Opera Mundi EUROPE

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE DOLLAR AND THE U.S. BALANCE OF PAYMENTS III

Leaving aside political considerations, there are various ways of changing the "pseudo" nature of the Gold Exchange Standard system, as Mr. Zolotas, Governor of the Bank of Greece, has called it. It is a question of finding the best way of supplying the link, which at present does not exist, between the gold and the currency elements in the reserves. Mr. Zolotas is putting forward a personal plan in which he gives the International Monetary Fund a large part to play. A striking part of this plan, which was made known in April but has been very little discussed, is how much it has in common with the ideas expressed on June2 by M. Pierre-Paul Schweitzer, Director General of the IMF, during a talk which he gave the members of the Institute of Banking and Financial Studies in Paris. He does not go into as much detail as Mr. Zolotas, but their basic principles are identical and it would be interesting to know what Mr. Schweitzer thinks about Mr. Zolotas' exact proposals .

It would in any case be well worthwhile giving serious study to the problem on the basis sketched out by these two experts: they have already agreed what solutions should be avoided at all costs, such as returning to the Gold Standard and increasing the price of gold. Their plans show more or less explicitly that neither of them favours the CRU type of liquidity instrument (see No.282 p.1), which could only be used by the ten or eleven most highly developed countries. Mr. Zolotas declares that "the system (that is, the one he proposes) allows for all member countries of the Fund - in stead of a privileged group of nations - to enjoy the safety of depositing their key currency balances with the Fund". M. Schweitzer in turn says "in my opinion it is extremely desirable, in order to maintain good relations and the spirit of co-operation between the countties at all stages of development, that the richest nations should not seem to form a club for the purpose of creating reserves by magic, as it were, solely for their own use". Elsewhere he remarks that it would be wrong "to replace the practice of keeping reserves in the form of currency by some new machinery which may be agreed upon for creating world fiduciary reserves on a multilateral basis. Our objective should be to complete the present system of international payments and not to replace it". The "new machinery" criticized is obviously the CRU system. On the positive side the two plans have in common the ideas of turning the present monetary system into a multi-currency standard by means of deposits with the IMF, and of automatically obtaining for the countries which take part a gold guarantee for the currency section of their reserves, thus getting rid of the Achilles' Heel of the Gold-Exchange Standard.

To consider the details of the idea, it is necessary to take Mr. Zolotas' plan since he is more explicit about the methods he contemplates. The IMF would be specifically authorized to accept reserve deposits from the monetary authorities of all the member countries in convertible currencies other than their own, and these deposits would automatically carry a gold-value guarantee which is analogous to the one established in all transactions of the Fund. The deposits would carry a modest, periodically adjusted interest rate. The Fund itself (in order to be covered against the risk it runs) would lend out the currencies in their countries of origin on short term loans or invest them in bonds or certificates of an easily realizable amount, bearing interest and carrying the gold guarantee clause. The countries whose currencies were thus used for IMF deposits and which would have to arrange to absorb the amounts in their own internal monetary circuits, either in exchange for special treasury bonds, or in the shape of deposits in their central banks with government gold guarantees, would be the major trading and industrialized countries, such as those in the Group of Ten. They would act as reserve centres in the same way as the United States do today, though certainly on a much smaller scale.

It is important not to confuse the role which this plan assigns to the currencies of the main industrial countries with the hypothetical position which Mr Zolotas and M. Schweitzer both condemn, and which consists of keeping the develping countries from benefiting from the security (in gold value) which they would obtain by depositing with the IMF part of their reserves in key currencies. Both experts recommend plans which would give all members of the Fund a chance of taking advantage of the system (even if they only accepted into their own reserves currencies from the Group of Ten, for instance) while the idea of CRU's - so far as it has been defined at present - would be confined to countries whose currency was included in this instrument of liquidity (which would have the benefit of a gold guarantee).

The improved Gold-Exchange Standard would allow each country holding deposits with the IMF to draw convertible currency up to the full value of its deposits, as is the practice at present for drawings within the gold tranche. Although neither Mr Zolotas nor M. Schweitzer says so expressly, if this system were applied it could be expected that the countries now holding dollars in their reserves would prefer to deposit them with the IMF so as to take advantage of the gold guarantee even if the interest allowed them by the IMF were lower than what they could obtain by investing money in American Treasury bonds or making other direct investments. This of course would necessitate the United States participating in the system, and the Americans' agreement to give a gold guarantee for the dollar deposits which the IMF invested with the Federal Reserve or in special American Treasury certificates - the kind of guarantee which they have so far always refused to contemplate for the benefit of foreign central banks which hold dollars in their reserves. The American Administration might not like to ask Congress to give such a gold guarantee just to reassure the world about the strength of the dollar, but it would be much easier for it to recommend that the United States should take part in a world-wide system in which all the reserve centres gave the IMF a similar guarantee for the investments which the IMF made in their countries. It would no longer be a question of backing the stability of the dollar, but of maintaining the equilibrium of the whole world's monetary system.

One of the arguments most likely to convince Congress that such an extension of the Gold-Exchange Standard into a multi-currency system (based on gold guarantees given by all the reserve centres through the IMF) was desirable from every point of view, would be the help that such a general agreement would bring to the developing countries. As Mr Zolotas emphasizes, "The experience of the United States would render any country reluctant to run a deficit on capital account if her reserve position is not strong enough and the financing of development efforts abroad could finally result in mounting claims on her reserves." Even a large amount of aid supplied by one of the industrialized countries other than the United States - by a country which constituted one of the new reserve centres - would in no way affect the level of its own reserves if it could be certain that the benefiting country would deposit the amounts thus received with the IMF, even though it made drawings immediately to cover its current needs. Under this system it is to be expected that aid for those parts of the world which need it would be much better shared out than it is at present and that this would allow the Americans to reduce their own contributions.

It may be asked whether the device of deposits with the IMF, which in turn placed the moneys received in their own countries of origin, would not mean creating an unnecessarily complicated and slow monetary circuit. Might it not be just as effective and much simpler to set up a gold and multi-currency plan with a gold guarantee, laying down that the guarantee would be supplied by each country for the amounts in its currency held in the reserve of the central banks, with the IMF limiting itself to noting variations in the reserves, so that reliable statistics would be available in case the guarantee came into action? One of the main objections to a gold-standard-multi-currency-standard working on such terms is however the growing risk of instability - in relation to the present instability of the gold-dollar or sterling standard - if the central banks holding various currencies were tempted to shift abruptly from one reserve currency into another according to changes in their relative safeness and profitability. The investments made by the Fund, and not by individual countries, would certainly help towards stability. The IMF takes a sufficiently overall view to stop it making any untimely investment. The strongest argument for a solution which gives the IMF a crucial role lies in the prestige and goodwill which this organization enjoys in many countries and especially among American officials, whose whole-hearted support is essential for the success of such a plan.

The European point of view is quite different. In the Common Market, especially in France, the criticism is often made that the European continental countries do not have an influence within the IMF proportionate to their financial contribution. This complaint should perhaps be carefully investigated before proceeding to broaden the basis of the Gold-Exchange Standard according to the ideas of Mr.Zolotas or M. Schweitzer.

(concluded)

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(Please note that there is no page 4 this week)

THE NEED FOR MERGERS

by Ernst von Siemens,
Chairman of Siemens & Halske AG,
Berlin and Munich

One sometimes gets the impression that in Germany, size and economic power are regarded as dangerous, immoral and untrustworthy. This way of thinking is particularly prevalent in the middle classes and among civil servants, and officialdom has, for obvious reasons, made a kind of slogan of it. The reactions produced by the discussion of company and industrial concentrations are typical of this approach to successful business and the "Neue Zürcher Zeitung" recently forecast that foreign onlookers would see a full-scale German quarrel about it.

Outside our own borders, the problem is regarded in a very different light. I need no better example than the appeal made by M. Villiers, chairman of CNPF, when he called on French industry to concentrate, and said that what Europe needs are companies to compete in size and power with the great American groups. We heartily endorse this appeal. The question that should occupy us today is not whether our companies are too big or quite big enough. What is really vital is to decide whether the wide difference in the scale of American and European companies will not in the long run work against the latter, making it very difficult for them to remain competitive in a world which is being gradually freed from customs restrictions. We must step up industrial and business concentration or we are in danger of being squeezed out of the race to gain world markets.

Comparing annual turnover, that of the largest German company, Volkswagenwerk AG, is only about a tenth of that of General Motors, or, to put it another way, the annual profits, alone, of the American group are equal to the entire annual turnover of the German company. General Electric's turnover is three times as large as that of Siemens and is also larger than those of the five largest electrical engineering companies in the Common Market put together. Indeed, 25 out of 30 of the largest companies in the world are in the United States. Europe is only represented among these by Shell, Unilever, British Petroleum, Nestle and ICI, and there is not a single German or French company among the top thirty. Siemens, for instance, on its annual turnover, comes 37th in the list of largest companies in the world.

There is of course a connection between the size of the national market and the size of national companies. Europe, through the Common Market, is establishing for itself a market to equal that of the United States, but as things are at the moment, this will only make what were once large companies on their own home market, appear very small when they are producing for the whole Common Market. Siemens which controls about 20% of electrical engineering production in Germany will see its proportion shrink to 10% when the field is widened to take in the entire Community. The Americans are right in saying that there will soon be a large

European market but that there will be no company in Europe with truly European proportions producing for it. Europe is setting up for herself a market which is too large for her own companies and American companies will easily step in to fill the gap. Seven hundred out of one thousand leading companies in the United States have direct subsidiaries or branches in Europe, and more than half of these have sprung up during the last three years. So marked is the trend that the "New York Times" was led to say not very long ago that European firms should regroup themselves into units with higher returns, both in their own interests and in that of the Americans, because by doing so Europe would keep its companies and the United States her dollars.

To oppose the formation of company agreements and mergers on the grounds that they may ruin competition is to labour under a dangerous misconception. The very opposite is the truth and more concentration is essential if international competition is to be successfully faced. In a modern economy, the must cut-throat competition is between manufacturing techniques and the company which can perfect the best technique is often the one to win the market. Research has become more important even than prices, and only the largest companies can take part in a competition which is fought in their laboratories. Siemens is forced to spend almost Dm 400 million every year on research and on developing new techniques. Because of the vast expenditure they must maintain for this, companies are obliged to limit themselves more and more to their own specialist field.

When larger companies are formed, this concentration should be balanced by a wider base of more and more shareholders scattered over a larger and larger area, a tendency which will be encouraged by the fact that industry has to find savings wherever it can. Today, Siemens has well over 100,000 shareholders, and there is a hope that this number will increase through the conversion of loan into ordinary stock (Umtausch der Wandeleihe"); the situation is the same for the other large companies. Today, industrial concentration and the wider dispersal of shareholders go in double harness.

But, in stressing the dangers of preventing companies' attempts to form larger units, particularly in sectors where research and the development of new and better techniques can be decisive, or where production capacity has to be large to meet competition, the significance and importance of middle-sized concerns must not be disregarded. The after-war years saw their satisfactory and healthy growth, largely the result of the gradual appearance of the affluent society. Small and medium-sized companies have increased in numbers steadily and in the last few years have often been able to cross the line into the large company bracket. Before the second world war in the area which now makes up West Germany (including West Berlin) there were 1,000 electrical engineering firms. Today, there are 1,400 of which 1,200 are small or medium-sized, which goes to show that the lesser companies have not been squeezed out by the large ones; far from it - the research work done in the laboratories of the large companies has often fertilized the soil in which smaller companies have then taken root and flourished. The more the large German companies are obliged to increase in size in order not to lose their place in the world competition being fought out in company laboratories, the less is the risk to the smaller and medium-sized companies of being forced to expand or lose their means of existence.

This is confirmed by experience in the United States. "Small business" representatives there report that the relationship between small, medium-sized and large business enterprises in the United States continues to be a constructive one, and that is, after all, in a market on a much larger scale from the European, of proportions indeed which Europe must still strive to attain. In the United States, between 1957 and 1963, the number of small and medium-sized concerns rose by about 250,000. As demand becomes increasingly differentiated, there is always an opening for the smaller company, or at least the opportunity of becoming a sub-contractor to one of the larger industrial groups.

Considering the hostility there is in Germany towards large concerns, it is hardly surprising that profits too come in for a great deal of criticism and that some politicians have fallen for the temptation to build their path to success by attacking them. In other countries research into profits is an accepted thing to do and in the United States the trade union leader, Samuel Gompers, could even say one day that the greatest crime a company could commit was not to make a profit. Fortunately, public opinion in Germany is beginning to come round to this point of view. The business activity of pursuing and making profits is regarded in quite a different light nowadays from what it was about ten years ago, as the way general meetings are run and the attitude of small shareholders to what goes on at them show.

There are many so-called defenders of the interests of the middle classes who are eager to paint a picture of the great danger threatening the existence of the small and medium-sized concerns and who make this part of their attack on the profits of the large groups, saying that these achieve larger earnings either in absolute or in relative terms. They do not, however, back up their criticisms with any tangible proof.

There is also the problem which arises where there is a concentration of industrial power in the hands of a small group, that is growing smaller all the time, a development which has come in for some very strong criticism lately. This has been directed particularly at the pluralism that is becoming a characteristic of boards of directors and committees of inspection in larger companies. (Committees of inspection are a feature of several types of continental company, whose duties are separate from those of the boards of directors).

There are several sides to this problem: in the first place, it might seem difficult to exercise the control which is the function of a committee of inspection while carrying out executive duties at the same time. Nevertheless, companies definitely do benefit from personal contacts between the managements of one company and another and from their being represented on each others' committees of inspection.

To condemn completely interpenetration of companies at the director level is to ignore the fact that in an atmosphere of mutual confidence, it can be of great benefit to pass on information and experience from one company to another. Business concentration of this kind makes sense only because it allows for exchange of advice and pooling of information. It is not done in order to give companies greater powers to dominate. No industrialist can obtain all the information he needs about the market from one company alone; he must be kept au fait with the situation in other sectors linked to his own, where he finds his customers and suppliers.

A point which should be made here is that an exchange of information is particularly important between industrial concerns and banks, for as the struggle for foreign markets gets fiercer, the problem of financing is taking a more and more important place alongisde the fight in the fields of research and technical development. Contact with industry also allows banks to keep abreast of industrial problems.

All this does, it is true, result in a rather small group of men having control over a relatively large part of the economy. But is there really any harm in this? After all in politics, the important decisions are only taken by a few. It would be very unrealistic to think that to restrict interlocking directorships would have any effect in regrouping forces in the economy. All it would do, in fact, would be to prevent the free exchange of information which would in the long run harm not only the companies concerned but the entire economy.

It is equally foolish to think that combining positions on the board of directors and the inspection committees leads to irresponsibility in company administration. This fear is groundless. All German limited companies are required to make their affairs public and they faithfully carry out this requirement. The most effective way of ensuring a degree of responsibility among directors is to expose successes and failures, always holding over them the threat of dismissal for incompetence. All of which shows that it is pointless to advocate in Germany a series of reforms on the basis of a highly dogmatic approach.

THE WEEK IN THE COMMUNITY
June 7 - 13, 1965
From our Correspondents in Brussels and Luxembourg
* * *

THE COMMON MARKET

Community Finance: Crisis or Adjournment?

The Six's representatives are going into the Common Market Council of Ministers as we go to press, so there is no way of foretelling how the Commission's plan for financing the common agricultural policy will go (see No. 305, page 7). However, it seems certain that the Six will be unable to reach any final agreement by June 30, or even before the summer holidays; their inability to do so may lead to a serious crisis in the Common Market or simply to an agreement to adjourn.

The word "crisis" comes to mind because in the last few days attitudes have hardened. The Permanent Representatives, in discussing the Commission's plan, have not given an inch. They have repeated their respective claims and arguments and there has been no sign of flexibility. Politically, this rigidity has even been encouraged; at The Hague a vigorous offensive has been launched against de Gaulle's opposition to increasing the powers of the European Parliament. The attack has been in preparation for months past, and while everybody knew what the Dutch thought about it, the moment chosen has helped to make the Brussels discussions seem more dramatic.

The Dutch Parliament's initiative came on June 8, at a public meeting of their Foreign Affairs Committee. The members unanimously voted in favour of a resolution which not only approved the "politically indivisible character" of the Commission's proposals, but also asked that these should be amended so as to give the European Parliament even wider powers than planned. The resolution asked the Dutch Government to "continue to defend this attitude energetically". This was not a purely academic move, because article 201 of the Rome Treaty, which governs the possible setting up of the Community's own funds, provides for the national parliament to ratify any decisions taken on the subject, and the Dutch Parliament would certainly throw out any decision which was against their wishes.

The Dutch Government itself might reach a crisis if the Dutch delegation seemed to be weak in its support for the Foreign Affairs Committee's position. During the debate there was trouble between Mr. Blaisse, who proposed the resolution, and his fellow Catholic, Mr. Joseph Luns, the Foreign Affairs Minister, because the latter gave the impression of having some reservations on the wording. It the Dutch Government as a whole were on the side of moderation, the Members of Parliament could probably be converted in due course. The Protestant parties (whose representatives include Mr. Biesheuvel, deputy Prime Minister and

Minister for Agriculture) may be inclined to avoid hasty and pointless explosions in Brussels, but the Socialists are noticeably less conciliatory. The Socialist Party is - if possible - even more European and more democratic than any other Dutch organization, which causes it to champion enthusiastically the European Parliament's prerogatives. In the circumstances, it is not surprising that Mr. den Uyl, the Minister of Economic Affairs, went so far as to tell a group of journalists that "on such a vital question, the Dutch Government was prepared to take the risk of blocking the Common Market."

The meaning of this warning should be carefully weighed. In the first place, it does not prevent the Six from approving an interim solution, if it does not prejudice the final settlement on Community finance. Diplomatic sources at The Hague point out in this connection that the question of the European Parliament's powers would not be so topical if the Commission had not linked the temporary arrangements for the agricultural financial settlement with the long-term arrangement of the Community's financial resources with all its political implications. On the other hand, when Mr. den Uyl talks of blocking the Common Market, he is thinking less of the braking or boycotting moves which the Netherlands might take than of the reactions of other countries, especially France. If the debate is merely postponed to a time when agreement is more likely, either formally or tacitly, it is expected that the Dutch may continue taking part in the Community's work normally. Of course, they cannot prevent Paris taking reprisals, on the grounds that the agreement of December 15, 1964 (see No. 283, page 6) was not being kept.

Even when seen in proportion like this, the Dutch resolution is neither futile nor irrelevant, and although the Parliament's move was quite independent, the resolution of June 8 probably did not take the Dutch diplomats completely by surprise. At all events, action was taken at the best possible moment, just on the eve of General de Gaulle's visit to Bonn. It must have encouraged Chancellor Erhard to resist the temptations of the French sirens. As the German reservations largely counterbalance French ideas on the financing of the Community, the Dutch had a chance of seizing the initiative just as the Six began their important discussions, and of course this put the Netherlands in a good bargaining position on the other questions which are coming up, especially transport.

The Dutch diplomats have therefore taken the risk of adding to the tension and as the French seem as yet to have been very little worried by their views (M. Olivier Wormser, the French Director-General of Foreign Affairs, told them so on June 10 at The Hague), June may be stormy. However, after the Permanent Representatives' latest discussions, nobody seems very anxious to try their strength prematurely - not even the Dutch. The French delegation may insist that the time limit of June 30 should be respected, but without much conviction. It is becoming less and less likely that Belgium will have a firm government by that time and the outgoing cabinet is unlikely to commit the country on such an important question.

The general political climate is therefore far from encouraging; it is even threatening, but no great amount of conciliation or imagination are needed to keep the storms away for the time being. In such a situation everybody turns expectantly towards the Commission, which will probably make many more bilateral contacts in the latter part of June and try yet again to be the "deus ex machina". It may almost be taken for granted that Professor Hallstein and his colleagues on the Commission are not prepared to do battle immediately in order to carry their proposals. In fact, however loudly the Dutch may state their views, the only thing which might prevent the Community taking its holidays restfully is that France may brandish the agreement of December 15 last and insist on an immediate settlement of the financial arrangements for the Agriculture Fund; it is far more likely, however, that she will not oppose adjournment.

This view is encouraged by the results of General de Gaulle's visit to Bonn. All that emerged from the meeting was that France has agreed to hold a summit meeting of the heads of Government of the Six, to discuss some form of political union, which was what Chancellor Erhard hoped he would get from him. In addition M. Pompidou (the French premier) is believed to have agreed with the Germans that no final agreement on the financing of the Community's agriculture policy would be possible without similar agreements on the common industrial policy and the pooling of the Community's customs revenues. This would seem to imply that France will not insist for ever on June 30 as the date on which the agricultural arrangements are agreed, and reject all possibility of discussing the Commission's more far-reaching proposals - which the French have claimed were not merely uncalled-for but also too ambitious by far. Without insisting on the Parliament's powers like the Dutch, the Germans are convinced that the industrial side (in which they have the advantage) must move at the same pace as the agricultural side (in which the French have the advantage). This position, which is logical enough, the French seem ready to accept now, or so it emerged in Bonn. Whether they have really accepted the "logic of the Community" or are just trying to cajole the Germans remains to be seen during the discussions this week and later this month.

* * *

Monetary Problems and the European Company

The "Round Table Conference on the Problems of Europe" which was presided over by Mr. Beyen, former Dutch minister of foreign affairs, held its fifteenth meeting in Brussels on June 8 and 9, to discuss the question of "movements of capital and international monetary stability". The subject is vast, and to say the least, controversial, and the debate brought together many deeply opposed opinions on monetary affairs - partisans of a return to the gold standard, supporters of the Gold Exchange Standard and those in favour of forming a Composite Reserve Unit.

It also provided an excellent opportunity for a showdown between those who see the dangers and those aware of the advantages of American investment in Europe. Altogether every kind of monetary theory was given an airing during the debate which was, in effect, rather disorganized. This was foreseen in the general report made to the meeting by M. Raymond Bertrand, director of the payments branch of OECD (Organisation for Economic Cooperation and Development), in which he said that there was at the moment no satisfactory general theory explaining the relationship between the international flow of capital and the balance of payments situation. This should not, he thinks, prevent the Six from forming some definite plan of campaign on capital movements, but their policy should consist of "preserving the freedom of the market by controlling large movements and providing compensation, in an attempt to reconcile national and international interests".

M. Bertrand and M. Pierre Uri, director of studies at the Atlantic Institute, set themselves to provide some synthesis of the different theories. Leaving aside the more specialized controversies, they succeeded in drawing two important conclusions from the debate: (1) in the long run, the surest way of restoring equilibrium to the balance of payments between the United States and the Community would be to unify the European money markets in such a way that European capital could be mobilized more quickly and easily; (2) the "invasion" of Europe by American investors is not in itself a danger provided the European markets were expanded to the scale of the Common Market itself: it was, in fact, the division of European industry which left it unable to stand up to competition from American industry and which was responsible for the present inbalance between the two.

Competition and Economic Size

During the debate, the question of the size of European companies was discussed by Sig. Colonna di Paliano, another member of the Common Market Commission. He said that this had become much more pressing during the last few years partly owing to the speed-up in the customs union between the Six and partly because of the progress made and expected from the Kennedy round of negotiations, "the result of which will be a considerable reduction in the external protection given to industrial production in the Community". No similar progress unfortunately could be expected either from harmonization of legislation by the Six on company law, or in establishing a satisfactory balance between effective competition and industrial concentration. This would have some unfortunate effects for companies in the Common Market - because as the customs union gradually fell into place and as, through the Kennedy round, the common external tariff was lowered, free trade would bring advantages to companies owned abroad and particularly to those whose size and strength fitted them to cope with large-scale markets.

Sig. Colonna said that Herr Hans von der Groeben (the member of the Commission responsible for competition policy) would report on the whole question of industrial concentration to the European Parliament in a few days' time; the

Commission would then prepare proposals for the Council of Ministers before the summer. Sig. Colonna did not go into the plan in detail, but he said that the Six were confronted with "an economic and political problem which involved setting limits to the process of concentration". He added "the Commission, responsible as it is for seeing that the Treaty of Rome is carried out, cannot allow developments in Europe which might lead to a situation where a dominant position (on the market) could be abused. Let us not forget", he said, "that to a large extent, industry in Europe depends on small and medium-sized companies, which must, it is true, adapt themselves to changed circumstances but which can survive and even prosper".

Sig. Colonna went still further into the problem of the "European company" (see No. 299, page 9). He emphasized the difficulties of standing in the way of creating a new kind of company (based on Community law) to coexist with other concerns (subject to six national legal systems). But, he urged the Six "to apply themselves with determination to drawing up a plan of action to settle the problem of "the European company' and to decide to carry it through without delay". Action was needed soon because "the rules in force in the member countries of the Community, controlling business concerns, contain no special clauses relating to foreign-owned companies" (neither for shareholdings nor for mergers) and "the differences which now exist between the company law of the various member countries in fact work in favour of foreign-owned companies which take shares in or effect mergers of companies in the Six; worse still, they artificially channel attempts of this kind to member countries rather than to countries outside the Community".
Sig. Colonna sees a very grave risk in this, particularly when one considered that 300 of the 500 largest American companies had entered the Common Market and that these were companies "which are certainly larger and more powerful than their European counterparts". Sig. Colonna concluded: "Even in the absence of rules on nationality (of companies), the introduction of some form of common company law for the Six could be useful, for instance to provide more effective protection for minority rights in the case of joint stock companies and to limit the powers of the majority. This is also true for the application of the rules of competition when aids and subsidies are granted by foreign governments to companies expanding overseas. Finally, as far as regional policy is concerned, once it is possible to replace national with Community aid, it will be possible to abolish the differences between the various national systems which have artificially encouraged investment from abroad, to concentrate on particular areas."

* * *

Common Market's General Report Optimistic

The Common Market Commission's eighth annual general report published on June 8 (covering April 1964 to April 1965) paints, for the most part, a picture of the Community's success. The Commission is justified, for instance, in saying that "1964, even more than other years, has seen a speed-up in the process of building an integrated Europe"; further on it adds, "even before the second stage of the transition period (of the Common Market) is complete, the Community can consider that it has carried out the major part of its task in abolishing internal customs tariffs completely and setting up a common external tariff and the organization for a common market for agriculture".

The all-important decision of December 15, 1964, on the Mansholt Plan (see No. 283, page 6) would be enough to justify the Commission's rejoicing. To the agreement of April 14, 1964, which inaugurated concerted action against inflation and laid the foundations for a common economic policy (see No. 301, page 11) can be added "Initiative '64" (speed-up of the industrial and agricultural common market) and the Commission's recent proposals on its having its own financial resources (see No. 305, page 7). These documents together obviate the need for the Commission to present the new merged executive (which comes into operation at the beginning of next year) with a "testament politique" - or statement of political doctrine and aims.

In fact, "results have often gone further than was required by the texts of agreements, further, indeed, than those who drew up the Rome Treaty dared hope.

Naturally, there is much that remains to be cleared up. The report mentions the delays there have been over freedom of establishment (for various salaried occupations - see No. 261, page 7), organization of the common market for transport and above all, over a common commercial policy. A large part of the introduction of the report is concerned with this last item, on which the Commission says: "The Commission cannot conceal its increasing anxiety over the complete absence of progress over the common commercial policy. It is a question, in the first place, of respecting the rules of the Treaty of Rome.. (but) the unity of community action is also being put to the test. The common agricultural policy brings with it common funds.. The Commission thinks it impossible to ignore the link between the Community's financial responsibility and its agricultural trade commitments. It fears that the standstill in the common commercial policy may endanger future progress of the Community in other areas".

Nevertheless, "though there are these quite serious setbacks, the Commission does not consider that they need slow down the rate of progress achieved in carrying out the Treaty with regard to customs duties". In fact,"the full sum of what has been so far accomplished leads one to expect that the next steps in setting up the agricultural and industrial common markets will automatically bring the achievement of the objectives of the Treaty in other sectors nearer." As always, Professor Hallstein and his colleagues are depending on the customs union to act as a spur to further action. It is true that so far, this has been very effective. Two and a half years, in fact, have been gained on the original schedule for lowering tariff barriers, and meanwhile "no lasting imbalance has upset trade between member states, and no really serious difficulty has threatened the development of any important economic sector," the Commission reports. "On the contrary, every member state has gained very real advantages from the customs union..."

The Commission, therefore, feels justified in preaching optimism, in spite of the political differences at the moment dividing the Six. "Although these disagreements are serious and a cause for some anxiety, they have not so far affected the life and progress of the Community. While the six governments have reiterated and will continue to reiterate their opposing views on these problems, these same six governments have been able to come to agreement repeatedly on Community business". It is a surprising fact that the Community has survived and grows stronger in spite of the radical differences in outlook among the Six. It makes one wonder if the disagreement is as fundamental as it appears, the other explanation being that the degree of economic interdependence which has been achieved, irrevocably binds the Six together. The Commission, which has great faith in the Treaty of Rome and the economic strength of the Community and which has always been rather sceptical of the hopes of early political union (it is not mentioned in this latest report) obviously inclines to the latter explanation. "The building of a united Europe", the report continues, "is far from accomplished... But the first eight years have already brought a degree of success and given the enterprise an impetus which is convincing evidence that the path chosen is the right one."

* * *

ECSC

High Authority Raises ECSC Levy

Last week the High Authority fixed the ECSC levy at 0.25% on the value of coal and steel production in the Community for the 1965-66 financial year. This is a rise on the previous rate (the level was fixed at 0.20% in 1962) and it is very unwelcome to the ECSC industries which are the only ones liable to pay the tax. However, the High Authority, reinforced by support from the four competent committees of the European Parliament, has exercised its right to fix the rate as it thinks fit, in spite of protests from the representatives of the coal and steel industries. It estimated that if the rate was kept down to 0.20% it would mean too large a deficit in the ECSC budget which would certainly force the Community's future merged Commission (of which the High Authority will form part after the beginning of 1966) to make a substantial increase in the rate next year. It is expected there will be considerable expenditure and demands for credits in connection with resettlement and retraining of workers, for the present situation in some Community coal fields will probably necessitate vast redevelopment operations.

If the rate is put at 0.25%(and allowing for the gradual decrease in coal mining output with steel production remaining steady), the ECSC levy can be expected to bring in about $26.4 million during the next financial year. When other sources of income (such as returns on the High Authority's investments) are included as well, the total ECSC revenue will reach about $35.66 million.

Total expenditure will be in the nature of $50 million, of which about $20 million will be spent on administration, $16.5 million on research and $5 million on retraining and resettling workers. On these calculations, there will therefore be a deficit of about $14.47 million which can be covered to the extent of $8.8 million by recourse to the unallocated funds which are mainly kept to cover emergency expenses and to compensate for any drop in income which could result from a deterioration in the output of ECSC industries, which would automatically mean a drop in the amount brought in by the levy. The deficit of $5.64 million will be made up out of revenue from subsequent years.

This is the first time the High Authority has had recourse to this procedure. Up to now, it has always been able to balance its income and expenditure for each financial year. It thinks it can do so again in view of the fact that its estimated expenditure on research and readaptation in particular will probably not reach the total sum to which it is committed during the 65-66 year. However, it believes it can go no further without seriously handicapping its future finances and it does not want to leave an unhealthy financial situation to the single Commission which will assume responsibilities for ECSC after the merger of the three Executives. It particularly does not want to leave the new Executive with the unpopular duty of raising the levy further.

Included in the expenditure for the 1965-66 financial year, is a grant of $7.08 million to the special reserve, which is used mainly to finance the building of new houses for workers. Theoretically, this should come from the proceeds of the High Authority's investments. However, these can be expected to increase more and more as credits granted on the strength of the special reserve are paid back. The High Authority therefore decided, last year, to limit its grant to the special reserve to $8 million a year, corresponding to the sums it means to spend every year on housing development for workers. In a few years' time it is possible that no grant at all will be necessary, for as credits for housing are repaid, the special reserve will be able to finance itself and function as a "revolving fund".

The High Authority has defended itself vigorously against the charge that it has accumulated too much in the way of funds and reserves. It maintains that the reserves will not in fact stand any higher than $18 million by the end of the next financial year, that is $10 million for retraining and resettlement of workers, $3 million for research, and $5 million as unallocated balance. This is not, of course, including the $100 million guarantee fund which has its own, well-defined purpose, to act as security for the loans floated by the High Authority.

The funds provided for technical research and redevelopment cannot really be counted as reserves because their expenditure has already been planned. Finally, the special reserve is not, in fact, cash in hand, but is composed of credits for housing development.

*   *   *

Another Protest against British Import Surcharge

The High Authority has just sent a new note to the British Government explaining the unfortunate consequences for the Community's steel exporters of the surcharge on Community imports into Britain, (see No. 295 page 13). The rate was lowered by 5% at the end of April, and this was hailed by the High Authority and those concerned as the first step towards abolotion, but the reduction in the rate is not nearly big enough to cause a worthwhile improvement in steel sales from the Community to Britain.

When the British action was taken last Autumn the High Authority drew attention to the serious repercussions that it was bound to have in an area as sensitive to tariff protection as steel. While the ECSC's external tariff on steel averages 11%, Britain's was 15% before the surcharge, which effectively doubled it, making a total duty which can only be regarded as prohibitive for most rolled products. When imposing this measure, the British Government emphasized its temporary character and declared that it would be withdrawn as soon as possible, especially for steel. The High Authority invoked the Association Agreement between ECSC and Britain and the Trade Relations Agreement made in 1957. While showing understanding for the British Government's position and the purpose of the surcharge, the High Authority recalled the imperative and exceptional character of article 3 of both agreements, which require preliminary consultation before customs regulations affecting coal and steel are altered and which call for a month's notice should these preliminary discussions fail to produce agreement between the parties. The High Authority's views were shared by the Council of Ministers, which considered the question at its meeting on April 5.

The British Government's main argument against the clause requiring a month's notice was that the Community is not the only country or group of countries with which Britain has special agreements. It would therefore have nullified the general application of the surcharge by scrupulously observing all its agreements, or else it would have had to discriminate, by giving the advantage of one month's prior notice to the Community's steel producers and exporters alone. The High Authority did not regard this reply as at all satisfactory. The Association Agreement and the Trade Relations Agreement, in their opinion, form special links, the nature of which appears clearly from article 3 of the 1957 Agreement. The High Authority has itself scrupulously honoured the spirit and the letter of the formal arrangements set out in both agreements. In particular, it did so early last year, when it was a question of raising the Community's tariff protection to the Italian level more. Over and above the prior consultations which it held with Britain, ECSC granted numerous exceptions from its higher steel tariff which helped to avoid serious upsets of traditional trade and which were continued in 1965.

ECSC cannot therefore accept the British Government's argument that the existence of commitments to other countries or other international organizations relieves one of the contracting parties from its obligations towards one or more of the others; acceptance of such an argument would obviously make a great number of international undertakings uncertain and would destroy the sanctity of agreements.

The Community exports of steel to Britain have in fact suffered considerably; in the first 3 months of 1965 they totalled 73,800 metric tons, compared with 346,500 in the corresponding period of last year, before the British surcharge was imposed. The effects are particularly serious for those countries which are relatively large steel exporters, such as the Netherlands and Belgium.

* * *

New Member to Replace M. Finet

The High Authority has decided to co-opt anew member for the ECSC Executive to replace M. Paul Finet. This will be done on June 16 in Strasbourg. Sig. Del Bo has therefore invited the representatives of the unions in the coal and steel industries to submit a list of candidates drawn from the four countries concerned in the election, the three Benelux countries and Italy (France and Germany's quota of members of the High Authority is complete).

* * *

EURATOM

Developing the Nuclear Industry on the European Scale

During the last months of its separate existence the Euratom Commission means to develop nuclear energy on a European scale, following a combined action programme, according to its eighth annual report to the Parliament (The Euratom Commission will be merged with the High Authority of ECSC and the Common Market Commission on January 1, 1966). Euratom has had its ups and downs in recent years, but this is not a pessimistic report. It can, after all, be satisfied with the fact that nuclear energy is now well under way in the Community, and that its prospects of growth indicate that the Six countries do provide a real market for the output of nuclear plants, "whose future growth is forecast to be on a scale comparable with those known in USA and Britain". The future is even more promising, because even conservative estimates suggest that from the 1980's onwards the whole increase in the output of power stations should come from nuclear sources.

The Commission takes a cautious view on the question whether the Community's nuclear industry is vigorous enough to meet foreign competition in supplying the expected demand. "Some progress has been made", it says, and adds "equipment for the group of power stations, which it was decided to build in 1964, will be supplied by the industries of the Six". In some directions regarded as essential, however (manufacture of fuel elements, the reactor cores and control gear) "the Community's resources must be strengthened". It continues : "Generally speaking, the Community does not yet possess an industrial organization which meets the needs of nuclear development and its industries are not yet organized in proportion to the larger market which is being formed." They are "too compartmented within the limits of national markets".

There is another subject which worries the Commission : "sometimes groups are formed inside the Community with links, often very strong links, outside it". The Commission, therefore, considers that it is urgently necessary to create conditions which will counter-act centrifugal and dispersing forces and help the nuclear industries to group themselves on a European scale, in order to be in a more competitive position, both in world markets and in Europe, where foreign competition is getting stronger." These anxieties coincide with those of Sig. Colonna (see article above p. 10). The Euratom Commission favours firms joining up, but hopes that "their efforts will be directed to becoming efficient within the framework of wider arrangements, planned with the Community's industrial policies in mind."

The position is all the more worrying, as the Commission's objectives for the Community between now and the end of the centry reveal the enormous scale of nuclear growth. The report states that "unless something is done about them the failings which have been noted, and the structure of the European nuclear industry in general, may prevent the Community's industry from succeeding in its tasks. The Commission announces therefore that it has completed its objectives with a paper dealing with common industrial policy, "aimed at organizing the administrative and social infrastructure, developing the market for energy-producing reactors, improving the construction of power stations and supplying nuclear fuels."

EUROFLASH

30	TEXTILES	Belgium : VERENIGDE MODEMAGAZIJNEN VINKE, Utrecht sets up new Antwerp sales company. France : TRIUMPH INTERNATIONAL, Munich sets up INVESTEX, Paris; FILATURE SAINT-LIEVIN takes over MANUFACTURE DE LAINES FILEES; TRICETRI changes its name to KORATRON TECHNIQUE EUROPE - KTE; LOU takes over HUIS CLOS, Grenoble. Netherlands : NV MIRLON-MIRLANA INDUSTRIE formed at Apeldoorn. W. Germany : GOETZ becomes majority shareholder in MAX MOSER; NORDDRUCK HERBET KABJOLL gains complete control of GARDINEN-FABRIK WILLY MELZER; FA AUGUST DILTHEY & SOEHNE BAUMWOLLSPINNEREI & ZWIRNEREI closes down; HERMANN MARSIAN BEKLEIDUNGSINDUSTRIE takes over H.F.W. MEHRENS KG WIRKWARENFABRIK.
32	TOURISM	Britian : SIT - STA INTERNAZIONALE TURISMO, Turin opens London branch. France : CIE INDUSTRIELLE & FINANCIERE D'ALAIS takes holding in new Paris company, CIE INTERNATIONALE D'ETUDES & DE DISTRIBUTION "I.D." S.A.F..
32	TRADE	Italy : PROPE - SOC PER LA PROSPEZIONE & LA PENETRAZIONE COMMERCIALE formed at Rome.
32	TRANSPORT	Australia : NV NEDERLANDSCHE-AMERIKAANSCHE STOOMVAART-MIJ (HOLLAND-AMERICA LIJN), Rotterdam, sets up subsidiary at Sydney. Belgium : BELGIAN BUNKERING & STEVEDORING CO, Antwerp takes direct control of STEINMANN & CIE; SMITH CONTINENTAL formed at Brussels. France : NV INTERNATIONALE HANDEL - & SCHEEPVAART MIJ JAN DE POORTER, Rotterdam makes over property to its French subsidiary, which has a capital increase.
33	VARIOUS	Belgium : SNI - STE NATIONALE D'INVESTISSEMENT, Brussels takes shareholding in STE DE PECHE EN HAUTE MER which increases its capital; BELGIMM takes holding in new company, SABEGIMM - STE D'APPROVISIONNEMENT POUR LA BELGIQUE DE MENUISERIES G.I.M.M. France : SALAMANDER, Baden sets up manufacturing company in Eastern France; PERMAFLEX DI A. FANTONI & G. POFFERI, Bologna plans French factory. Italy : BEBE-CONFORT doubles capital of its Genoa sales subsidiary; KORATOS ANSTALT, Vaduz backs new Milan company, S.I. PLA - SOC ITALIANA DEL PLATORIUM DI V. GOLDANICA & CO. Switzerland : Chairman appointed to UNITED CIGARETTES CO, Geneva.

ADVERTISING

309/20 MacMANUS, JOHN & ADAMS, advertising agency of Bloomfield Hills, Michigan, is continuing its penetration of the European market and has changed its Zurich branch into a subsidiary called Mac MANUS, JOHN & ADAMS SA (capital, Sf 300,000). The American company's senior vice-president, Mr. Henry G. Fownes (Greenwich, Connecticut) is to be president of the new Swiss company.

MacManus, John & Adams is among the leading 25 advertising agencies in the United States with an annual turnover of about $50 million. It handles the accounts of MINNESOTA MINING & MANUFACTURING CO, DOW CHEMICAL CO, EX-CEL-O CORP, CHAS. PFIZER & CO. INC, AMERICAN HOME PRODUCTS, BENDIX CORP etc.. It also has an agency at Toronto, Canada.

BUILDING AND CIVIL ENGINEERING

309/20 The London property group STAR (GREATER LONDON) HOLDINGS LTD (chairman Mr. Sion Potel) has formed an 80% subsidiary at St. Josse Ten Noode, Brussels, STAR PROPERTIES, BELGIUM SA. Its board consists of M. Patrice de Meeus, Brussels, Mr. Robert Potel, London and M. Roland, London.

It will buy, sell and manage properties, sites, buildings etc. Its Bf 5 million capital is divided equally between the British group and four of its London subsidiaries, CONCORD INVESTMENTS CO. LTD., POTEL SECURITIES LTD, SHOP BUILDERS LTD, and IDYLL LTD.

309/20 FERROMER SA, Paris, which specializes in the import and export of metal goods, has backed the formation of a new Paris company, BOCO FRANCE Sarl. Ferromer holds 52% of the new company's capital (Ff 25,000), and the other holders are Mme. Michel Girard, Paris (20%) and Herr Friedrich von der Groeben (28%). The new company will promote metal ware for buildings (door handles for instance) made by the Germany company, BOCKER GmbH, Brake, Westphalia on the French market.

Herr Friedrich von der Groeben also has a holding (5%) in LOHER FRANCE Sarl which was formed recently in Paris by Ferromer, which owns 90% of it (see No. 300). This company distributes in France the high and low tension electric generators made by LOHER & SOHNE GmbH, Ruhstorf, Rott.

309/20 Two Dutch civil engineering firms NV VERENIGDE NBM, Zaandam and NV NOORDNEDERLANDSCHE WEGENBOUW MIJ, Havlingen and two building material firms INTERNATIONALE BAGGERMIJ. & GRINDHANDEL v/h GEER. CLOSSET NV and STEENBREKERIJ "MAASTRICHT" NV, both of Maastricht, have taken 25% each in EDELZAND-BREKERIJ NV (capital Fl 1 million), at Maasbracht, which will work a quarry for fine sand.

A few months ago VERENIGDE NBM took equal shares with P. DAALDER'S AANEMINGSBEDRIJF NV, Alkmar and WEGENBOUWBEDRIJF GEBR. HOGENBIRK NV, Laren in SLEM NEDERLAND NV, Baarn (capital Fl 250,000), a firm set up to exploit the "Slurry-Seal" system (applying a mixture of bitumen and grit on the roads) in the Netherlands. In Belgium it is marketed by SLURRY SEAL BELGIQUE SA, Belgrade, which is controlled by Belgian interests.

309/21 The Dutch road-building company, NV WEGENBOUWBEDRIJ TEMPELMAN, Geleen, has set up two almost wholly-owned subsidiaries. The first, WEGENBOUWMIJ, TEMPELMAN GELEEN NV, Geleen, (capital Fl 600,000) will also be a road-building company. The second, STRABAG KOUDASFALT NV, Utrecht (capital Fl 1 million) will be in charge of a tar and asphalt factory made over to it by the parent company.

309/21 REDLANDS HOLDINGS LTD, Reigate, Surrey (chairman Mr A. F. F. Young - see No 250), which makes "Stonewood" and "Delta" bricks and tiles and "Deckon", "Extramyte" and "Palomax" pipes, is negotiating a partnership for making cement roof tiles in France. The British group is widely represented in the Common Market, including a West German subsidiary which has expanded rapidly (BRASS & CO. GmbH, Frankfurt which is now completing the building of its twelfth tile factory at Hanover) and another in the Netherlands, REDLAND BRASS-BREDERO NV, Utrecht, held in partnership with VERENIGDE BEDRIJFEN BREDERO NV, Utrecht - see No 244), which has a factory at Montfoort for supplying Benelux.

309/21 PLASTOTHERM SCHAUMSTOFFGES MbH, Essen (insulating products mainly for the building industry) has formed a Basle sales subsidiary CHEMISCH-MINERALISCHE BAUSTOFF GmbH and holds 50% of the Sf 20,000 capital. M. Leo Zimmermann of Basle holds 45% and M. Y de Couvreu of Vevey 5%.

CHEMICALS

309/21 A.E. STALEY MANUFACTURING CO, Decatur, Illinois (see No 274), which makes starch and glucose and has an annual turnover of about £185 million, plans to increase the West German sales of its chemical department, including polymers and synthetic resins, by forming STALEY GmbH (capital Dm 20,000) at Frankfurt.

The new company's directors will be Mr David A.Gulette, London and M. Hansjurg Huldi, Fribourg, who already head two European subsidiaries of the group, A.E. STALEY MANUFACTURING CO, London and STALEY AG, Fribourg, Switzerland.

Through the Swiss company, in which INTERNATIONAL DEVELOPMENT & INVESTMENT SA, Luxembourg is also a shareholder, the American group is interested in GLUCOSERIES REUNIES SA, Molenbeek-Saint Jean, TUNNEL GLUCOSE REFINERIES LTD, London and IBERICA DE MOLTARACION SA, Santander.

309/21 STE FRANCAISE DUCO SA, Paris (66.4% owned by STE CENTRALE DE DYNAMITE SA, Paris direct and 10.3% through its associate NOBEL BOZEL SA, Paris) has raised to 70% its shareholding in the Spanish company MONCAR SA, Barcelona (capital Ptas 15 million), which produces paints and varnishes.

Duco (1964 turnover about Ff 63 million; factories at Stains, Seine; Montigny-les-Cormeilles, Seine et Oise; Hussein Dey, Algeria and Oued Smar, Algeria) is also represented at Lisbon where it has a minority shareholding in FLEXCOTE S.Ltda. Lisbon.

(capital Esc 10 million) and in Athens, where it controls VECHRO SA, (capital Dr 2.5 million) In France it has 67% control of D'ETS GUITTET SA, Montigny-les-Cormeilles and half the Ff 180,000 capital of STE FRANCAISE STONER MUDGES SA (the other half was formerly held by MARTIN MARIETTA CORP., Baltimore, Maryland and now belongs to SOCONY MOBIL OIL CO INC, New York).

309/22 The Dutch chemical group KONINKLIJKE ZOUT-KETJEN NV has formed an engineering subsidiary called NV NIEWBOUW KZK at Hengelo and owns all the Ff 500,000 capital.

ELECTRICAL ENGINEERING

309/22 The Philadelphia group, ELECTRIC SHORTAGE BATTERY CO (see No 195) is increasing its interests in Italy by forming ESBI Srl at Monza, Milan (capital lire 900,000) to manufacture and sell electric batteries, and electrochemical and thermo-electrical devices. In 1960, the group acquired 51% control of FABBRICHE ACCUMULATORI HENSEM-BERGER SpA, Milan (factory at Monza), manufacturers of batteries and accumulators, and in 1963 its share was increased to 97%.

Electric Shortage Battery produces a whole range of batteries and accumulators for automobiles, radios, electronic equipment, etc and its brand names include "Exide", "Grant", "Atlas", "Wico", "Willard", "Jordan", "Mayfair", "Stokes", "Ray-O-Vac" etc (the last of these is used mainly for dry batteries and covered batteries for lights, radios, etc). In 1957, it gained control of RAY-O-VAC CO, Madison, Wisconsin which became a division. The British company, ALPHA ACCESSORIES LTD, Treorchy, South Wales, which is linked to Ray-O-Vac, is also its licensee. Alpha's products are distributed in France by ETS GY HENRI, Paris (licensee of JENOLITE LTD, London which is itself a licensee of BECK EQUIPMENT & CHEMICAL CO of Cleveland, Ohio).

309/22 A merger is about to take place in Italy involving ITALCABLE-SERVICI CABLO GRAFICI RADIOELETTRICI SpA, Rome (capital lire 5,600 million), which will pass under the control of IRI through its holding company, STET-STA FINANZIARIA TELEFON-ICA PER AZIONI, Rome (see No 306). The merger will also involve (1) STA IDROELETTRICA SARDA-MOLVENO (IDROSAMO) SpA, Milan which at the moment is jointly controlled by EDISON SpA and SIP, another subsidiary of IRI; (2) ITALTEL - SOC ITALIANA ESERCISI TELEFONICI INTERNAZIONALI SpA, Rome which was set up about three years ago by Italcable and STET (see No 190).

This will mean a capital increase to lire 13,000 million for Italcable, (the company taking over the others) which runs the "Telex" services between Italy and other countries and also the international radio-telephonic services.

309/22 AEG-ALLGEMEINE ELEKTRICITAETS-GESELLSCHAFT AG, Berlin, is further increasing its capacity for electric cables (see No 306) and has raised its control of NORDDEUTSCHE KABELWERKE AG, Berlin-Neukölln (capital Dm 7 million) from 63.1% to about 90%; it has taken over from DRESDNER BANK AG its 25% holding in this firm.

309/23 GENERAL ELECTRIC CO, New York, which is already represented in West Germany (see No 285) is forming GENERAL ELECTRIC HOUSEWARES GmbH (capital Dm 1.2 million) at Frankfurt.

The new company will be directed by Mr James P. Evans, Zurich and under the brand name "General Electric Housewares", it will sell the products of the group's household electrical department (which does more than a quarter of its total turnover), including radio and television sets, small household electrical articles, air conditioning equipment and bulbs.

ELECTRONICS

309/23 WM NEILL & SON (ST HELENS) LTD and the electronics group, MICRODOT INC of South Pasadena, California (see No 275) have made an agreement to cooperate in manufacturing and selling electronic instruments for the measurement and control of liquids (such as oils, chemicals and petroleum) in Europe, Africa and the Middle East. These products have been developed by two of Microdot's subsidiaries, DYNEL INC and VAREC INC of Compton, California, which were acquired by it in 1962.

The British group, Wm Neill & Son has set up a subsidiary called NEILL-VAREC LTD to carry out the agreement, and Microdoy has a 49% share in this company. The British group will also take a 49% shareholding in a Belgian subsidiary of the California company called MICRO-DOT-VAREC SA, Schaerbeek. This company was set up in September 1964 to take the place of a branch which was opened there at the end of 1963 by the Swiss holding company, MICRODOT-VAREC AG.

In September 1964, Wm Neill & Son set up several subsidiaries to take over its various activities. These included NEILL CONTROLS LTD (capital £17,500) which was formed to run its division for control and measurement devices for liquids in reservoirs, tanks, cisterns and pipe lines of all kinds.

309/23 EQUIPMENT DIGITAL Sarl has been formed at Paris (capital Ff 10,000) to distribute the electronic components made by DIGITAL EQUIPMENT CORP of Maynard, Massachusetts. M. Arnaud de Vitry d'Avaucourt, chairman of TECHNICAL STUDIES INC of New York (see No 258) owns 95% of the new company which he will manage. He is also a director of Digital Equipment. The remaining 5% in the new company will be held by M. Jean Daniel Lebel, manager of STE D'INVESTISSEMENTS INTERNATIONAUX Sarl and IMMOBEL Sarl in Paris (see No 203). M de Vitry and M. Lebel also both have interests in the holding company, CONSTRUCTION CAPITAL CO SA which was set up in May 1964 in Luxembourg with the backing of FINIM SA - FINANCIERE & IMMOBILIERE SA, Luxembourg.

309/23 HAMPDEN ENGINEERING CORP, East Longmeadow, Masachusetts (transistors and electronic equipment for broadcasting stations) is increasing its European interests (see No 252). A year ago it formed THE HAMPDEN CO (ELECTRONICS)(DEUTSCH-LAND) GmbH at Dusseldorf and now it has arranged for its London subsidiary THE HAMPDEN CO (ELECTRONICS) LTD to form a sales company THE HAMPDEN CO ELECTRONICS (NEDER-LAND) NV at Amsterdam; its capital will be Fl 20,000 and it will be directed by Mr E. L. Blik.

309/24 The French electronic components company, USINE JEANRENAUD SA, Dole, Jura, has set up a Rome subsidiary, JEANRENAUD ITALIA SpA (capital, lire 10 million, chairman M. Henri Jeanrenaud), to be a manufacturing and sales company. The parent company makes switches and contacts of different kinds, multi-channel switches for television etc. relays, lamp sockets, plugs etc.

ENGINEERING & METAL

309/24 S.A.BELGE SULZER FRERES, CHAUFFAGE & VENTILATION SA, Brussels, is taking over the Brussels heating equipment firm CALIQUA BELGE SA.

Sulzer was formed in 1947 and belongs 27.2% to STEHLE & GUTKNECHT AG, Basle. Its capital was Bf 1.8 million and its president Baron A.Bonaert, its largest shareholder. Its assets are estimated for the purposes of the take-over at Bf 55.78 million and its capital is being increased to Bf 9 million. Its name is being changed to SA SULZER-CALIQUA BELGE, CHAUFFAGE & VENTILATION and it is also linked to the Swiss group SULZER FRERES SA, Winterthur which before the present operation had a direct shareholding of 25%.

At Paris there is a sister company of the one which is being taken over, CALIQUA Sarl (industrial and town heating plants, using hot water under pressure and heated fluids), which has a Madrid subsidiary CALIQUA ESPANOLA SA.

309/24 DUNHAM BUSH INC of West Hartford, Connecticut, manufacturer of air-conditioning and refrigeration equipment and heating systems, is backing a new company, DUNHAM BUSH BENELUX SA, Ixelles, Brussels to be the group's sole agent and distributor in Benelux. The new Belgian company's Bf 0.5 million capital is equally owned by the group's British subsidiary, DUNHAM BUSH LTD, Portsmouth, Hampshire and M.Zenon M.Rihon, industrialist from Ixelles, who has been appointed managing director of the new company, the chairman being Mr C.Boling, chairman of the American group.

309/24 The American producer of air and gas compressors, INGERSOLL-RAND CO of New York (see No 249) is extending its interests in Europe by setting up INGERSOLL-RAND GmbH at Vienna (capital, Sch 500,000; manager Mr Aristides S.Akantisz). The American company already has ten European subsidiaries including two manufacturing companies, INGERSOLL-RAND LTD, London and CIE INGERSOLL-RAND SA, Boulogne-Billancourt, Seine.

309/24 As a result of the August 1964 merger in Tokyo between the metal dealing firms KINOSHITA SANSHO TRADING CO and MITSUI & CO (see No 254), the latter's Düsseldorf subsidiary MITSUI & CO. GmbH (managed by Herr Charles Keseling, Mr Taneichi Hirano and Mr Fujio Fujishiro) has taken over DEUTSCHE KINOSHITA GmbH, Düsseldorf and raised its capital from Dm 650,000 to Dm 850,000.

Kinoshita's world wide organization of representatives (including U.S.A., Canada, Latin America and Great Britain) is now responsible for the Mitsui group's agencies. In Paris, the reorganization has been performed under STE FRANCAISE MITSUI BUSSAN SA, which has now become STE FRANCAISE MITSUI & CO SA (capital Ff 1 million).

309/25 WORCESTER VALVE CO, Worcester, Massachusetts (maker of special valves and taps of steel and polyethylene) plans to start a factory in the Borinage district of Belgium to make industrial ball valves for the chemical and petrochemical industry; this factory will supply the Common Market as a whole. A subsidiary, WORCESTER VALVE BELGIUM SA (in which SNI-STE NATIONALE D'INVESTISSEMENT SA, Brussels holds shares), will be formed for this purpose at Peronnes-les-Binche, where the new factory will be erected. In the first stage it will employ 75 people but the number will soon be doubled.

In Britain the American company is linked with NORRIS BROTHERS LTD, Haywards Heath, Sussex (directed by Mr E. A. Norris) in a joint manufacturing subsidiary WORCESTER VALVE CO LTD, Burgess Hill, Sussex.

309/25 Herr Friedrich Bilger (Ulm, Donau) has set up a company in Austria, MASCHINENBAU BILGER GmbH (Linz) with a capital of Sch 100,000 to sell machinery. Herr Bilger is the agent in Germany for several American companies including AMSCO PACKAGING MACHINERY, Long Island, New York, CHAIN BELT CO, Milwaukee, Wisconsin, CLEVELAND CRANE & ENGINEERING CO, Wickliffe, Ohio, EUCLID CRANE & HOIST CO, Cleveland, Ohio, KOEHRING & CO, Aurora, Illinois, etc.

309/25 BASSANI FELICE DI BASSANI DOTT. ERNESTO Sas, San Giuliano Milanese, (carpentry and metal work for building) is backing the formation of STE BASSANI FRANCE Sarl at Nice, which will sell its manufactures on the French market and in French-speaking Africa. Sig Ernesto Bassani, owner of the Italian firm, holds 35% in the Ff 20,000 capital of the new business, which is managed by M. E.C. Malgat (a 25% shareholder). The remaining 40% belongs to Italian interests.

FINANCE

309/25 The Munich bank ALBERT FUERST VON THURN & TAXIS BANK, which belongs to the Thurn und Taxis family, has formed a company to make fine gold ingots, TAXIS EDELMETALL GmbH.

309/25 STE GENERALE ALSACIENNE DE BANQUE SA, Strasbourg, Bas Rhin, affiliate of STE GENERALE POUR FAVORISER LE DEVELOPPEMENT DU COMMERCE & DE L'INDUSTRIE EN FRANCE SA (see No 305) is continuing in its role of link between European markets whose interpenetration is increasing as obstacles to the movement of goods and capital disappear; it has now set up a new finance company in Luxembourg called SECURA SA. The new company's Lux F 150 million capital is held partly by the parent and partly by one of its holding companies, COMPTOIR DE VALEURS DE BANQUE-COVALBA SA, Luxembourg (see No 143).

Ste Generale Alsacienne de Banque which has a branch in Luxembourg, has liaison offices for Belgium at Brussels, Antwerp, Anspach and Charleroi; for Switzerland at Zurich; and for Germany at Cologne, Kehl, Offenburg and Sarrebruck.

309/25 BANQUE WORMS & CIE Scs, Paris (formerly STE-FINANCIERE WORMS & CIE - see No 289) has taken complete control of BANQUE C. COPPENOLLE SA (capital Ff 1 million; chairman M. Marc Lasserre) which was set up in January 1962 at Lille to take over the savings bank established in 1932 by M. Camille Coppenolle. Banque Worms & Cie will manage it through its Lille agency.

309/26 BANQUE DE L'INDOCHINE SA (see No 299) has backed a new property company, SODICI-STE DE DEVELOPPEMENT IMMOBILIER COMMERCIAL & INDUSTRIEL SA, Paris, whose Ff 300,000 capital is held 59.66% by SOGEPI-STE DE GESTION & DE PLACEMENTS IMMOBILIERS SA (capital Ff 1 million - set up in Paris in September 1961 as 93.8% subsidiary of Banque de l'Indochine - see No 127), 40% by LOCAFRANCE SA, Paris (first leasing company set up in France - see No 268) and 0.33% by SIFEG-STE IMMOBILIERE & FONCIERE D'ETUDES & DE GESTION, Paris.

309/26 The Dutch Banker Mr Albertus Antonius M. Poort, Nijmegen, has almost complete control of CREDIET SERVICE BANK NV (capital Fl 1 million), which he has formed at Nijmegen, a finance house.

FOOD & DRINK

309/26 There has been a reciprocal representation agreement between SCHENLEY INDUSTRIES INC, New York and the distillery group STOCK SpA, Trieste. The agreement will also cover the American company's British subsidiary, (75%) SEAGER EVANS LTD, London, which will distribute Stock's vermouth and brandy in Britain. They will be sold in the United States through the sales network of Schenley Industries itself.

In return, the Italian group, whose subsidiary, DISTILLERIE STOCK SpA, Trieste, has a sales network in the United States, Britain, France, Germany, Austria etc. will distribute, in Italy and the other European Mediterranean countries, "Long John Scotch Whisky" made by Seager Evans and "Plymouth Gin" made by another of its British subsidiaries, COATES & CO (PLYMOUTH) LTD. This will be sold in Italy under the trade name "Plym-Gin" which is easier to pronounce in Latin countries.

309/26 ROWNTREE & CO LTD, York, manufacturers of sweets and chocolates, is continuing to build up its sales network in the Common Market (see No 300) and has set up a subsidiary called ROWNTREE (ITALY) SpA at Milan, (capital lire 50 million; president, Mr S.A. Free; vice-president, Mr K. Haslinger; managing director, Mr N.V. Jorriksma).

Rowntree began with a pilot factory in the Netherlands which turned out to be too small for its needs in the Common Market. It then transferred its activities to Hamburg where last year it set up a joint subsidiary with STOCKMANN WERK KG (see No 282) called STOCKMANN-ROWNTREE & CO GmbH, Wandsbek (see No 273). Rowntree has control of this company (capital Dm 3 million). Rowntree also has sales subsidiaries in Benelux: ROWNTREE (BELGIUM) NV which was set up last March at Ghent (see No 300) and ROWNTREE INDUSTRIE & HANDELMIJ NV, Amsterdam.

309/26 STE DES GRANDS VINS DE FRANCE SA, Beaune, Cote d'Or, has put into liquidation the subsidiary which it set up in Frankfurt in December 1960 (see No 97) to sell Burgundy wines (grands crus) on the German market. The subsidiary was called STE DES GRANDS VINS DE FRANCE, IMPORT GmbH. It had a capital of Dm 30,000 and its managers were M. Lucien Berthon (Paris) and Herr Marcel Adida (Frankfurt).

309/26 ETS J. F. MAES SA, Brussels is taking 16.3% in a new company which is being formed there called EUROVITOLEA SA (capital Bf 1.5 million) to import, process and deal in food products of European origin. M. G. Halazy-Baradlay, the agricultural engineer, is president of the new business; its largest shareholder (for his own account and also as a representative of a group) is M. G. Crucis, Anderlecht.

309/27 The Swedish company, HELSINGBORGS FRYSHUS A/B, Helsingborg, which is part of the Trelleborg group, TRELLEBORGS AGFARTYGS A/B, and specializes in frozen foods, is increasing its interests in Germany by opening a branch at Gross-Gerau for its Duisburg subsidiary, FRIGOROPA TIEFKUEHLUNGS GmbH which it has had since November 1962. This company (managers Mr. Tore Lauritzson of Helsingborg, Herr Hans W. Liholm of Hamburg and Herr Holger Sehlbach of Wuppertal-Barmen) recently had a capital increase from Dm 450,000 to 1 million.

Helsingborgs Fryshus which controls FRIGOSCANDIA A/B and THERMOTRANSPORT A/B in Sweden, has three British subsidiaries, FRIGOSCANDIA LTD, NORTHERN COLD STORAGE (LONDON) LTD and NORTHERN COLD STORAGE (GRIMSBY) LTD and a Danish company, UNIFROST A/S, Copenhagen.

309/27 OUTSPAN SALES LTD (capital £10,000), which was formed in 1963 by CITRUS EXCHANGE LTD (an offshoot of CITRUS BOARD, Pretoria) for selling South African, Rhodesian and Swaziland citrus fruits in Britain, has formed a Paris sales subsidiary, OUTSPAN (FRANCE) Sarl. Its capital will be Ff 65,000 and its non-shareholding manager will be Mr. R.R. Shelton; Mr. F.O.P. Brand will be a director - he is also a director of Citrus Exchange Ltd. It will import oranges, lemons and grapefruit from South Africa only, under the "Outspan" trade mark.

INSURANCE

309/27 Sig. Corrado Senohesen (Milan) is the first director of AUSTRIA ASSICURAZIONI SpA, new Milan company for insurance and reinsurance against accident and illness (capital lire 150 million). It is owned 90% by AUSTRIA VERSICHERUNGSVEREIN AG VORM. KRANKENSCHUTZ, ERSTE ALLGEMEINE KRANKENVERSICHERUNGSANSTALT AG, Vienna, and 10% by AUSTRIA OESTERREICHISCHE VERSICHERUNG AG, Vienna, which controls the former.

OIL, GAS & PETROCHEMICALS

309/27 The French petroleum company, NAHMIAS (see No. 290) is increasing its investment in Italy where its distribution subsidiary, PETROFRANCE ITALIANA SpA, Genoa, has had a capital increase to lire 626 million.

The French group has a subsidiary in the United States, PETROFRANCE INC, and various other overseas interests including the sales companies, PETROFRANCE BELGE SA, set up in 1953 at Antwerp (see No. 187) and PETROFRANCE-SCHWEIZ AG, Zurich, set up in 1954, with branches at Lausanne and Geneva. Its French interests were reorganized recently (see No. 290): CICOL SA, Paris (in which ANTAR - PETROLES DE L'ATLANTIQUE is a shareholder) took over several sales companies and PETROTANKERS SA took over PETROFRANCE SA (whose name it took) and STE DE TRANSPORTS DES PRODUITS DU PETROLE SA, Paris.

309/27 Mr. Roger Klein (Paris) has been appointed president of UNION FRANCO-LUXEMBOURGEOISE DES PETROLES (UFLP) SA, new 90% subsidiary in Luxembourg of the Paris group, UGP - UNION GENERALE DES PETROLES SA, Paris (see No. 305). The new company (capital Lf 1 million) will carry on a wide range of activities in the petroleum sector.

309/28 The Genoa petroleum group, DOTT E. GARRONE (see No. 283) is merging with and taking over completely three other companies, COLISA COSTIERI LIGURI SpA, Genoa, NORMOIL SpA, Genoa, and the group's property company, IMMOBILIERA GARRONE SpA (capital lire 3,000 million; chairman Sig. F. de Barbiere). Colisa Costiere Liguri (capital lire 1,000 million) has oil depots at S. Quirico, and Normoil (capital lire 350 million) has depots at Genoa.

A few months ago, B.P. ITALIANA SpA, Milan, of the BRITISH PETROLEUM group, London, took a 20% shareholding in DOTT EDOARDO GARRONE-RAFFINERIA PETROLI SpA, Genoa. This company became a joint stock company (capital lire 500 million; chairman Dr. Riccardo Garrone) at the end of last March, and then in April, increased its capital to lire 6,250 million, in two stages. The British and Italian groups have been linked for some time now. The Genoa refinery has been supplying BP for several years with almost a third of what it needs for its sales in Italy. Now the two groups are drawing closer together and the Italian group has an option of 20% (maximum) in RAFFINERIA ITALIANA BP SpA, Milan (see No. 259), another of BP's wholly-owned subsidiaries, which is planning to build a new refinery at Volpiano, Turin.

309/28 SOCONY MOBIL OIL CO of New York (see No. 301) has set up a new subsidiary in the Common Market called MOBIL OIL HOLDING SA, Luxembourg, which is to give technical and financial assistance to Socony Mobil's subsidiaries outside the United States.

Socony Mobil Oil is negotiating a large loan in sterling and Deutsche Mark (equivalent to $28 million) through S.G. WARBURG, London. The group is continuing to carry on off-shore oil exploration in the North Sea and is also carrying out a vast expansion programme in Europe: (1) a refinery (4 million tons) at Amsterdam (see No. 295) involving an investment of Fl 200 million; (2) a shareholding in three companies, one Italian (see No. 294), one German (see No. 299) and one Austrian (see No. 264), which are to build and run a pipeline linking Trieste to Ingolstadt and Vienna; (3) enlarging the Naples refinery of MOBIL OIL ITALIANA SpA, Genoa (involving an investment of lire 1,000 million) and the formation of a new complex for MOBIL CHIMICA ITALIANA SpA, Naples (see No. 200), etc.

PAPER & PACKAGING

309/28 The German paper group, ASCHAFFENBURGER ZELLSTOFFWERKE AG, Aschaffenburg, has made over its control (over 75%) of NIEDERRHEINISCHE PAPIER- & PAPPENFABRIK AG, Neuss, Rhein (capital Dm 2.08 million), manufacturer of paper and cardboard boxes, to DEUTSCHE ZUENDHOLZFABRIKEN GmbH, Neu-Isenburg.

Deutsche Zündholzfabriken (together with NORDDEUTSCHE ZUENDHOLZ GmbH, SUEDDEUTSCHE ZUENDHOLZ GmbH, Neu-Isenburg, and the mechanical engineering firm, BADISCHE MASCHINENFABRIK AG SEBOLD-WERK, Karlsruhe-Durlach) is one of the main German subsidiaries of the Swedish group of match manufacturers, SVENSKA TANDSTICKS A/B, Jönköping (see No. 287).

The main shareholders in Aschaffenburger Zellstoffwerke are the Munich banks, BAYERISCHE HYPOTHEKEN- & WECHSEL- BANK (over 25%) and BAYERISCHE LANDESANSTALT FUER AUFBAUFINANZIERUNG (about 16%), MARGARINE-UNION GmbH, Hamburg (part of the UNILEVER group - with about 6%) and the American business man, Mr. Karl L. Laudegger (about 7%). The company remains in complete or almost complete control of a large number of companies: FASERSTOFF-FORSCHUNGS GmbH, Düren, CHEMISCHE WERKE ZELL-WILDSHAUSEN GmbH, Düsseldorf, BRENNSTOFF- & TRANSPORTKONTOR GmbH, Hamburg, and DURO PAPIERVERARBEITUNG

HUXOL & CO, Neuburg, Donau (87.5%) being among the largest. Also it has other holdings: 51% in VEREINIGTE PAPIERWARENFABRIKEN GmbH, Munich, 25% in PARSONS & WHITTEMORE ASCHAFFENBURG GmbH, Aschaffenburg (in which PARSONS & WHITTEMORE INC, New York, group backed by Mr. Landegger, also has a shareholding), 20% in DURO-PACK PAPIERVERARBEITUNGS GmbH, Neuburg, Donau, 15% in ZELLWATTE GmbH, Hamburg (majority shareholders UNILEVER NV, Rotterdam, and KIMBERLY CLARK CORP, Neenah, Wisconsin, with 40% each) and 5% in LIGNIN STUDIEN GmbH, Düsseldorf (95% controlled by a subsidiary of CHEMISCHE WERKE ZELL-WILDSHAUSEN GmbH). Abroad, its main interests are in the United States where it controls, 50-50 with ZELLSTOFFFABRIK WALDHOF, Mannheim-Waldhof, WALDHOF-ASCHAFFENBURG CELLULOSE DEVELOPMENT CORP, New York.

PHARMACEUTICALS

309/29 ARMOUR & CO, of Chicago (see No. 252) and IBF - INDUSTRIE BIOLOGIQUE FRANCAISE SA, Gennevilliers, Seine, have made a 50-50 agreement to prepare and sell biological and biochemical products for all purposes in France. They will cooperate through a joint subsidiary which has been formed called ARMOUR BIOCHIMIQUE SA, Gennevilliers (initial capital Ff 100,000).

IBF (president M. Pierre C. Wirth) prepares and processes chemical, pharmaceutical, biological, veterinary, dental and food products. The group consists of STE IMMOBILIERE DE LA BONGARDE, STE GENERALE DE RECHERCHE & D'APPLICATIONS SCIENTIFIQUES and STE CHIMIQUE POINTET & GIRARD SA, Paris.

Armour & Co of Chicago is one of the largest American concerns making basic chemical, pharmaceutical and food products (see No. 250) and it already has a 50% shareholding in STE CHIMIQUE ARMOUR BEZONS SA, Bezons, Seine & Oise (the other half is held by PECHINEY-ST GOBAIN through one of its subsidiaries). Since 1961 it has had technical agreements with INTERNATIONAL PACKERS LTD. A few years ago it transferred its foreign food assets to INTERNATIONAL PACKERS LTD but kept its chemical and pharmaceutical interests. Its Common Market interests include: ARMOUR ERBA FARMACEUTICI SpA, Milan (see No. 230), 50-50 with CARLO ERBA SpA) and ITALHESS SpA, Milan, control of which is divided between ITALCOLLOID SpA (MONTECATINI group) and ARMOUR HESS BROTHERS CHEMICAL CO LTD. It also owns ARMOUR LEBENSMITTEL GmbH, which was formed last year at Frankfurt (see No. 250).

309/29 The French group BIOSEDRA SA, Malakoff is widening its scope by taking over two firms at Saint Maur-des-Fosses, Seine (J.M. MONIER SA and KLOTZ SA), which make aromatic essences and colouring materials for the pharmaceutical and food industries. This will mean increasing its capital to Ff 11 million.

The group, whose turnover this year will exceed Ff 55 million, has several foreign interests: BIOSEDRA BENELUX SA, Brussels (see No. 141); ITMO - LABORATORI BIOSEDRA SpA, Bologna (see No. 225); and BIOSEDRA HELVETIA SA, Geneva. Its French subsidiary, PHARMASYNTHESE SA (capital Ff 1 million) will run the departments making synthetic materials for the pharmaceutical industry, packaging machinery and equipment for the pharmaceutical and wine industries, and essences and colouring materials. Biosedra's factory at Louviers, Eure, is run by its pharmaceutical subsidiary, LABORATOIRES BIOSEDRA SA - see No. 256.

PLASTICS

309/30 VEREINIGTE JUTE-SPINNEREI & WEBEREI AG, Hamburg, which has been approximately 75% controlled by DRESDNER BANK AG, is now a 75% subsidiary of DYNAMIT NOBEL AG, Troisdorf (subsidiary of FELDMUEHLE AG, Düsseldorf, member of the FLICK group - see No. 303).

The Hamburg firm originally spun and wove jute, but in the last few years it has changed over to making floor coverings in PVC and woven materials. Its capital is Dm 4 million and it has an annual turnover of Dm 52 million. It has factories at Benel and Bad Hersfeld and two wholly-owned subsidiaries, RHEIN-HANSA-SPINNEREI GmbH and LINDEMANN & VAN ALLWOERDEN GmbH at Hamburg. It holds 66.6% in the sales company "MIRAMAR" HANDELS GmbH, Hamburg, and 50% in KURHESSISCHE FLACHSVERWERTUNGS GmbH, Hünfeld.

PRINTING & PUBLISHING

309/30 M. Etienne Gillon, one of the directors of the Paris publishers, AUGE, GILLON, HOLLIER-LAROUSSE, MOREAU & CIE, LIBRAIRIE LAROUSSE Sarl, (capital Ff 17.64 million) has taken a 50% shareholding in a new company, PALA SA which has been formed at Barcelona (capital Pts 5 million) to publish books in French.

The Paris publishing group has interests elsewhere abroad: in Germany (where it has had a subsidiary with its own name at Frankfurt since July 1963 - see No. 227); in Belgium, where it has LAROUSSE DISTRIBUTION BENELUX SA, LAROUSSE BELGIQUE SA, AGENCE BELGE DES GRANDES EDITIONS SA, LAROUSSE CENTRE-AFRIQUE Scrl (all in Brussels - see No. 223).

309/30 The German art and music publisher Götz Hirt-Reger, Kiel, is backing an Austrian company, VERLAG FERDINAND HIRT GmbH, Vienna, publishers (capital Sch 100,000).

TEXTILES

309/30 GOETZ AG, Ravensburg, Württemberg (see No. 282), a holding company which heads a group of firms making underwear for ladies, men and children, has obtained a 51% majority in MAX MOSER KG, Obernzell, Donau (underwear and knitwear) which has until now been wholly-owned by the industrialist Herr Max Moser.

The Goetz group is the second largest German manufacturer of men's shirts and has an annual turnover of Dm 110 million. Its main manufacturing subsidiaries are MARGRETWERK GREGOR GOETZ TRIKOTWARENFABRIK, Margrethausen, OBERSCHWAEBISCHE TEXTILWERKE AG, Weingarten, and GOETZBURG KG, Saulgau (result of the recent merger of GOETZBURG, Buchau, and GOETZ STRUMPFE KG, Saulgau (capital Dm 6 million), GERMAN GOETZ TRIKOTFABRIKEN oHG, Lautlingen, COLOFIL GmbH & CO, Tettnang, and CHARMOR AG, Wlingorten (all in Württemberg).

309/30 Mr. Hendrik Ter Hoeven and Mr. Dirk Ter Hoeven have formed NV MIRLON-MIRLANA INDUSTRIE, Apeldoorn (capital Fl 1.01 million) to make and sell textiles; the new company will take over from them the business of TER HOEVEN NV.

309/31 The German company, NORDDRUCK HERBERT KABJOLL GmbH, Beverungen, which belongs to the Kabjoll family, and specializes in printing fabrics, has gained absolute control of GARDINENFABRIK WILLY MELZER, Bad Sooden-Allendorf. This company, which has changed its name to TEXTILWERK BAD SOODEN H. KABJOLL KG, will continue to manufacture furnishing fabrics and curtain materials.

Norddruck Herbert Kabjol, which already has a textile production subsidiary in Germany called WEBEREI KARLSHAFEN GmbH, Karlshafen, employs, with its subsidiaries, 750 people and has an annual turnover of Dm 60 million.

309/31 TRIUMPH INTERNATIONAL AG, Munich (see No. 275), - the largest European corset manufacturers, are increasing their French interests by forming a property company called INVESTEX Sarl, Paris, which will be responsible for acquiring building sites and building "Logeco" type homes for people working for the group's French companies, TRIUMPH INTERNATIONAL Sarl, Strasbourg, TRIUMPH INTERNATIONAL DISTRIBUTION Sarl, Paris, and PARIS INTERTRIUMPH Sarl, Paris. Herr Herbert Braun, Heubach, Württemberg, is president of the last company and owns nearly all the Ff 1 million capital of the new company, the manager of which is M. Marcel Gross, Clamart.

309/31 The French firm, FILATURE SAINT-LIEVIN SA, Wattrelos, Nord (capital increased from Ff 6 to 6.1 million) which cards wools and artificial and synthetic fibres, has completely taken over MANUFACTURE DE LAINES FILEES SA, Roubaix (capital Ff 1.02 million) which has a large network of agents in Europe - in Germany, the Netherlands, Britain, Austria, Denmark, Finland, etc.

Filature Saint-Lieven (main trade mark "Jetfil") has a trade link with two Belgian companies, WOLLSPINNERIJ VAN ZULTE NV, Zulte, and STE TEXTILE DE DOTTIGNIES SA, Dottignies.

309/31 TRICETRI Sarl has changed its name to KORATRON TECHNIQUE EUROPE - KTE Sarl: it was formed in March (see No. 300) 50-50 by DUBIN-HASKELL LINING CORP (DUBIN-HASKELL JACOBSON INC, New York, group) and SERITEX - STE DE SERVICES POUR L'INDUSTRIE TEXTILE, Sarl of Paris (50-50 subsidiary of the holding company TEXTIL SA of the GILLET group, and ETS SCHAEFFER & CIE SA, Pfastatt-le-Chateau, Haut -Rhin). The management has been changed as well as the name. Instead of a board of management (which included SERITEX's nominee as president and Mr. Jacques J. Saunders as representative of the American partner) the following have been appointed managers: Mr. Jacques J. Saunders, M. Philippe Comte and M. Prevot.

309/31 The Dutch clothing firm VERENIGDE MODEMAGAZIJNEN VINKE NV, Utrecht, is forming a new sales company in Belgium, VINKE BELGIE NV at Antwerp. It holds 98.8% of its Bf 500,000 capital and the remainder is divided equally between M. Theodorus J.M. Feldbrugge, director of the founding company, and five companies which it controls: J. TH. WITTEVEEN NV, Heerlen, MODEMAGAZIJN VINKE EINDHOVEN NV, Eindhoven, EXPLOITATIEMIJ VERENIGDE MODEMAGAZIJNEN VINKE NV, Amsterdam, MODEMAGAZIJN VINKE ROTTERDAM NV, Rotterdam, and VINKE NEDERLAND NV, Amsterdam.

309/31 LOU Sarl, Grenoble, manufacturer of women's lingerie, has taken over completely another company of the same kind, HUIS CLOS, Grenoble. This company used to hold 26.7% of Lou's Ff 10.5 million capital. It has now made over to Lou, its brand name "Huis Clos".

309/32 The German spinning family Dilthey is going out of business and closing the firm FA. AUGUST DILTHEY & SOEHNE BAUMWOLLSPINNEREI & ZWIRNEREI, Rheydt-Müllfort. The machinery and the 86% shareholding which the firm holds in CREFELDER BAUMWOLL-SPINNEREI, Krefeld, have been taken over by another family concern, GERRIT VAN DELDEN & CO SPINNEREI & ZWIRNEREI, Gronau, Westphalia.

309/32 The German family firm HERMANN MARSIAN BEKLEIDUNGSINDUSTRIE GmbH, Neumünster, which makes ladies' clothing, has just taken over H.F.W. MEHRENS KG WIRKWARENFABRIK, Neumünster, which employs 400 people and makes knitwear out of wool, cotton, perlon, silk, etc.

TOURISM

309/32 The tourist agency, SIT - STA INTERNAZIONALE TURISMO SpA, Turin (capital lire 10 million) is entering the British market by opening a branch in London (to be managed by Sig. V. Venturini).

SIT has offices in a number of Italian towns and its activities are coordinated by STUI - SVILUPPO TRASPORTI URBANI INTERURBANI SpA, Turin (capital lire 100 million - part of the FIAT group - see No. 306), which specializes in organizing, giving technical assistance to and managing transport and tourist businesses. It has four agencies of its own outside Italy, at Paris, Frankfurt, London and Vienna.

309/32 CIE INDUSTRIELLE & FINANCIERE D'ALAIS SA, Paris, is taking a direct 20% interest in a new Paris company, CIE INTERNATIONALE D'ETUDES & DE DISTRIBUTION "ID" SAF (capital Ff 200,000). The new company's president and 18% shareholder, M. Harry Grunberg, is export director of ADG - STE D'APPLICATION DES GAZ, PRODUITS ROUTIERS & MATERIAUX SA, Paris (well-known trade mark "Camping-gaz international") which has belonged to the ALAIS group since 1956.

The other shareholders in the new company are CLUB MEDITERRANEE SA, Paris (see No. 266 - 20%), GAZOCEAN SA, Paris (see No. 192 - 18%), COINTRA - COMERCIO INDUSTRIA & TRANSPORTES SA, Madrid (19%), Mr. Hillel Piciotto (Beirut - 4%) and M. Michel Goldschmidt (Paris - 1%).

TRADE

309/32 Sig. Franco Viezzoli is the first director of PROPE - SOC. PER LA PROSPEZIONE & LA PENETRAZIONE COMMERCIALE SpA, Rome, a new member of IRI - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, Rome. Its capital is lire 20 million and will be responsible for prospecting and sales promotion for all the group's companies.

TRANSPORT

309/32 NV INTERNATIONALE HANDEL- & SCHEEPVAART MIJ JAN DE POORTER, Rotterdam shipping group and sales company for mineral products, has made over some property to its French subsidiary, STE D'AFFRETEMENT & DE COMMERCE JAN DE POORTER PARIS Sarl, which has increased its capital as a result from Ff 20,000 to 250,000.

The Dutch group is also involved in the transformation of mineral ores and the manufacture of chemical products (fertilizers, fungicides, insecticides, etc) in which one of its subsidiaries, NV INDUSTRIELE MIJ GEERTRUIDENBERG, Geertruidenberg, specializes. It has, under its own name, a large number of foreign subsidiaries at Milan, Brussels, Cologne, London, New York, Tokyo, etc, as well as agents and representatives at Seville, Johannesburg, Calcutta, Rio de Janeiro, etc.

309/33 BELGIAN BUNKERING & STEVEDORING CO SA, Antwerp, (see No. 247) which is part of the Paris group, WORMS & CIE (see No. 302) has taken direct 73% control of the Antwerp freight and shipping company, STEINMANN & CIE, taking the opportunity offered by its capital increase to Bf 6 million. Steinmann used to be controlled ($33\frac{1}{3}$% each) by its chairman, M. Guillaume G. Huret, by WORMS & CIE SA, Antwerp (subsidiary of the French group) and by Belgian Bunkering & Stevedoring.

Belgian Bunkering & Stevedoring (under the management of M. Pierre M. Stoop) last year formed a subsidiary called EURO SHIPPING SA, together with Steinmann & Cie and Worms & Cie SA. Some months ago, this firm took an 8.8% holding in STEVEDORING CO GYLSEN SA, Antwerp (see No. 157), a company for collecting, warehousing and transport of goods, whose capital was increased to Bf 126.4 million, allowing another shareholder, BELGO BRITISH STEVEDORING CO SA, Antwerp, to raise its minority holding a little. Control of Stevedoring Co. Gylsen remained with CIE MARITIME BELGE (LLOYD ROYAL) SA (of the STE GENERALE DE BELGIQUE group), with its subsidiary AGENCE MARITIME INTERNATIONAL SA, Antwerp, and with L.A. VANDEPUTTE STEVEDORING CO SA, Antwerp.

309/33 Having recently entered New Zealand, the Dutch shipping company, NV NEDERLANDSCHE-AMERIKAANSCHE STOOMVAART-MIJ (HOLLAND-AMERICA LIJN), Rotterdam (see No. 283) is continuing to expand in Australasia and has now set up an Australian subsidiary, HOLLAND-AMERICA LINE (AUSTRALIA) PTY LTD, Sydney. This will take over the activities of the agency which the Dutch company opened in Sydney in 1964.

309/33 Two British carriers, Mr. James Smith and Mr. Alex Smith, (Falkirk) have joined the Belgian one, M. Jean Joseph Nerinckx, with equal shares to form SMITH CONTINENTAL Sprl in Brussels. It will convey goods and passengers by road, rail, water and air. M. Germain Serniclaes, Tervesen, is the manager of the new business (capital Bf 1,035,000), and the British partners will have two thirds control.

VARIOUS

309/33 SNI - STE NATIONALE D'INVESTISSEMENT SA, Brussels, has taken 42% in STE DE PECHE EN HAUTE MER SA, Bruges (see No. 200), a Belgian firm making weapons and fishing gear, whose capital has been raised to Bf 40 million. It was formed in 1960, and in 1962 (see No. 150) came under 57% control by the Swiss bank, PICTET & CIE Snc, Geneva (see No. 305), which already had an interest in it.

309/34 BEBE-CONFORT Sarl, Villemomble, Seine (plastic, metal and textile goods for infants) is increasing its Italian investment by doubling the capital of its sales subsidiary BEBE CONFORT SpA, Genoa, to lire 56 million.

The group (president M. Jean Labaloue) has a large factory at Abbeville, Somme, and controls BEBE CONFORT METAL INDUSTRIE Sas, Villers-Cotterets, Aisne, and BEBE CONFORT PLASTIQUES-TEXTILE SA (formed in 1961). It has two other sales subsidiaries in the Common Market: BEBE-CONFORT SA BELGE, Jette-Brussels (capital Bf 1.8 million - formed in 1946) and BEBE CONFORT DEUTSCHLAND GmbH & CO KG, Pulheim-bei-Köln.

309/34 Herr Erich Eilebrecht-Kemena (Baden Baden) owner of the tobacco and cigarette company, EILEBRECHT CIGARETTEN- & RAUCHTABAKFABRIKEN and the chemicals and drugs company, SALVIA-WERK GES. ZUR HERSTELLUNG CHEMISCHER & PHARMAZEUTISCHER ERZEUGNISSE mbH (both at Homburg, Sarre) has been appointed chairman of UNITED CIGARETTES CO LTD, Carouge, Geneva (capital increased from Sf 0.9 to 2 million). This is a management company which also manufactures and trades in products for smokers (cigarette papers in particular). It was formed only recently (see No. 308) with the backing of the French company, STE JOB SA, Perpignan, which has made over to it its own branch at Carouge.

309/34 SALAMANDER AG, Kornwestheim, Baden, which already has a subsidiary in France called SALAMANDER FRANCE SA, Paris, to sell its shoes, is carrying out its plan to set up a manufacturing subsidiary in Eastern France (see No. 296). It has been formed at Niedermodern, Bas Rhin, and is called SALAMANDER ALSACE-LORRAINE Sarl (capital Ff 250,000).

A few weeks ago the German group bought a building at Enrischeim, Haut Rhin, in this connection, so manufacture has begun already. The new factory, which at present employs only about 50 workers, will act as a training centre for workers who will eventually be employed there.

309/34 At the end of 1962 eleven French furnishing firms which wished to expand their sales in Belgium formed BELGIMM SA, Molenbeek-St-Jean (see No. 171), which is now taking up one third of the Bf 300,000 capital of SABEGIMM - STE D'APPROVISIONNEMENT POUR LA BELGIQUE DE MENUISERIES GIMM SA, which is being formed at Fontaine-L'Eveque as a market research and furniture sales company.

Its president is M. Rene Maillard, Lyons, managing director of BELGIMM SA and director of ETS MAILLARD SA, Bruz, Ille & Vilaine, one of the founding companies. It is directed by M. F.E. Pirlot, the Belgian industrialist, who holds 33% of the shares, with M. P.G. Martin and M. J.R. Breton, Lille.

309/34 PERMAFLEX DI A. FANTONI & G. POFFERI Srl, Bologna, the Italian manufacturer of spring mattresses and furniture for hotels, hospitals, etc, plans to start a factory in France. Permaflex, which is expanding steadily, is controlled by the holding company YOTAR AG, Zurich (formed in December 1961 with a capital of Sf 3 million), which invested about lire 450 million in it in 1964.

309/34 The Liechtenstein holding company, KORATOS ANSTALT, Vaduz, has backed (90%) the new Milan company, S.I.PLA - SOC. ITALIANA DEL PLATORIUM DI V. GOLDANICA & CO Sas (capital lire 1 million). M. Ivan Orsini (Paris) is manager of the new company which manufactures and sells non-ferrous metal alloys and other products for dentistry.