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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

Ref files

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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KENNEDY ROUND SURVEYED I

Two years after the GATT ministerial session which marked the beginning of the Kennedy Round of tariff negotiations seems a good moment to take stock of the situation, not only in order to clarify what it is all about but also to calm various doubts and fears and destroy some illusions. Considering the vastness of the task - the freeing of world trade - it is hardly surprising that this, perhaps the greatest economic negotiation in history, is taking some time to reach a conclusion; the length of the talks will not matter in the end provided that the negotiators are sincere in wanting a conclusion and as long as they do not allow themselves to forget that it must have been reached by June 1967. On that date, the American President's powers to negotiate, granted under the Trade Expansion Act, come to an end, and there is no reason to believe as yet that Congress or for that matter President Johnson himself, will necessarily wish to prolong them if the negotiations drag or if the United States stands to lose too much by them.

Basically the battle is being fought between three key participants involved in the negotiations, which (in order of volums of their external trade) are the Common Market, the United States and Britain. In order to get an idea of what is at stake, it must be remembered that the Common Market is the largest world importer with imports worth nearly \$26,000 million in 1964 compared with the United States with \$18.3 million. During the period 1958 - 1964, Common Market imports increased by 53%, those of the USA by 34% and those of Britain by 28%. The Common Market buys from the USA twice as much as it sells there (in 1964 this was 90% more than in 1948) and its trade balance last year showed a deficit of \$3,000 million while the USA had a balance of trade surplus of \$6,500 million. The Community's Common External Tariff (CET) is also at a generally lower level, covers fewer products and includes fewer exceptionally high duties, than the tariffs of either of the other two main countries involved. In the common external tariff system, only 5% of the customs duties are of over 25%, against 28% of the American and 30.7% of the British. 10.4% of American duties are of over 35% while the proportion over that level in the other two countries is negligible (1.8% of English duties and 0.05% of the CET).

This situation explains why the Common Market negotiators are ready to fight so fiercely over the question of disparities in the face of American insistence on the magic formula of a linear reduction of 50% of all tariffs (with certain exceptions). The Community defines a disparity as existing whenever a high duty in one of the main countries concerned is at least double a low duty on the same product in another key country and when there is a gap of 10 points or over between the two, (this is the rule except for semi-finished goods) except when (1) the country with the lower duty does not import the product concerned or (2) when it does not manufacture or is not about to manufacture it. It was not until the autumn of 1964 that either side was brought to see the error of insisting too strongly on their own solutions and tried a more realistic and practical approach. From then on the American formula of a 50% linear reduction was kept as a "working hypothesis" and the problem of disparities, too, was also not forgotten: in order to find a way out of the impasse, it was decided that each country should fix its own basic duties without committing itself towards the other countries as yet, and should use these duties as the foundation for offers of tariff reductions to be made after a list of exceptions had also been submitted accompanied by an explanation of the reasons for making them.

The comparison of the tariff lists of the Common Market, the United States and Britain is still not complete and a reference year remains to be agreed. There are also other snags to be overcome such as what happens when the duties in force are below those consolidated in GATT, not to mention duties which have not yet been consolidated. In this situation it has not been easy for the Community to draw up a complete list of disparities. Nevertheless, the Common Market Commission has decided to go ahead and reexamine the problem on the most liberal basis possible, mainly by undertaking bilateral negotiations with other European countries which stood to suffer most from an agreement between the key countries; if the key countries were to cut their lowest tariffs by less than 50% some European countries with low tariffs, such as Switzerland, Austria and the Scandinavian countries, whose chief market is the Community, and which are sometimes the principal suppliers of a product, would suffer a severe setback. So the Community has invited the EFTA countries (except Britain, one of the key countries) to discuss possible solutions to this problem. At this point the American delegation cunningly submitted a new series of "additional criteria" making it possible to remove various chemical products, colourants and drugs, from the list of disparities. (There would be no disparity if (1) the main supplier of the product in question was not one of the key countries (USA, Common Market or Britain); (2) if the country concerned was in the habit of importing the product in large quantities in spite of a high duty. The Common Market was thus faced with the task of finding a disparities formula which could be applied to all other countries except for the United States; so at a meeting of the Council of Ministers in December 1963, the Community recognized how important this problem was to certain European countries and decided that if applying the 'disparity' rule affected countries with a large export trade to the Common Market too severely, the Six would be ready to discuss the question with them, and if the circumstances appeared to warrant it, to waive the rule, or to apply a special cut in the tariff near to 50%. This is what is known as the "European Clause" which is designed to give some help to other European countries without applying to the USA (and which is supposed to allow these countries to expand their trade with the Common Market satisfactorily).

Since then, the Community has looked into all possible ways of dealing with the problems of other European countries such as those of Switzerland (for clocks and watches, silk, mechanical engineering and chemical products), Sweden (for paper and pulp). This question is an urgent one because the "disparity rule" will have only a very limited effect on the USA. It will have its greatest effect on trade within Europe and between Europe and the Commonwealth. The solution proposed by the Common Market can therefore be validly tested by the case of Switzerland. The average level of the United States customs barrier is 11% but for products coming from Switzerland the average rate is 30%. British experts working on the problem found that out of 190 cases of "real disparities" between the Common Market and the USA, the main supplier in 130 cases was the United States, in 27 Britain, and 20 Switzerland. The 20 Swiss cases represented $32 million (of exports) and the 27 British, $21 million. In 171 other less clear cases of disparities for imports into the Common Market from other European countries, 48 or $189 million worth were from Britain and 48 or $150 million were from Switzerland, that is, half Switzerland's exports to the Common Market of products of which she is the main supplier. In other words, if all these disparities were used as a reason not to cut the Community tariffs involved by 50%, Switzerland's chances of expanding her trade with the Common Market might be seriously impaired, - and the negotiation largely fruitless from her point of view..

However, that was only a beginning; the real business did not begin until last November 16 when the first stage of the multilateral negotiations began and the exceptions lists were submitted. Only five participants sent in lists, the Common Market, the United States, Britain, Japan and Finland. Switzerland abstained in the hopes that its particular case would receive special attention. This policy was also followed by the other countries taking an active part in the negotiations, Sweden, Austria, Denmark and Norway. The five lists of exceptions submitted were followed in January and February of this year by explanations justifying them; the third step will involve a comparison of the lists and their justifications.

The United States has divided the tariffs on its list into four categories: (1) Those chosen for economic reasons; (2) those covering products which must be left out of any tariff reduction because they are specifically mentioned in the Trade Expansion Act, (this is the escape clause); (3) those covering products more than 50% of which are imported from countries that are not members of GATT (this applies mainly to oil and oil products) and which are to be excluded altogether from the negotiation; and (4) those covering products which are to be excepted on a technical point, - there are some products for which the duty actually in force on May 4, 1964 was below the legal duty fixed for them. As a result, a 50% reduction made at that date in the legal duty would mean a reduction of less than 50% of the duty then in force. In this category are also included some products, on which the legal duty had been suspended altogether on May 4, but which could not, under the Trade Expansion Act, be consolidated at nil.

The American delegation only attempted a justification of the exceptions in the first category and gave as a reason for them problems of regional unemployment. Meanwhile almost every other delegation insisted on a justification being made for every other category (which are termed as "legal"). The Community representatives also considered the categories which the Americans had attempted to exclude altogether (class 3) should have been classed as exceptions pure and simple. They also maintained that when the United States made an exception of a product on which the duty was high and which the Community could include in its list of disparities, the Community should also be allowed to except that product from any alterations in the CET. Under American definitions of "an exception", the American list hardly covers more than 10% of American imports, but this would become 20% or more if petroleum products were included as exceptions, instead of being excluded from the discussion altogether; the Common Market has in fact objected to this exclusion and to the justification that this is because they are supplied by non-members of GATT.

Britain, while using her need for industrial development involving large-scale investment for research and technological changes to justify her list, has taken pains to limit the number of exceptions, and this has been recognized by several delegations, especially the American. The British list applies mainly to cotton goods (this will be examined further next week), jute and plastics. Britain's aim in this is absolutely clear - to gain as large as possible a reduction in the CET in order to mitigate the effects of her exclusion from the Common Market. The British have also demanded reciprocity in some quite important sectors, over linen goods, automobiles, steel and chemical products, and this has been a cause of controversy, mainly with the American delegation.

The Japanese list which is based on social and political reasons such as the structural reforms now being undertaken in Japan, stability of supplies, and even considerations of public health and national defence, was really too complicated for the other delegations to form any very clear idea of its significance. At the moment Japan's main market is the United States and what really interests her, as a highly competitive country selling goods at low prices, is to see the abolition of discriminations and quota restrictions which Japanese goods encounter, especially in Europe, rather than any overall tariff reduction. As for Finland, it justified its exceptions list by pointing out that it must diversify its economy which is still too dependent on timber-using industries.

There remains the Community list. This, which is very carefully planned to support the (future) common industrial and trade policy of the Six, has not met with any great opposition from Britain or her EFTA partners; the Scandinavian countries, however, pointed out that the list included a number of products which together make up a large proportion of Scandinavian exports (such as paper and pulp). The American delegation was much the most critical, maintaining that the Community was trying to keep much too great a number of products out of the negotiations, and it claimed that the list covered 40% of the Six's imports (if steel is included).

While waiting for the outcome of this debate on the justifications for the exceptions lists, Mr Wyndham White, Director General of GATT, sensibly suggested that multilateral talks should be suspended for the time being, and that the countries involved work bilaterally, or in threes or fours, to sort out their problems and see if they could not reach some solutions. Reasonably enough, the negotiations have passed from the stage of general comparisons to limited discussions and have left mathematical formulas alone for the moment in favour of an examination of the problems sector by sector. The next article will deal with this new stage.

(To be concluded)

Preserving Competition in a Giant's Market

Herr Hans von der Groeben, the member of the Common Market Commision responsible for competition policy, provided a comprehensive survey of the problems of competition within the Common Market and between Common Market companies and those of other countries, in his speech to the European Parliament on June 16. The most important part of Herr van der Groeben's report was his discussion of the highly topical question of industrial mergers and concentrations. At the beginning of his talk he also referred to the fact that "there is particular concern over the predominance of powerful, foreign-owned companies". "It is considered", he went on, "a matter of the greatest urgency that companies (in the Six) should be enabled to merge into larger groups and demands are being made for the suppression of all artificial obstacles restricting concentrations which are fast becoming an economic necessity. The Commission considers these demands from business circles as fully justified", Herr von der Groeben said; "Concentration of industrial and business concerns is highly desirable not only as an economic necessity but because it increases productivity".

However, because of the wide variations in the state of industry between one sector and another and between one market and another, "it is not possible to find a general rule for the ideal size of companies". It is not just a question of merging anything anywhere and forcing the pace by artificial means. The Commission's policy, therefore, was not to stimulate mergers but to remove restrictions so that mergers could go ahead naturally without let or hindrance. Herr von der Groeben outlined three objectives and the means by which they could be reached:

1 Eliminate all artificial restrictions on mergers and concentrations as these had become economically desirable; this would guarantee the international competitiveness of Community companies. In the first place, this would involve an intensification of competition within the Common Market. The second stage would be the removal of all obstacles to mergers and investment in companies abroad, as well as to the creation of jointly-owned subsidiary companies. As far as any changes in company law were concerned, the Commission would submit, sometime during the next few weeks, its proposals for a "European company", to the Common Market Council. It had also established or was in the process of completing a whole series of directives on company law (recognition by Common Market countries of the legal status of companies of other member countries; transfer of company headquarters from one member country to another without affecting its legal status; mergers of companies created in different member countries; mutual recognition and execution by member countries of judicial decisions in other member countries; creation of a uniform bankruptcy law, etc...). On the fiscal side, the Commission was also attempting to iron out difficulties arising from differences in tax laws. It had, for instance, already proposed that taxes on capital contributions to companies should be harmonized, to prevent double

taxation. Finally, Herr von der Groeben emphasized "the extreme importance of scientific and technical progress to the development of the Community." and reminded his audience of the plan for a European patent law which would soon be followed by a European trade-mark law.

2 Remove artificial distortions of competition between small and medium-sized companies on the one hand and large companies on the other. The Commission is convinced that the smaller companies have an "important part to play in ensuring a smoothly running competitive system" but thinks they often work at a disadvantage because of insufficient facilities and funds for technical and market research as well as for further financing. To remedy this situation which was on occasion aggravated by "rules and regulations devised with the larger companies in mind", the Commission has proposed a series of measures: immediate introduction of the common added-value tax system; agreements for joint research projects, and for rationalization and specialization; methods of joint buying; measures to facilitate access to the capital market and, where they are needed, aids for redevelopment." Finally, it would be worthwhile to encourage regroupings where they were needed. In connection with this question of the relationship between the large and the smaller companies Herr von der Groeben again referred to "increasing competition from large companies from countries outside the Community and from the United States in particular". "Certainly", he went on, "such investments are as a general rule fully justified in economic terms; but they involve difficulties when they are encouraged by artificial means such as special taxation measures or when they are aimed at dominating the market... Conditions of equal competition must be the first consideration of all those concerned; but even so, there remains the problem of the over-large company with too much financial power and dominance on the market. The Commission has therefore decided to apply the Treaty competition rules to all restrictive practices... whether they are the work of companies inside or outside the Common Market".

3 The policy of concentration must be devised so as to preserve effective competition. Herr von der Groeben believes in companies increasing in size and in effective competition between several large or "oligopolistic" companies, but there was a limit: he was against monopolies, that is to say against concentrations which eliminate effective competition". The problem was how to set up safeguards against this in practice. The view taken by the Commission was that article 85 of the Rome Treaty which prohibits agreements, decisions or concerted practices which prevent, restrict or distort competition within the Common Market, was not applicable to mergers even when they did affect competition. Article 86 which prohibits any improper exploitation of a dominant position did not in fact prevent dominant positions as such being built up, so it became a very delicate matter to decide when a concentration was guilty of an abuse prohibited under the Treaty even if the concentration went on to involve still more companies. It would be, in fact, a matter of deciding each case separately. However, Herr von der Groeben calculated that the closer such a large company came to being a monopoly by merging with or taking over another, the greater the "probability that the company is approaching

a situation where it will be abusing its dominant market position because of over-concentration".

* * *

Negotiations with Nigeria, Tunisia and Morocco

As forecast, France, in the Council meeting of June 15, formally withdrew her objection that Nigeria had not made enough reciprocal concessions in her negotiations to become an Associate of the Common Market (see No. 305, page 10). As a result, the final phase of the talks on the draft agreement can start at the end of June and should be over by mid-July, which means that it can still be signed before the end of the year. The Commission will also be continuing its negotiations with Morocco and Tunisia during the next few days but these are not nearly so far advanced.

The Commission's new mandate which it was given on June 15 is rather limited. Economic problems such as what financial assistance the Common Market will eventually give the new Associates, with the usual additional benefits of right of establishment, circulation of capital, etc, will not be discussed at this stage and nor will the institutional problems involved in association. Trade, only, will be dealt with during the talks, and even this will not be dealt with fully as some products, such as olive oil, fruit and vegetables, which are certainly among the most important, if not the most important of Moroccan and Tunisian exports, are not to be discussed until the Six themselves have approved the various Community regulations on them.

Finally, the Community will offer both countries (separately) a free-trade area for industrial and agricultural products exempted from the levy. Free entry into the Common Market will come into force immediately and free entry for Common Market goods into the new Associates will be achieved by degrees. The Six are also demanding guarantees of origin of products and safeguards against competition from incoming goods at abnormally low prices. Also some concessions will be made over agricultural products which are subject to the levy, either in the form of a reduction of the levy or through a tariff quota system.

As far as M. Mansholt's scheme for an agreement between the citrus-fruit producing countries of the Mediterranean is concerned, the Six do not appear to have fully grasped or appreciated its implications, or so it happens from their first discussion of the idea (see No. 307, pp. 8 and 9). The Moroccans and Tunisians, for their part, have also given the plan a luke-warm reception, so it seems that it will take a long time to get it accepted.

* * *

ECSC

ECSC Competition Policy and the Future Community

"A European legal system cannot be based on a consistent set of rules if these are modified for different sectors of the European economy" Mr Linthorst-Homan, member of the High Authority, said during a speech to the European Parliament in which he explained how ECSC's competition policy works. For this reason, in preparing the new European Treaty (which will combine the Treaties of Paris and Rome) the negotiators should decide the sort of special regulations that are necessary for certain sectors and for heavy industry. The High Authority attaches great importance to the proposal to set up a European Office for Mergers and Agreements and has been studying the German Kartellamt (cartel office) in Berlin to get an idea of how it might work in practice. It came to the conclusion that retroactive control of agreements would not be enough in ECSC industry, but, at the same time, it would be going too far to demand prior authorization for every merger or concentration of all kinds. A solution somewhere between the two would therefore be ideal.

In explaining the High Authority's present policy on competition (which is based on the rules for competition set down in the Treaty of Paris), Mr Linthorst-Homan pointed out that the Treaty was more lenient towards mergers and concentrations than it was towards agreements, which was logical because concentrations had a definite place in the growth of an economy and the large investments involved in them often led to structural improvements, the risk of the venture also being entirely borne by the companies. Agreements, however, might be only provisional and may distort competition without leading to any degree of modernization in the structures of the companies concerned. There were those, of course, who maintained that rigorous control of agreements, by limiting them, encouraged concentrations and mergers, but there was no proof of this.

One of the most important practical problems facing the High Authority in this field, Mr Linthorst-Homan said, was how to decide on the ideal size for companies in view of the new dimensions of the Common Market in which they have to work. It also happened quite often that an application for authorisation of a merger or an agreement was favourably received by the coal and steel technical departments which saw the problem entirely from the angle of how much any concentration was going to help technical progress and research, while the experts on competition were more concerned that competition might be restricted or distorted if authorisation was given too readily however good the reasons. It was the High Authority's job, therefore, to see that what the Court of Justice has called "essential measure of competition" was safeguarded within the framework of an "oligopolistic" market. In general the High Authority took its decisions with three principles in mind: the units involved must be kept separate; any inducement to take independent action must not be removed as a result of closer relations between units; at the same time, no company or group of companies must be allowed to evade the rules safeguarding competition provided by the Treaty.

It was really a question of faithfully carrying out the intentions of the Treaty, Mr. Linthorst-Homan continued, not only because it laid down actual laws to apply directly to companies but to prevent ECSC succumbing to the temptation to run the entire coal market under an agreement, maintaining in justification that competition between coal and other forms of energy was difficult enough to cope with by itself. However, companies often entered restrictive agreements in order to protect the weakest company otherwise in danger of being squeezed out; - the stronger companies being willing to afford this protection because although it, in theory, reduced their share of the market, it increased in practice their profits per unit produced.

This point of view should also be taken into account when dealing with rationalization agreements which, if they were to be regarded as such, must conform to certain definite conditions, or with specialization agreements which the ECSC Treaty does not prohibit. If not, the industry might gradually become inflexible over the years.

However, it did not follow that the High Authority would always refuse to recognize the advantages which agreements could have for industry: for example, agreements between producers could facilitate specialization and short-cut a production programme, and agreements between consumers for joint purchase or conversion of certain raw materials could also be of great benefit. In fact, it means the High Authority must judge each case on its merits and decide whether, in the general interest, the advantages of any given agreement outweigh any restriction of competition which may result.

So far, in dealing with agreements, the High Authority had imposed numerous special conditions for varying circumstances and had even, on occasion, introduced special rules to control agreements which it had authorized in principle, Mr. Linthorst-Homan said. The European Parliament ought, in theory, also exercise this control but in doing so, it would have to avoid contravening article 47 of the Treaty governing business secrets.

In summing up for the European Parliament the problems of devising a single competition policy to be incorporated in the single Treaty, Mr. Linthorst-Homan stressed that any western organization founded on law would be out of the question if it did not have the cooperation of parliament to make it democratic.

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		ENTAL (LEASECO), Zug jointly own RHEIN-MAIN LEASING, Frankfurt.
29	FOOD & DRINK	Austria: FINDUS VERTRIEBS formed in Vienna. Italy: ROWNTREE & CO, York sets up sales organization at Emilia-Romagna; GENERAL MILLS, Minnesota opens Milan sales branch for its Panama holding company.
29	GLASS	Italy: DUROBAR ITALIANA formed in Milan by Belgian subsidiary of OWENS ILLINOIS, Ohio.
30	PAPER & PACKAGING	Belgium: C.H.DEXTER & SONS, Connecticut sets up Brussels subsidiary. Netherlands: Merger between NV VEREENIGDE METAALVERPAKKING MIJ and VERENIGDE INDUSTRIEEN ENDRA.
31	PHARMACEUTICALS	Belgium: LABORATOIRES DE PHARMACOLOGIE HOMEOPATHIQUE DOLISOS, Paris increases capital of its Belgian subsidiary. W. Germany: Reorganization of German interests of PARKE DAVIS & CO, Detroit.
31	PHOTOGRAPHY & OPTICS	Italy: Milan subsidiary of AGFA to take over Milan subsidiary of PHOTO-PRODUITS GEVAERT. U.S.A: I.F.I. - ISTITUTO FINANZIARIO INDUSTRIALE, Turin, sells some of its interest in MINNESOTA MINING & MANUFACTURING.
33	PLASTICS	France: Agreement between VINATEX, Surrey and DORLYL, Paris. Netherlands: VELOK, Montreal sets up Amsterdam subsidiary.
33	SPACE	France: Agreement between THOMPSON RAMO WOOLDRIDGE, Ohio and ENGINS MATRA, Paris.
33	TEXTILES	France: Agreement between KON TEXTIELFABRIEKEN JORDAN-TER-WEEME and COTONIFICIO LEGLER for distribution in France. Luxembourg: ARNOLD BECKER, Frankfurt sets up Luxembourg subsidiary. Netherlands: JOHN HEATHCOAT, Devon and TEXTIEL INDUSTRIE ANDEX, Uithoorn to set up joint subsidiary; London subsidiary of STEINBERG & SONS (LCNDON & SOUTH WALES) sets up Amsterdam subsidiary, TEXIFUSED.
34	TRADE	Belgium: SERCA - SERVICE EUROPEEN DE RELATIONS COMMERCIALES & ADMINISTRATIVES formed at Brussels; BESSIN & SALSON, Seine et Oise sets up Brussels sales company. France: BUNGE. Antwerp transfers Paris branch to STE FRANCAISE BUNGE. Italy: SIAS (STA ITALO AMERICANA SUPERMARKET SpA), Naples opens branches at Brescia and Bergamo; SALIS HANDELS - & GESTSTATTENBETRIEBS sets up WESTERMAYER at Milan.

34	TRANSPORT	Belgium: BELGIAN FRUIT LINES - BFL, Antwerp increases its capital.
36	VARIOUS	Italy: INTERNATIONAL DEVELOPMENT ESTABLISHMENT takes majority interest in STEPHANIE BROWMAN ITALIANA, Milan: FRIEGON-SPECIAL-GESCHAEFTSEINRICHTUNGEN THEODOR KOHL, Vienna backs FRIEGON ITALIANA. Netherlands: U.A. MUSIC INTERNATIONAL, New York sets up U.A. MUSIC (NEDERLAND). W.Germany: MANPOWER, Milwaukee backs new Frankfurt company.

ADVERTISING

310/22 The Dutch advertising agency, RECLATECNICA/RECLASTUDIOS NV, Amsterdam, (see No. 275) is backing a new company, RECLA INT. (DEUTSCHLAND) WERBEGES. mbH, formed at Cologne (capital Dm 20,000; manager Mr. Hans Willem Belt of Amstelveen, Herr Manfred Bläser of Cologne, Mmes Martje P. van der Houten of Brent and Annelore Bläser of Cologne). The new company will promote advertising for foreigner advertisers on the German market.

In August 1964, the Swiss subsidiary of Reclatecnica/Reclastudios called RECLA INTERNATIONAL SA, Montreux, set up a London company, RECLA INC (GREAT BRITAIN) LTD.

AIRCRAFT

310/22 Agreement has been reached in West Germany between GAMD - GENERALE AERONAUTIQUE MARCEL DASSAULT Sarl, St. Cloud, Seine (see No. 300) and TRAVEL-AIR GmbH, Bremen (see No. 289), giving Travelair exclusive sales rights in Germany and responsibility for maintenance and testing of the jet aircraft "Mystere 20", build by Dassault and equipped with "General Electric Cf 700" engines.

Travelair, which represents BEECH AIRCRAFT CORP, Wichita, Texas (see No. 211), also sells and maintains turbo-props made by SFERMA (formerly a subsidiary of SUD-AVIATION, now merged with it).

AUTOMOBILES

310/22 The Belgian company, BRUXELLOISE D'AUTO-TRANSPORTS - BAT SA (see No. 308) which last year managed to acquire all the shares in SOBINPEX, has now decided to close down another of its subsidiaries, SOBETEC SA, Molenbeek-St-Jean (see No. 215). (M. J. Beherman and M. E. Coppens have been appointed official liquidators).

Sobetec came under the control of BAT in 1963, having been before the subsidiary of CIVA (now liquidated) which later was taken over by BEHERMAN-DEMOEN SA (subsidiary of BAT).

BAT (president M. J. Beherman) has 50% in BELGE D'ASSEMBLAGE D'AUTOMOBILE (see No. 308); a few months ago it set up a subsidiary called TAXIS VERT formed in Brussels, and also acquired a holding in SCALDIA-VOLGA SA (see No. 275); recently, however, it abandoned several other of its holdings, such as those in HENSCHELL ENGINEERING SA, Brussels, in STAEPELAERE & ZONEN NV and in BELTRIMA SA, Wilrijk.

BUILDING & CIVIL ENGINEERING

310/22 P.C. HENDERSON LTD, Romford, Essex, which makes sliding doors and accessory fitments, has set up its first subsidiary on the Continent at Amsterdam, where it has formed a production and sales company called P.C. HENDERSON (NEDERLAND) NV, (capital Fl 100,000). The new company is 95% owned by its parent company. Mr. Marinus van de Meeberg has been appointed chairman of the board. Other members are Mr. William George Frazer, Mr. Bernard Vere Henderson (chairman and deputy-chairman respectively of the parent company) and Mr. Johan C.S. Warendorf.

Up to now, the British firm has had only two overseas subsidiaries, P.C. HENDERSON (PTY) LTD, South Africa, and P.C. HENDERSON (NZ) LTD, New Zealand.

310/23 The Belgian firm LES GRES GUERIN SA, Bouffioulx, has transferred its stoneware and ceramic factory at Morialme, Dinant (gross assets estimated at Bf 24.55 million) to a subsidiary, CARBOSILICE GRES GUERIN SA, Bouffioulx (capital Bf 9 million).

Mr. Jules M. Guerin is president of the subsidiary, which will exploit the "Guerin" process for architectural stoneware, making pipes and all kinds of earthenware building materials.

310/23 INTERSPAN AG, Zurich (see No. 262), which was set up in 1962 by German interests to promote and sell licences and patents for the manufacture of "Interspan" prestressed building materials in Switzerland and abroad, has backed a new company set up at Frankfurt, called INTERSPAN FRANKFURT GmbH (capital Dm 50,000) to extend the Zurich company's activities in Germany. The new company is managed by M. W. Matthey de l'Etang, a Zurich engineer, and M. Stefan Metzker, one of the directors of Interspan, Zurich.

In Italy, "Interspan" patents are worked by INTERSPAN ITALIA SpA - CIA INTERNAZIONALE PER IL PRECOMPRESSO, Milan. The Swiss company also has interests abroad including a 20% holding in STE FRANCAISE POUR LA PRECONTRAINTE-INTERSPAN FRANCE SA, Paris, which is controlled 40% by STE GENERALE D'ENTREPRISES SA (linked to the SOFINA group, Brussels) and 40% by CIE INDUSTRIELLE DE TRAVAUX - CITRA SA, of the SCHNEIDER & CIE group.

CHEMICALS

310/23 The British group, ALBRIGHT & WILSON LTD, London (see No. 172) has increased its interests in Italy by backing two new companies there, MULTICHEM SpA and CAMBRIA SpA (both with capitals of lire 20 million) directly controlled by a subsidiary of Albright & Wilson, called MARCHON PRODUCTS LTD, Whitehaven, Cumberland. Both companies have been set up at Castiglione Delle Stiviere, Mantua, where there is already a company, MARCHON ITALIANA SpA, controlled by the British group (see No. 147) which has branches in Milan, Rome, etc...

Of the two new companies, Multichem (chairman Mr. Otto Secher) is to produce organic chemical products, and the other, Cambria (chairman Sig. Danilo Fagandini) inorganic products.

Marchon Products is a large producer of detergents, shampoos and soaps and sells its products throughout the world under the brand names "Empicols", "Empilans", "Empiwaxes", "Nansa", "Eltesols", "Laurex", "Emphibos", etc... Its parent company, Albright & Wilson, has another subsidiary, MIDLAND SILICONES LTD, London (held jointly by the DOW CORNING CORP), which has an agent in Rotterdam, MIDLAND SILICONES NEDERLAND NV, a company which was set up in 1962 to sell macromolecular derivatives of silicon.

This Dutch company was set up jointly with NEDERLANDSCHE VERKOOPKANTOOR VOOR CHEMISCHE PRODUCTEN NV which had represented Midland Silicones in the Netherlands for some years before. Midland Silicones is also represented in Denmark by MIDLAND SILICONES A/S, Copenhagen, which was formed last year.

310/24 SHARPLES FRANCE SA, Rueil Malmaison, Seine & Oise (president M. Pierre H. Saget) represents its parent company, PENNSALT CHEMICALS CORP, Philadelphia (see No. 304) in the new firm, PENNSALT GARDINIER SA, which has been formed in Paris (capital Ff 400,000) as a result of a 50-50 agreement between the American group and the French fertilizer group ETS GARDINIER SA, Paris. The new business (president M. Xavier Gardinier) will make disinfectants for the dairy and food industries; also anti-rust and solvent preparations etc.

The Ets Gardinier group (president M. Lucien Gardinier, one of whose sons M. J. Paul Gardinier, is also a director), is controlled by the Gardinier family. Since 1963 10% of it has belonged to ASED - AMMONIAC SYNTHETIQUE & DERIVES SA, Brussels (capital Bf 5 million; it is controlled by EVENCE COPPEE & CIE Scs and CITIES SERVICE INTERNATIONAL, New York, and CIE DE DEVELOPPEMENT INDUSTRIEL SA, Brussels; both have 26.2%).

310/24 The German company, GRAPHITWERK KROPFMUEHL AG, Munich, which extracts, treats and sells natural graphite, has entered Southern Rhodesia and has joined with a local group to set up a subsidiary in Salisbury called RHO-GERMAN GRAPHITE (PVT) LTD (capital Rhod.£ 50,000). This new company will work graphite deposits east of the Kariba dam. The German company will supervise the building and running of a plant to treat the graphite which ought to start production by the end of 1966.

Graphitwerk Kropfmuehl is owned about 35% by BANKHAUS H. AUFHAUESER KG, Munich (see No. 308), about 30% by FRIED. KRUPP, Essen (see No. 296) and more than 20% by BAYERISCHE HYPOTHEKEN- & WECHSELBANK, Munich (see No. 309).

310/24 SUED-CHEMIE AG, Munich, is following the example of the two Austrian companies, HIAG-WERKE AG and OESTERREICHISCHE STICKSTOFFWERKE AG, Linz (see No. 227) which pooled their facilities for research into the use of natural gas in the production of carbon disulphide; it has made a similar arrangement for technical cooperation with the Austrian companies, CHEMIEFASER LENZING AG, Lenzing and DONAUCHEMIE AG, Vienna.

Donauchemie is owned 46% by CREDITANSTALT-BANKVEREIN, and 26% by MONTANA AG FUER BERGBAU, INDUSTRIE & HANDEL, Vienna, another shareholder being NOBUGIL Sarl, Paris, which is itself a joint and equally-owned subsidiary of NOBEL-BOZEL SA, PROGIL SA and UGINE SA.

As a result of the recent agreement, a new company, SCHWEFELROHRENSTOFF-STUDIEN GmbH, has been formed at Vienna. This company will base its research mainly on American experiments with natural gas and will be able to make practical use of its findings in a factory with which it has been provided, at Pischelsdorf, near Graz, where there are huge deposits of natural gas.

310/24 The maker of special paints, TRIMETAL PAINT CO BELGIUM NV, Machelen, Brabant, has raised its capital from Bf 90 to Bf 92.5 million, enabling ETS FRANCK & STEEMAN NV, Machelen, Brabant (capital Bf 10 million: maker of vitrifiable enamel and waxes) to take a 2.7% shareholding. The proportion of the largest shareholder KONINKLIJKE MAASTRICHTSCHE ZINKWITMIJ NV, Eijsden, has fallen from 60% to 54%.

The Eijsden firm makes zinc oxides paints; about a year ago, 50-50 with the German metallurgical chemistry company, DUISBURGER KUPFERHUETTE AG, Duisburg (see No. 257), it formed DEKAMA ZINKOXYD GmbH at Duisburg to use its processes in Western Germany.

ELECTRICAL ENGINEERING

310/24 HELIOS DE JANNUZI E MEROPIALI C, Padua (makers of light fittings and lighting equipment) have formed a sales subsidiary at Saint Pierre d'Albigny, Chambery Savoie, called HELIOS-FRANCE Sarl. They hold 50.1% of the Ff 20,000 capital, the balance being divided between the two managers M. D. Albali, Nice, and M. O. Israel. P.V.M. DI JANNUZZI E MEROPIALI, Padua (a sister company of the Italian firm, managed by Sig. Luciano Meropiali) recently formed a Paris subsidiary on the same basis called P.V.M. FRANCE Sarl (see No. 303), to sell Italian light fittings in France and the French-speaking countries of Africa.

310/24 Dr. Albert Kaltenthaler, Dr. W. Johne, Mr. Paul Graef and Mr. Philip Rosenthal have been appointed to the first board of directors of ROSENTHAL TECHNICAL COMPONENTS LTD, Devon (see No. 299) which has been formed by the German group, ROSENTHAL-PORZELLAN AG, Selb (see No. 308). The new company (capital £40,000) is to sell and manufacture industrial ceramics and insulating materials (resistances and condensers) from base materials which will be imported initially from Germany.

"RIG" insulators and industrial ceramics, which represent about 45% of the production of Rosenthal-Porzellan, are made by a Selb subsidiary called ROSENTHAL ISOLATOREN GmbH which is 50% owned by Rosenthal-Porzellan and 50% by AEG, Berlin.

ENGINEERING & METAL

310/24 The German mechanical engineering group, DAIMLER-BENZ AG, Stuttgart-Untertürkheim (see No. 289) which has had a 25% shareholding in MASCHINENFABRIK ESSLINGEN, Esslingen (see No. 288) since the beginning of 1965, has now gained control of the company by acquiring the shareholding (almost 50%) held in it before by GUTEHOFFNUNGSHUETTE AKTIENVEREIN, Nuremberg. It has also made an offer for the rest of the capital which is held at the moment by several owners.

Maschinenfabrik Esslingen is at present changing some of its activities, gradually abandoning the manufacture of industrial furnaces, refuse incineration plants, railway engines and trucks, and going over to production of agricultural handling machinery fitted with Daimler-Benz engines, various compressors and castings made to order. The group has 3,800 employees. Its wholly-owned subsidiaries include the leasing company, MIETANLAGEN ESSLINGEN, INDUSTRIE-VERTRIEBS GmbH, Esslingen (see No. 239) and WOHNUNGSBAU GmbH WEINSTRASSE, Mettingen, which builds housing schemes for workers.

310/24 The groups COCKERILL OUGREE SA, Seraing (see No. 273) and KLOECKNER-HUMBOLDT-DEUTZ AG, Cologne-Deutz (see No. 295), wishing to coordinate more closely their efforts outside the Common Market, have agreed to cooperate in building diesel locomotives exceeding 350 h.p.

Under the terms of a recent agreement, they will be pooling their research; COCKERILL is the expert in diesel electric machines (64 deliveries last year, 39 of them 1,400 h.p.) and KLOECKNER in hydraulic diesel locomotives. They will also pool their market research outside the Common Market.

310/26 The New York constructional engineers GIBBS & HILL INC, New York (see No. 253) plan to set up GIBBS & HILL-FRANCE SA in Paris (initial capital Ff 250,000).

Like the sister company formed last year at Milan in partnership with ELC ELECTROCONSULT SpA, Milan (GIBBS & HILL-ELC SpA, headed by Sig. Giovanni Someda and Sig. Boris Lokhak), the new company will undertake research, installations and other work connected with electrical engineering, especially for power stations (conventional, hydraulic or atomic), power transport and distribution, etc.

310/26 DRIVER-HARRIS CO, Harrison, New Jersey, manufacturer of metal, steel and carbon alloys, which also makes wire and thermo-electrical refractory products, has doubled the capital of its Milan subsidiary, DRIVER HARRIS ITALIANA SpA to lire 300 million. The president of the Milan company is Mr. Frank L. Driver and it is run by Sig. G. Parmeggiani (who recently replaced Mr. Robert M. Parry as managing director). It has factories at Milan, where its head office is, and also at Terrazano-Rho, Milan (technical and sales direction). Under the brand names "Niehrome", "Advance" and "Managanin", etc, it makes special alloys for resistances, coils, rheostats, potentiometers, diode transistors, electronic tubes, etc. It also represents the American companies CHANCE CO and SUPERIOR TUBE CO.

The parent company has a large organization of manufacturing subsidiaries in Europe: DRIVER HARRIS SA (FRANCE) at Courbevoie (with foundry and special steel products works at Mantes), Seine & Oise; DRIVER-HARRIS IBERICA SA, Madrid; and BRITISH DRIVER-HARRIS CO LTD, Stockport, Cheshire, with steel part works at Manchester, and at New Ross in Ireland. It also has numerous representatives in West Germany, Belgium, etc.

310/26 STE DES ATELIERS DE MECANIQUE DU SUD SA, Montpellier, Herault (formerly at Paris; formed in 1962 50-50 by UIE - UNION INDUSTRIELLE & D'ENTREPRISE SA and LANGUEDOCIENNE FORENCO SA - formerly STE LANGUEDOCIENNE DE FORAGE PETROLIER) has opened a branch at Heerangowaard in the Netherlands.

This company (capital Ff 3 million), which does engineering and boiler work, three years ago acquired from Languedocienne Forenco SA (see No. 155) its workshops at the Montpellier base. This was the subject of a report by MARCHEUROP SA, Brussels, on manufactures which could be substituted for those of small agricultural machines and mechanical cultivators.

310/26 The French company, RNUR - REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt (see No. 306) is increasing its interests in Spain (see No. 284) by setting up a new assembly plant for agricultural machinery at Villafria, Burgos, which will be run by a new subsidiary called SAMAR - SOC. ANONIMA DE MAQUINARIA AGRICOLA RENAULT.

The French group, which hopes to have an output of 10,000 tractors a year by the beginning of 1966, is also to set up an assembly plant for "RB" motorcars at Valladolid. A few months ago it made an agreement with FASA - FABRICACION DE AUTOMOVILES SA, Madrid (which has been manufacturing its own models at Valladolid since 1951), under which RNUR has obtained a 50% holding in FASA, and FASA in return has acquired a 50% share in RNUR's distribution subsidiary, RESA - RENAULT ESPANOLA SA, Madrid. Not so long ago too, RENAULT ENGINEERING joined ESPROGA SA, Madrid, to cooperate in building and selling an automatic car-parking system developed by Esproga.

310/27 The Dutch industrialists Mr. Georges Brandsma, Mr. Johannes Brandsma and Mr. Laurens Teepe (specialists in the electro-chemical processing of metals) are forming a manufacturing and trading company at Hilversum, TEEPE-BRANDSMA ELECTRO-CHEMISCHE METAAL-TECHNIEK NV. Its Fl 100,000 capital belongs to Mr. Teepe and to D. BRANDSMA GALVANISCHE BEDRIJVEN NV, Hilversum, which belongs to the Brandsma family.

FINANCE

310/27 The German merchant bank HARDY & CO GmbH, Frankfurt (see No. 287) and LEASEWAY INTERCONTINENTAL (LEASECO) SA, Zug, Switzerland (see No. 288) hold 51% and 49% respectively in the Dm 800,000 capital of RHEIN-MAIN LEASING GmbH, which was formed in Frankfurt recently to hire industrial equipment.

The Swiss company, a subsidiary of LEASEWAY TRANSPORTATION CORP, Cleveland, Ohio, has large European interests: in Britain, it is a partner with MORGAN GRENFELL & CO LTD, UNITED DOMINIONS TRUST LTD and ROYAL EXCHANGE ASSURANCE LTD in UNITED LEASING CORP. In the Common Market it holds 50.5% in LEASECO NEDERLAND NV (see No. 226), the balance belonging to the bank LABOUCHERE & CO NV, Amsterdam; it also controls LEASECO FRANCE SA (see No. 229) 60-40 with BUP - BANQUE DE L'UNION PARISIENNE, Paris. Leaseco France recently formed an almost wholly-owned subsidiary, LOMATRANS - STE DE GERANCE DE BIENS & DE MATERIEL SA, Paris, to hire out and sell transport equipment, by land, river, sea and air.

310/27 DOW CHEMICAL CO, Midland, Michigan (see No. 278) now has a wholly-owned bank at Zurich called BANK FOR INVESTMENT AND FINANCE CORP, Zurich (capital Sf 25 million). It will cover all areas of international financing (including deals resulting from the group's activities) both in Switzerland and abroad.

The new company's president will be Mr. Robert Barclay Bennett, the group's financial director; Mr. Robert J. Helfenstein (the European production and sales director of DOW CHEMICAL INTERNATIONAL AG, Munich) will also be on the board. The other directors are Mr. Edmund P. Fassler, a director of DOW CHEMICAL and Mr. John Van Stirum, assistant financial director of the group.

310/27 NV HKM - INTERNATIONALE HYPOTHEEK & KAPITALISATIE MIJ has been set up at Antwerp to carry on all kinds of mortgage business in Belgium and abroad. The main shareholders in the new company are the two Antwerp finance companies, ACIFINA, ALLIANCE COMMERCIALE INDUSTRIELLE FINANCIERE SV (42%) and HYPOTHEEK- & KAPITALISATIEMIJ SV (50%). The rest of its Bf 5 million capital is held by M. Roger Lippens, director of Hypotheek- & Kapitalisatiemij (4%) and by another finance company, GEWESTELIJK KREDIET SV, Vostakker (1%).

310/27 Ending negotiations which have been going on for some months (see Nos. 302, 299) BfG - BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt, has taken a 2% shareholding in UFP - UNION FINANCIERE DE PARIS Scs, which therefore again has a German concern among its shareholders.

The two banks are already linked since UFP recently took a 5% holding in IHB - INVESTITIONS

& HANDELSBANK AG, Frankfurt, which is 46% controlled by BfG, in conjunction with BRAUNSCHWEIGISCHE STAATSBANK, Braunschweig (25% - see No. 308).

310/28 The finance company ITALSWISS - CIA FINANZIARIA ITALO-SVIZZERA SpA, Milan (president Sig. Renzo di Piramo) has received official permission to act as a trustee. It was formed in September 1963 (capital lire 10 million) by the Swiss bank BANQUE WEISS SA, Chiasso.

310/28 BANK OF AMERICA NATIONAL TRUST & SAVING ASSOCIATION, San Francisco, California, completing its network of agents in the Common Market (see No. 266) has opened its first Belgian branch at Antwerp. Bank of America (president Mr. R.A. Peterson) has offices at Amsterdam and Rotterdam, branches in Paris and Düsseldorf, agents at Frankfurt and Milan and a subsidiary at Milan called BANCA D'AMERICA & D'ITALIA SpA.

The American bank is also taking advantage of the political and economic stability in Austria, the cross-roads for trade in central and eastern Europe, and is opening a branch in Vienna which will add to its strength in EFTA where it has branches in London, Zurich, Copenhagen, etc...

FOOD & DRINK

310/28 The chocolate and confectionery group ROWNTREE & CO LTD, York, which recently formed ROWNTREE (ITALY) SpA (capital lire 50 million - see No. 303) at Milan, is now setting up a sales organization at Emilia-Romagna, with an office at Bologna, which will be managed by M. G. Helfferich.

310/28 The Swiss group, NESTLE ALIMENTANA SA, Vevey, Vaud (see No. 302), through its subsidiary, FINDUS INTERNATIONAL SA, Chatel-Saint-Denis, Switzerland, in charge of the group's interests in frozen foods, has backed a new company, FINDUS VERTRIEBS GmbH set up at Vienna (capital Sch 15 million; managed by Herr Hans R. Hemmeler).

310/28 GENERAL MILLS INC, Minneapolis, Minnesota (see No. 272), the largest milling concern in the USA, has opened a Milan sales branch of its holding company, GENERAL MILLS INC, Panama, and appointed Dr. Marino Chiaffarelli to manage it.

Last year GENERAL MILLS INC (president Mr. E.W. Raylings) obtained a 20% shareholding in HEUDEBERT SA, Nanterre, Seine (capital Ff 12 million - see No. 242) which was formed as a result of dividing the assets of ALIMENT ESSENTIEL HEUDEBERT SA (belonging to the Swiss NESTLE group, through SODAP SA, Courbevoie), which became ALIMENT ESSENTIEL SA and was turned into a holding company (president M. J. Vernier; SODAP SA and STE FRANCAISE LAITIERE run the company). Its partner in Heudebert is BISCUITERIE ALSACIENNE SA, Maison Alfort. Since 1959 it has also had a British subsidiary, GENERAL MILLS LTD, Bromborough, Cheshire (formerly LATHAM FOODS LTD).

GLASS

310/28 OWENS ILLINOIS INC, Toledo, Ohio (see No. 297), which used to be OWENS ILLINOIS GLASS CO, is increasing its interests in the Common Market through its Belgian subsidiary, DUROBAR SA, Soignies (which used to be CIE INTERNATIONALE DE

GOBELETERIE INEBRECHABLE - see No. 231). Durobar has just set up a subsidiary at Milan called DUROBAR ITALIANA SpA which it will control absolutely. The new company has an initial capital of lire 7.5 million which the board (chairman M. Paul de Lavelaye of Ganshoren, director of the parent company) is authorized to increase to lire 150 million. It will manufacture and fabricate all kinds of articles from glass, porcelain and ceramics.

The Belgian parent company, Durobar, has several sales companies abroad including DEUTSCHE DUROBAR GmbH, Frankfurt (set up in August 1963 - see No. 22) and INTERGLAS NV, Rotterdam (set up in 1962 - see No. 161).

The American group, Owens Illinois, which makes plastic and paper products as well as glassware, has a number of direct interests in the Common Market including: KIMBLE ITALIANA SpA, Milan (see No. 292) which took over from VETRERIA SCIENTIFICA PISANA SpA, Milan (which has now been liquidated) its factory for production of test tubes and glass containers for laboratory use at Pisa; and AG DER GERRESHEIMER GLASHUETTENWERKE VORM. FERD HEYE, Düsseldorf-Gerresheim, which is 51% controlled by the American group and which recently acquired a subsidiary at Mönchengladbach called GERRO PLASTIK GmbH (see No. 297) to make plastic containers for the chemicals industry. Owens Illinois also has several indirect subsidiaries through OWENS-CORNING FIBERGLASS CORP, Toledo (president General L. Norstadt - see No. 277) including: OWENS-CORNING FIBERGLASS (EUROPE) SA, St.Gilles-Brussels, which is about to start a new factory for synthetic fibres at Battice; and OWENS CORNING FIBERGLASS (ITALY) SpA, Milan (see No. 269), etc...

PAPER & PACKAGING

310/28 The American company, C.H. DEXTER & SONS INC, Windsor Locks, Connecticut, producers of special paper products, has set up a subsidiary called DEXTER INTERNATIONAL SA at Brussels (capital Bf 1 million) to promote its expansion and sales in Europe. This new company (president Mr. David L. Coffin of Suffield, Connecticut, manager M. Ph. Coppin of Chainhem, the American group's European director) will sell, export and prepare all kinds of paper and allied products (such as tracing and filter paper) as well as all kinds of chemical materials, pigments, resins, plasticizers, adhesives, dilutions, rubbers and preserving agents used in producing special paper products.

Dexter International, in spite of the similarity in names, is nothing to do with DEXTER CONTINENTAL SA which was set up in Brussels by WOLFERS INDUSTRIE SA, Brussels, in June 1961, and specializes in ball bearings for machine parts.

The American company, Dexter & Sons, is already represented in Belgium by M. Ph. Coppin and in France by MIEHLE-GOSS-DEXTER SA, Paris (formerly INTERPRINT SA and part of the Chicago group, MIEHLE-GOSS-DEXTER INC - see No. 246).

310/28 Two Dutch packaging manufacturers, NV VEREENIGDE METAALVERPAKKING MIJ, The Hague, and VERENIGDE INDUSTRIEEN ENDRA NV, Nijmegen, are negotiating a merger under a new company which will be formed, MVM - ENDRA NV. They will concentrate their manufacture at Oss in a factory employing 120 people and will make mainly metal packages and some machine tools used for making them.

This is a further example of the regrouping which for some time has been going on in the Dutch packaging industry. The most striking case was when THOMASSEN & DRIJVER BLIKEMBALLAGEFABRIEKEN, Amsterdam, took control of VERBLIFA - NV DE VEREENIGDE BLIKFABRIEKEN, Amsterdam. The former's board has been joined by Mr. A.E.J. Nysingh, Mr. P.M. van Doormaal, Mr. H. Hofmeester, Dr. W.T. Kroeze and Mr. A.P. Zwager as representatives of Verblifa. The group will now take the new name of EMBALLAGE-INDUSTRIE THOMASSEN & DRIJVER-VERBLIFA NV and the manufacturing unit thus formed will be responsible for more than one third of the total Dutch production of packages (metal, plastic and other).

Verblifa has a great many subsidiaries in the industry, including DORDRECHTSCHE METAALWARENFABRIEK v/h WED. J. BEKKERS, Doesburg (which shares with its parent company control of the automatic vending machines NV DE VEREENIGDE AUTOMATIENFABRIEKEN - VAF, ELEKTRO-BLIKFABRIEK NV, Leeuwarden, METAALWARENFABRIEK HEYLOO & VISSER NV, Krommenie, METAALWARENFABRIEK PIELKENROOD NV, Zaandijk, NEDERLANDSCHE METAALINDUSTRIE POLYNORM NV, Bunschoter (only 30%). The company also controls the investment company BELEGGINGSMIJ "ZAANDIJK" NV, Zaandijk, the sales company HANDELMIJ v/h F. KORTMAN NV, Rotterdam, the heating and re-heating appliance makers MIJ TOT VERVAARDIGING VAN DUCAAT VERWARMINGS- & KOOKAPPARATEN NV, Doesburg, and the metal printing and varnishing firm LITHOGRAFISCH METAALDRUKKERIJ & VERNISINRICHTING NV v/h FA W.F. PAAUW & ZOON, Leyden. It has research laboratories at Krommenie and Utrecht. In France it has a 5% shareholding in the plastic tubular package firm COTUPLAS SA, Paris, a 53% subsidiary of TUBOPLAST SA, Paris (see No. 254). 5% shareholdings in Cotuplas are held by VDM - VEREINIGTE DEUTSCHE METALLWERKE AG, Frankfurt, PIRELLI SpA, Milan, AKERLUND & RAUSING NEOPAC, Berne, CASCELLOID LTD, London, and RHEEM AUSTRALIA (PTY) LTD.

Thomassen & Drijver also has a large organization abroad, especially in Belgium: it holds more than 80% of SOBEMI SA - STE BELGE D'EMBALLAGES METALLIQUES, Brussels, 40% of SHORKO-THOMASSEN DRIJVER SA, Bornem, Antwerp (plastic camera and other films) and a minority shareholding in A.E. RUYS-HAARLEM NV, Haarlem (flexible and transparent packaging); its partner in these firms is SHORKO INVESTING SA, Zug, joint subsidiary of USI-INTERNATIONAL SA, Zug, member of the New York group NATIONAL DISTILLERS & CHEMICAL CORP and of NV BATAAFSCHE PETROLEUM MIJ, The Hague, member of the ROYAL DUTCH/SHELL group.

It also has minority shareholdings in ALUMINIUMEMBALLAGEFABRIEK BOXAL NV, Veenendaal (aluminium packaging), INTERNATIONAL MACHINERY CORP, St. Nicholas Waas (machinery for the preserving industry) which is linked with CONTINENTAL CAN CO, New York, and in LA SUPERBOX FABRICA CONTENITORI METALLICI SpA, Florence (metal packaging), subsidiary of THE METAL BOX CO, London.

PHARMACEUTICALS

310/30 The American drugs and chemicals group, PARKE DAVIS & CO, Detroit (see No. 249) has reorganized its interests in Germany where it has had a branch (at Munich) since the beginning of the year and where it also has three subsidiaries. The first of these, BETA PHARMAZEUTISCH-CHEMISCHE PRODUKTE GmbH, Munich, has had a capital increase to Dm 14.6 million and has changed its name to YPSILON GmbH FUER VERBANDSTOFFE PHARMAZEUTIKE as it specializes in the manufacture and sale of medical dressings. The other two subsidiaries, GAMMA PHARMAZEUTISCHE PRODUKTE GmbH and DELTA CHEMISCHE

PRODUKTE GmbH will continue to produce and sell drugs and chemical products respectively.

Parke Davis has another German subsidiary which it controls 50-50 with the New York company, COMMERCIAL SOLVENTS CORP, called CHEMSYNA GES FUER WISSENSCHAFTLICHE FUTTERMITTEL & CHEMIKALIEN mbH, Munich which makes cattle foods.

The Detroit group's other interests in the Common Market are: in France, a wholly-owned subsidiary, STE FINANCIERE & COMMERCIALE DE CADILLAC SA, Paris, and a majority shareholding in LABORATORIES PARKE DAVIS SA, Neuilly, Seine; in Belgium, two wholly-owned subsidiaries, PARKE DAVIS & CO SA, Uccle-Brussels and CAPSUGEL SA, Barnem; in Italy, PARKE DAVIS SpA, Milan. Outside the Common Market it has interests in Switzerland - the holding company, DAVPAR CO, Zurich, parent company of Capsugel, and the sales company, CHEMSYNA AG, Basle in which REILLY TAR & CHEMICAL CORP, Indianapolis, Indiana also has a holding; and interests in Spain, LABORATORIOS PARKE DAVIS SAE, HIDRACINA & DERIVADOS SA and QUIMICA SINTETICA.

310/31 LABORATOIRES DE PHARMACOLOGIE HOMEOPATHIQUE DOLISOS Sarl, Paris (see No 291) is expanding its Belgian subsidiary L.P.H. DOLISOS SA, Brussels, Ixelles (see No 260) by raising its capital to Bf 3.5 million, which has enabled it to raise its direct control to 56%.

PHOTOGRAPHY AND OPTICS

310/31 PHOTO-PRODUITS GEVAERT SA, Mortsel, Antwerp, and AGFA AG, Leverkusen, who are merging their subsidiaries abroad (see No 306), are arranging for AGFA FOTO-PRODOTTI FOTOGRAFICI SpA, Milan (president Count G.della Rocca de Candal: capital Lire 100 million) to take over FOTOPRODOTTI GEVAERT SpA, Milan (president Mr H.Cappuyns: capital Lire 500 million).

310/31 I.F.I. -ISTUTUTO FINANZIARIO INDUSTRIALE SpA, Turin (see No 294)(holding company of the FIAT SpA (Turin) group) has sold on the Stock Exchange about 30% of its 846,153 shares in MINNESOTA MINING & MANUFACTURING CO, Saint Paul, Minnesota (see No 304) a minority holding which it acquired last July in return for control of FERRANIA SpA, Milan (capital Lire 9,000 million).

Ferrania SpA specializes in photographic chemicals and recently took over two group companies, S.A.L.I. and RIVISTA FERRANIA DI FOTOCINEMATOGRAFICA.

PLASTICS

310/32 The Canadian company, VELOK LTD, Montreal, manufacturers of nylon fasteners, is extending its activities to Europe and has set up a wholly-owned subsidiary at Amsterdam called HOUDSTERMIJ INVENTIONES NV (capital Fl 250,000). The firm will be a holding company and will distribute the licences and patents of the parent company, in Europe.

310/32 VINATEX LTD, Carshalton, Surrey, has made a manufacturing and sales agreement with DORLYL SARL (see No 290), which was formed at the end of 1963 in Paris (see No 299).

Dorlyl belongs 50-50 to GEORGES LESIEUR ET SES FILS SA, Paris and CIE FRANCAISE DES PRODUITS CHIMIQUES SHELL SA (controlled by the ROYAL DUTCH SHELL group) and it makes plastic packaging for liquids.

Vinatex Ltd (member of the group REICHHOLD CHEMICALS LTD, Liverpool, of which Mr George S. Bache is chairman) is financially independent of the American group of the same name at White Plains, New York. There are, however, technical links.

Vinatex has obtained from Dorlyl a licence to make rigid PVC receptacles which will be sold in Britain and some countries abroad under the brand name "Vinatex-Dorlyl". Vinatex is running a PVC paste and powder works near the Brockhampton, Havant, Hants. factory of its sister company VINYL PRODUCTS LTD. Its partner in this concern is REXALL DRUG & CHEMICAL CO, Los Angeles, for whom it sells "EL-REX" polyethelene in Britain.

SPACE

310/32 THOMPSON RAMO WOOLDRIDGE INC, Cleveland, Ohio (see No 308) is extending the technical agreements which it has with companies in France through its space technology Division, TRW SPACE TECHNOLOGY LABORATORIES, Redondo Beach, California (see No 204). It is going to join with the Paris group, ENGINS MATRA SA (see No 298) to carry on research for European space programmes. When the two governments concerned have made the necessary agreements, the two companies will set up a joint subsidiary, MATRAL SA, at Paris.

TRW Space Technology Laboratories (which was merged in 1963 with Thompson Ramo Wooldridge, its parent company) made an agreement two years ago with NORD AVIATION to develop a French satellite for telecommunication called "FR I" which is put into orbit by a "Diamant" rocket built by S.E.R.E.B.

Engins Matra is cooperating with the HAWKER SIDDELEY GROUP LTD, through its space Division HAWKER SIDDELEY DYNAMICS (see No 302) to perfect and build the European research satellite "ESRO 2" (see Nos 273, 243).

TEXTILES

310/32 The wholesale textile dealers ARNOLD BECKER & CO GmbH, (Frankfurt with branches at Munich and Mainz) have formed a Luxembourg subsidiary called ARNOLD BECKER & CO GmbH (capital Lux F 100,000). This will be responsible for expanding the parent company's business in Benelux and will be directed by Herr Rudolf Müller and Herr Ray Muller-Marx.

310/33 KON. TEXTIELFABRIEKEN JORDAN-TER-WEEME NV, Haaksbergen (see No. 191), member of the Enschede group, KONINKLIJKE NEDERLANDSCHE TEXTIEL-UNIE (see No. 221) has made an agreement with COTONIFICIO LEGLER SpA, Ponte S. Pietro, Bergamo (see No. 232), part of the Swiss group, LEGLER & CO, Diesbach, Glarus, to distribute a selection of their household linens in France.

This is to be done through UNION TEXTILE CAMBRAI SA (capital Ff 75,000; president M. R. Cardon) which has been recently formed at Cambrai, Nord. This new company is 66% controlled by the holding company, FINANCIERING & BELEGGING MIJ DE STRANDLOPER NV, Amsterdam. Its other shareholders include TEXTILE UNIE BELGIE NV, Brussels (formerly TER WEEME & JORDAAN BELGIE NV, controlled by Kon. Textielfabrieken Jordan-Ter-Weeme and TER WEEME & ZONEN NV, Neede), ZIJDEWEVERING BORCULO NV, Borculo, NV GEMEESCHAPPELIJK TEXTIEL VERKOOPKANTOOR - GTV NV, Neede, and GWB HANDELS AG, Zurich (26%).

Since last year, Kon. Ned. Textiel-Unie has been linked to Cotonificio Legler (as well as to the Austrian company, F.M. HAEMMERLE TEXTILWERKE, Dornbirn) for textile research. The two companies have a joint, equally owned subsidiary for this purpose called TRIATEX AG at Zurich (see No. 222).

Since 1963, Kon. Textile Fabrieken Jordan-Ter Weeme has had a joint subsidiary with the British group, VANTONA LTD, Manchester (see No. 281) called VANTONA JORZOLIVO LTD.

310/33 The British company, JOHN HEATHCOAT & CO LTD, Tiverton, Devon, largest producer of elastic materials, and the Dutch company, TEXTIEL INDUSTRIE ANDEX NV, Uithoorn, leading Dutch manufacturers of nylon knitwear, are planning to set up a joint and equally owned subsidiary at Uithoorn to start production, by the end of this year, of special fabrics meant principally for bathing suits.

John Heathcoat has a large number of subsidiaries and widespread interests in Britain and two companies abroad, JOHN HEATHCOAT & CO INC, in the United States, and JOHN HEATHCOAT & CO AUSTRALIA PTY LTD in Australia.

310/33 STEINBERG & SONS (LONDON & SOUTH WALES) LTD, London, whose many subsidiaries and sub-subsidiaries make and sell ready-made clothing for women, is starting up on the Continent for the first time. Its subsidiary, TEXIFUSED LTD, London (through STEINBERG & SONS LTD and UPNEY PRODUCTS LTD) has formed a wholly-owned subsidiary at Amsterdam called TEXIFUSED NV (capital Fl 10,000) to make and sell linings and other textile products.

TRADE

310/33 SERCA - SERVICE EUROPEEN DE RELATIONS COMMERCIALES & ADMINISTRATIVES Sprl (capital Bf 200,000) has been set up at Watermael-Boitsfort, Brussels. It is 90% controlled by Mr. Heinz G. Pottlitzer, who has made over to it his rights of ownership to the publication "L'Officiel des Douanes de l'Europe". The company will be managed by M. Henri J. Bureau de la Glisoëlle.

"L'Officiel des Douanes de l'Europe" is a Common Market customs officials' report and SERCA is to look after trade relations in the Common Market for both raw materials and manufactured goods as well as publishing all kinds of reports and reviews.

310/34 SIAS (STA ITALO AMERICANA SUPERMARKET SpA), Naples after setting up "Stella" supermarket at Milan (see No. 256) is continuing to extend its network and has opened branches in Brescia and Bergamo, and is intending to open five other "Stella" stores before the end of the year.

SIAS was formed last year (president, Mr. Mugar Stephen) and it is controlled by the Milan group, MOTTA SpA - SOC PER L'INDUSTRIA DOLCIARIA & ALIMENTARE. It was 49% owned at the outset by STAR MARKET CO, Cambridge, Massachusetts and this holding has since passed to JEWEL TEA CO, Melrose Park, Illinois (which took over Star Market).

Motta has had a licensing agreement since 1955 with the New York group, NATIONAL BISCUIT for biscuits and crackers but this was not renewed this year. It has a holding in conjunction with SILVA SpA, Milan in BIMOT SpA (formerly, STEPHEDILE SpA -- see No. 259) for drinks distribution and in conjunction with BEATRICE FOODS CO, Chicago, it controls BEATRICE & MOTTA SpA, Lavis, Trento which produces "snack-foods". It also shares with GEA - GRANDI EMPORI ALIMENTARI control of CONSERVE ALIMENTARI LATINA SpA, Naples, it has a minority shareholding in several of the PRINZEN BRAUE subsidiaries at Carizio, Crespellano, etc. of the German brewing group, R.A. OETKER (see No. 296).

310/34 BESSIN & SALSON SA, Athis-Mons, Seine-et-Oise (perfumery, stationery, cleaning materials, fancy goods, etc) is backing the formation of a Brussels sales company, BESSIN & SALSON BENELUX-SFEROFLEX Sprl.

The manager is M.C. Mares and its capital is Bf 50,000 shared equally between M. Roland Bessin (president of the French firm) and M.J. Salson. It is a sales agency for optical goods, spectacles, haberdashery, food, clothing, etc.

310/34 SALIS HANDELS - UND GESTSTATTENBETRIEBS GmbH, Salszburg (preparation and sale of food crops: directed by Dr. Karl Berghammer) has formed WESTERMAYER SRL (capital Lire 500,000) at Milan. The shares are controlled 50-50 by the firm and its manager, Herr. Otto Westermayer, a German resident of Milan. The new business will be an agency and will import food stuffs and all kinds of goods.

310/34 In order to reduce the general expenses of its trading in France (mainly dealing in cotton, rubber, grain and chemical products), the Belgian group BUNGE SA, Antwerp (see No. 297) has transferred its Paris branch (formed in 1949, it made a loss of Ff 56,000 in 1964) to a company in the group, STE FRANCAISE BUNGE SA.

The latter's capital has been raised by this operation to Ff 5.95 million and its president is M.E. Fehz. It is held directly by one of the group's Swiss holding companies, CIE COMMERCIALE & FINANCIERE ZURFIN SA, Zurich (capital Sf 500,000). In May 1961 it doubled its capital, which was then Ff 2.55 million.

TRANSPORT

310/34 BELGIAN FRUIT LINES-B.F.L. NV, Antwerp (see No. 214) (transport of perishable goods for the African companies of the STE GENERALE DE BELGIQUE group) has increased its capital by 50% to Bf 180 million. Two of its shareholders, CIE MARITIME BELGE (LLOYD ROYAL) SA, Antwerp (see No. 278) and UNION FINANCIERE D'ANVERS-BUFA SA, Antwerp (see

No. 275) are not taking up their proportions of the increase, so their shareholdings have fallen to 5.55% and 1.11% respectively.

On the other hand SOPARFRUIT-STE DE PARTICIPATIONS FRUITIERES SA, Geneva has increased its shareholding to 8.8% and the percentages of the other main shareholders remain unchanged: 20% each for LEON VAN PARYS SA, Antwerp and ETS. GERARD KONINCK FRERES SA, Antwerp; 18.7% for FRUIT IMPORT NV, Antwerp; 10.0% each for BANANEN IMPORT MIJ-B.I.M.A. NV, Rotterdam and NV VELLEMAN & TAS, Rotterdam; 1% for L.A. VADDEPUTTE STEVEDORING CO NV, Antwerp.

VARIOUS

310/35 MANPOWER INC, Milwaukee, Wisconsin which provides temporary personnel on call (see No. 289) has backed a new company, MANPOWER GmbH in Frankfurt, (capital, Dm 20,500; managed by Mrs. Jeannette Salomons, London).

Manpower, Milwaukee, already has about 300 direct and indirect branches of all kinds throughout the world.

310/35 The American publisher, U.A. MUSIC INTERNATIONAL INC, New York, has set up an almost wholly-owned subsidiary, U.A. MUSIC (NEDERLAND) NV, (capital, Fl 10,000) at Amsterdam.

310/35 INTERNATIONAL DEVELOPMENT ESTABLISHMENT, Schaan, Liechtenstein has taken 90% in STEPHANIE BROWMAN ITALIANA SAS, Milan (capital lire 1 million) which will import and sell and later perhaps manufacture underwear and slimming clothes; also appliances for the obese.

310/35 The Austrian furnishing firm FRIEGON-SPECIAL-GESCHAEFTS-EINRICHTUNGEN THEODOR KOHL GmbH, Vienna (directed by Herr. H. Stummer) is backing the formation of FRIEGON ITALIANA Srl at Badia Calavena, Verona (capital lire 900,000). Herr Theodor A.A. Kohl, who owns the Austrian firm, is the sole director. The new company will be mainly a sales one but will also manufacture equipment for shops, offices, etc.