkmaar), has opened a branch in Brussels to be in charge of its business in Belgium. Mr Henri B.G.Droog (Wezembeck) is to be its director.

OIL, GAS & PETRO-CHEMICALS

311/32 Two plans for building pipelines to carry finished oil products between the refineries of Marseille-Lavera and Switzerland have been united. They are (1) the plan which gave rise to the formation of the research company STE DU PIPE-LINE MEDITERRANEE-RHONE Sarl (see No 293) by 11 other companies in Paris, and (2) the plan devised by the group UGP-UNION GENERALE DES PETROLES SA, Paris, to set up a system from its refinery at Feysin, Isere, to supply Geneva (via Annecy), Lyons, Saint Etienne and Dijon. In the circumstances the capital of Ste du Pipe-Line Mediterranee-Rhone, which has been turned into a limited company, has been raised from Ff 110,000 to Ff 10 million.

The original partners' shareholdings will now be as follows: CIE FRANCAISE DE RAFFINAGE SA (group CIE FRANCAISE DES PETROLES SA) 21%; ESSO STANDARD SAF, 14.167%; SHELL FRANCAISE SA 13.67%; STE FRANCAISE DES PETROLES BP SA, 12.166%; TOTAL - CIE FRANCAISE DE DISTRIBUTION SA (CFP group) 5%; DESMARAIS FRERES SA 5%, ANTAR-PETROLES DE L'ATLANTIQUE 4.3%; MOBIL OIL FRANCAISE SA, 3%; CIE DES PRODUITS CHIMIQUES & RAFFINERIES DE BERRE SA, 2.5%; PETROFRANCE SA, 1.55%; PURFINA FRANCAISE SA, 1.5%. The new shareholders are: UGP, 8.7%; STE DES TRANSPORTS PETROLIERS PAR PIPE-LINE SA, 5%; PETROLYS SA, 1.1%; ETS THEVENIN & DUCROT SA, 0.8% and PROPETROL-LES CONSOMMATEURS DE PRODUITS PETROLIFERES SA, 0.55%. Work will not start until permits are granted by the French and Swiss governments.

311/32 STE DE PROSPECTION ELECTRIQUE SCHLUMBERGER SA, Clamart, Seine (see No 305), which has at its disposal the most advanced techniques for geological research and for controlling tubing and production, particularly of oil, is preparing to take an active part in off-shore prospecting in the British part of the North Sea. For this purpose it is setting up two headquarters, one at Great Yarmouth and the other at West Hartlepool, Durham, to coordinate the work of seven prospecting outfits using "Schlumberger" equipment. The French firm is a member of SCHLUMBERGER LTD, Houston, Texas (see No 258) and its capital is Ff 14.25 million. It controls STE D'INSTRUMENTATION SCHLUMBERGER SA in Paris, which has just taken over seven of the group companies.

311/33 In order to extend its off-shore prospecting in the Persian Gulf (Zone No 1), where it is already working with American, Dutch, Italian, Indian and French firms, NIOC - NATIONAL IRANIAN OIL CO has made an agreement to work with the German group consisting of DEA-DEUTSCHE ERDOEL AG, Hamburg (see No 308), PREUSSAG AG, Hanover (see No 286), WINTERSHALL AG, Celle (see No 299), GELSENKIRCHENER BERGWERKS AG, Essen (see No 296), DEUTSCHE SCHACHTBAU- & TIEFBOHRGES mbH, Lingen, Ems (of the group SALZGITTER AG, Berlin - see No 208), GEWERKSCHAFT ELWERATH, Hanover (joint subsidiary of WINTERSHALL, ROYAL-DUTCH, SHELL and STANDARD OIL CO OF NEW JERSEY - see No 269) and SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer (wholly-owned subsidiary of VEBA-VEREINIGTE ELEKTRIZITAETS, through BERGWERKGESELLSCHAFT HIBERNIA AG - see No 301). A joint subsidiary has been formed called PERSIAN GULF OIL CO and it will be responsible for carrying on the German-Iranian project. The Teheran government has been guaranteed 75% of future profits in addition to the lump sum of $10 million.

PLASTICS

311/33 C.I.C.M. - CIE INDUSTRIELLE DU CAOUTCHOUC MANUFACTURE & DES PLASTIQUES SA, Paris, (capital Ff 500,000) which produces rubber goods for industrial use, has sold its only subsidiary, STE NORMANDE DE CAOUTCHOUC, CHAUSSURES & FOURNITURES INDUSTRIELLES Sarl, Caen, Calvados (capital Ff 150,000) to Swiss interests. It now belongs to Mme Denise Jacqueline Hufschmid who has also taken over management of the firm.

311/33 ALKOR-WERK KARL LISSMANN KG, München-Solln (see No 247) (maker of polyethelene sheets and tubes), which is headed by Herr Dieter Lissmann, has formed ALKOR ITALIANA Srl at Milan to extend its sales in Italy. The manager is Sig S. Atila and its lire 900,000 capital is held 60% by Herr Atila and 40% by Herr Carl Otto von Kuhlmann.

The German firm (whose sales subsidiary ALKOR GmbH has agencies and branches in the main towns of West Germany, last year obtained 34.4% in DEUTSCHE OERLIKON-PLASTIC GmbH, Munich (controlled by OERLIKON PLASTIK AG, Zurich of the group WERKZEUGMASCHINEN OERLIKON, BUEHRLE & CO), which has been renamed ALKOR-OERLIKON PLASTIC GmbH (capital Dm 1.9 million).

311/33 The firm STOCKAGE RATIONNEL "STORA" Sarl, Fontenay-Tresigny, Seine-Maritime (capital Ff 100,000) has been renamed PLASTIPOL-FRANCE SA; its president is M. Albert Goetschy, of Choisy-le-Roi, Seine.

It has links with the German plastic storage and display equipment maker METALLWERKE SAAR GmbH, Grävenwiesbach über Usingen, Taunus (capital Dm 465,000) and with its Swiss subsidiary PLASTIPOL AG, Baden, Aargau (Sf 150,000), and with IMSAP SA, Saint Louis, Haut Rhin (Ff 65,000).

Metallwerke Saar, which is headed by Herr Günter Schanz, Frankfurt and employs more than 500 people, controls the German machine-tool manufacturer, LAHN-PRESSWERKE GmbH, Villmar über Limburg, Lahn. In Italy it is represented by PLASTIPOL SpA, Milan (capital lire 1 million - see No 187).

PRINTING & PUBLISHING

311/34 The publishing group ARNOLDO MONDADORI EDITORE SpA, Milan (see No. 288) has bought from TIME LIFE INTERNATIONAL, Netherlands NV, Amsterdam (European subsidiary of the group TIME INC, New York - see No. 239) its 50% shareholding in PANORAMA SPA, Milan, and thus obtained complete control. Panorama was formed in 1962 with a capital of lire 50 million (see No. 147) and publishes a monthly magazine with a large circulation, which started in September 1962 and has been concentrating increasingly on problems of Italian life, which is why the American group has decided to part with its shareholding. Arnoldo Mondadori publishes a great number of periodicals: "EPOCA", "BELERO FILM", "CONFIDENZE", "TOPOLINO", "ARIANNA" etc. Its main Italian subsidiaires are CATIERA DI ASCOLI SpA, Ascoli Piceno, (in which ANSTALT PRESSE FINANZSYNDIKAT, Vaduz has 25%), CARTIERE VALCERU SA SpA, Milan (100% controlled), MONDADORI WESTERN PUBLISHING SpA, Milan (50-50 with a group consisting of LIBRAIRIE HACHETTE SA, Paris, GOLDEN PRESS INC, New York and WESTERN PRINTING LITHOGRAPHING CO, Racine, Wisconsin - see No. 263), AUGURI DI MONDADORI SpA, Milan (licensee and associate of AMERICAN GREETINGS CORP, Cleveland, Ohio, etc.

311/34 Mr. Lee Nathan Steiner of New York who is already backing two Swiss companies at Glarus, PAVOR SA (capital, Sf 200,000) and LONTANA AG (capital Sf 50,000) which manage writers' copyrights, has now taken an interest in a new company of the same kind but specializing in cinema and television called MEDUSA PRODUCTIONS LTD (capital Sf 100,000) which has been formed at Glarus also. Other shareholders in the new company are Mr. Joss S. Morgan (Los Angeles, California), Mr. Willy Staehelin (Feldmeilen), Mr. Jörg Hämmeril (Zurich) and Mr. Peter Hafter (Herrliberg).

311/34 LIBRAIRIE A. HATIER SA, Paris (capital Ff 4.5 million) which recently set up ADEC - ASSOCIATION PUR LE DEVELOPPEMENT EDUCATIF & CULTUREL SA, in Paris to specialize in books for the African public (see No. 301) has now set up HATIER EDITIONS SA at Fribourg, Switzerland (capital Sf 50,000; sole director, M. Jacques Sillig of La Tour-de-Peilz), to carry on all kinds of publishing.

TEXTILES

311/34 PHILIPPART INTERNATIONAL SA, Tournai, Belgium (see No. 176) has opened a Bradford branch, which will be directed by Mr. R.F. Fawcett and Mr. S.R. Watling. It was formed in October 1962 (see No. 173) 50-50 by FILATURE PHILIPPART Tournai and ROBERT CLOUGH (KEIGHLEY) LTD, Keighley, Yorkshire to make and sell "High Bulk" acrylic fibres, Filature Philippart, which recently formed two Brussels subsidiaries, PHIDATEX SA and DAPHITEX SA, is general agent for the sale of Philippart International's products ("Orlon", "Courtelle" and "Leacryl" fibres etc) for all European countries except Britain, which is served by RICHARD FAWCETT & SONS LTD, Bradford, a subsidiary of the Keighley group.

This group also has an Italian interest in the form of a 45% share holding in MOHAIR GRICLO SpA, Prato Sesia, Novara, formed in July 1963, which is directed by Sig. Lombardi Renato (president) and Mr. J.A. Clough (Vice-president). The other 55% belongs to FILATURA DI GRIGNASCO SpA, Grignasco.

VARIOUS

311/35 The Dutch company APPARATENBOUW "MOBA" NV, Barneveld, which was formed in January 1962 with a capital of Fl 500,000 to make equipment for rearing poultry, has set up a subsidiary at Basle called D'APPARATEBAU "MOBA" AG (capital Sf 50,000). At first this will be a sales company. Its president is M. Jacob Hendrikus Mosterd, Barneveld, who heads the parent company (whose French concessionary is the poultry firm VICTOR LEROUX, Garanciere, Seine-et-Oise).

311/35 Mr Charles F. Knight of Wilmette, Illinois who is a large shareholder in KNIGHT ENGINEERING AG, Zug (capital Sf 1,936) and in VARIEL NEDERLAND NV, Krimpen a/d Ijssel (in which the Dutch shipbuilding company, VAN DER GIESSEN-DE NOORD NV has a 50% interest - see No 232) has been appointed president of KNIGHT & WEGENSTEIN AG recently formed at Zurich. The new company has a capital of Sf 500,000 and is a firm of industrial, commercial and financial consultants. Mr Willy O. Wegenstein (Zurich) who backs the consulting and management company, WEGENSTEIN MANAGEMENT AG, Zurich (capital Sf 200,000), manages the new company.

311/35 Three Dutch fuel trading companies, TIELEN'S KOLENHANDEL NV, FIRMA P.W. DEKKER and FIRMA DEEK'S BRANDSTOFFENHANDEL, all at Utrecht, have joined with Mr Marinus J.G. Hendriks and Mr Johannes Koenheim as equal shareholders in a new Utrecht company, HANDELSONDERNEMING "ALVU" NV (capital Fl 100,000) which is to sell heating and household equipment.

311/35 NV RANDSTAD UITZENDBUREAU, Amsterdam has set up an almost wholly-owned subsidiary called NV INTERLABOR at Saint-Josse-ten-Noode, Brussels (capital Bf 300,000). Like its parent company it will be an employment agency for temporary staff.

311/35 STE DE DISTRIBUTION MENAGERE SA, Ivry, Seine (capital Ff 220,000) is in liquidation. It is making over its "household electrical goods" department to POZZI FRANCE SA, Ivry, the general agent in France of the Milan group, MANIFATTURA CERAMICA POZZI SpA (see No 266).

Its service is being taken over by STE PETROLIERE D'IMPORTATION SA, Paris (capital increased to Ff 2,064,360), and its butane and propane gas distribution business is being taken by UNION DES GAZ MODERNES SA, Paris (capital increased to Ff 10,000,600).

Both Ste Petroliere d'Importation and Union des Gas Modernes are affiliates of UIP - UNION INDUSTRIELLE DES PETROLES SA, Paris which is part of the state-owned group, UGP - UNION GENERALE DES PETROLES SA.