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# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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October 20, 1966.

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# *Opera Mundi* **EUROPE**

**A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET**

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COMMENT  
A Letter from Paris

A NEW ROLE FOR GOLD?

When leading public figures begin to rant, the effect is often to prove the old adage about empty vessels, certainly as far as money matters are concerned. One sensed this when President Johnson told Chancellor Erhard how much he regretted Germany's failure to match what American troops were spending there by her own expenditure on material from the USA. One felt it again when the Secretary of the Treasury, Henry Fowler, inveighed against the European nations because their attitude was not the most helpful one, as far as solving the American balance of payments problem is concerned. At such times as these, one feels that this impatience is simply a rather ineffective way of concealing current gaps in American monetary policy, and that their attacks on others might be better directed against what appears to be inertia on the part of the US financial authorities.

It was in 1961 that Germany made a gentlemen's agreement with the American authorities, that she would buy military material from the USA to the equivalent of what American troops were spending in dollars in Germany. Between 1961 and 1964 these purchases amounted to about \$2,675 million. For 1965 and 1966, Erhard promised to spend about \$1,350 million in the USA, which matches the annual American expenditure in Germany of \$675 million. But to date, Bonn has only spent \$450 million in the USA, leaving another \$900 million to be spent before the end of the year, if the German Chancellor is to keep his promise. Erhard and his foreign affairs minister, Gerhard Schroeder, were hoping to gain some sort of concession on this score when they went to Washington recently, because, in their view, the current financial situation of Germany simply does not allow it to meet all its financial commitments to the full.

We shall not dilate here upon the detail of the more or less satisfactory arrangements that were finally made, and the provision for future tripartite talks between the USA, Britain and Germany on the financial aspects of expenditure by allied troops in Germany, which are more promising. President Johnson's ill humour, however, remained evident throughout the proceedings. The American negotiators, true to form, suggested that the deficit might be made up by getting the Bundesbank to keep a higher proportion of dollar reserves than it was at present, as this would have just the same result for the American balance of payments. As it happened, the Chancellor was able immediately to consult with the President of the Bundesbank, Karl Blessing, who was attending the IMF meeting in Washington, but the latter would not hear of committing the bank to something which would only increase the already high financial risk it was running, and he assured Erhard that the Governors would never accede to such a proposal.

It seems to be getting more and more difficult for the international mechanism of money to work on "private arrangements", and by more or less imperious means of persuasion for "recalcitrant" countries. Perhaps we should begin by asking ourselves to what extent the resistance one encounters stems from ill-will on the part of those concerned, and to what extent it is the legitimate fear of incurring undue risks.

Mr Fowler could have done worse than to put this question to himself before embarking on as bitter a diatribe as he delivered to the delegates from the IMF and the World Bank. His predecessors were always careful to avoid the least suggestion of legal restrictions on the export of American capital - the Interest Equalization Tax was not an embargo, but a simple penalisation of certain ways of exporting American capital. This time, however, he made no bones about mootng full restrictions: of course, for the time being, all this is pure surmise, and will not be considered seriously unless the voluntary restraints fail to achieve the desired results. But, said Mr. Fowler, the introduction of mandatory measures to curb the outward flow of capital may yet become inevitable. His own view is that measures of this sort would have to be applied selectively, that is, to transfers to countries enjoying balance of payments surpluses. It was quite obvious that he was addressing himself mainly to France (comments from his ministry's spokesman later bore out this impression). "Measures taken by the deficit countries might have to be quite drastic if surplus countries follow, whether by design or otherwise, policies that tend to preserve these surpluses". According to Mr Fowler, neither national interests, nor those of international cooperation can be served by surplus countries who use their capital markets "as instruments for the accumulation of gold and other reserves beyond their needs."

As things are at present, one can take this mainly as a bad-tempered outburst, rather than as the announcement of measures likely to be imposed in the near future. It is difficult to imagine how the flow of American capital could be staunched in some directions but allowed in others, when we remember that the movement of this capital, once it has left the country, escapes the control of the Washington authorities. Even the Secretary of the Treasury himself has admitted that there would be serious technical problems involved in the application of such a system.

Any idea for monetary reform which involves a gold guarantee for foreign currency held in the central banks (and this includes dollars) is always met with such violent and unqualified opposition by the American financial policy-makers that most of the experts believe such a solution to be out of the question. Just the same, if this recourse had been implemented, it is quite likely that the monetary troubles alluded to by President Johnson and Mr Fowler with such bitterness would have been dispelled almost automatically, without any need arising for direct pressures to be exerted. The best way of achieving world-wide monetary equilibrium is for its working basis to be an organically built-in mechanism of this sort, rather than a series of vigorous interventions. If the dollar quota in the central bank reserves was guaranteed by the USA - as, in general, all currencies held by these banks would be, by the countries which issued them - the Bundesbank would probably not refuse to accept a larger proportion of them (especially as, unlike gold, they could be invested against interest). France, of course, might not be prepared to accept dollars beyond the limit she has laid down, but at the same time a gold guarantee would encourage other countries to retain large quantities of dollars which would compensate for French gold-conversions. (In the event of a dollar gold guarantee being fixed, moreover, the central bankers might well defeat political considerations, even in France).

The fact that in the last two years France has reduced the proportion of dollars in her reserves from 29% to 14% is not in itself disastrous, and should not necessarily be considered as a malicious gesture towards the USA. Great Britain, for instance, before the state of the pound a year ago caused here to change her policy, was not accustomed to keeping more than 10% of her reserves in dollars, and everybody, Washington included, regarded this as completely normal. This state of affairs was often attributed to the fact that Britain herself is the issuer of an exchange currency, but in reality this should not have prevented her from holding far more dollars for quite some time. The only real criterion here was security, there was no technical objection, and if the original concept has been abandoned since 1965, this is because anxiety about sterling has wrought a change in monetary priorities.

Whether we like it or not, we are perhaps getting around to the idea of a gold guarantee more quickly than people think. The next meeting of the IMF in September 1967 may produce the decision to create the new reserve units, and these would carry a gold guarantee. A recourse such as this would thus be a compromise, and would give a lead for the gold guarantee at the same time as it was ruling it out (for the time being) for dollars - and pounds sterling - already held in the reserves. Again, the beginning of last week was marked with an official denial by the British Treasury and the Bank of England of a statement made, in almost the same terms, in two important London weeklies, the Observer and the Economist. Both of these mentioned the granting of a gold guarantee clause to at least one and possibly two of the countries which keep official sterling balances in London. Both articles specified that the country in question was outside the sterling area, and that its identity was being kept a strict secret. The official denial pointed out what is in fact very obvious - that central bank assistance under the "swap" arrangements is automatically protected against any change in sterling parity - and added that no other such promise had been given for any sterling deposits. It is clear, too, that it would be impossible to keep an undertaking of this sort really secret, and that all the sterling area countries would reckon they had just as much claim to the guarantee as the happy few who were enjoying it. In no time at all, a chain reaction would set in which would affect all the interested parties - and if Britain started granting guarantees, how long could the USA avoid having to follow suit?

If we were faced with such a turn of events, perhaps it would not be a bad thing: it might even prove to be a workable solution to the monetary problem, stemming from natural momentum, and resolving the issue in a far more normal and salubrious way than the experts might think. It is a shame that the official statements had to dispel such a prospect, though perhaps we should settle for the idea that monetary techniques have now reached such a peak of perfection that the difference between swap arrangements and some other way of working, as yet undefined perhaps, but which would carry the gold guarantee clause, is purely academic?

## THE WEEK IN THE COMMUNITY

October 10 - 16, 1966

From our Correspondents in Brussels and Luxembourg

## THE COMMON MARKET:

## EEC Membership - A Waiting Game

The resignation of the Cals Government in the Netherlands on October 13th is not likely to help the relaunching of the EEC after the major agreements of the autumn of 1966. Whether the crisis is resolved by the formation of a new government or by early elections, it seems to have every chance of continuing for many weeks yet. In the discussions due to start in Brussels, whose direct and indirect political importance might be considerable, the Dutch were cast in a leading role. Firstly, there is the problem of the merger of the executives. The Dutch second Chamber was due to ratify the Brussels convention on the merger at the end of the month, just before the next full session of the EEC Council. This ratification would not have solved the whole problem at one go, but as it was the last ratification, it would have probably put the Six up against the wall: if they were unable to form a single Commission, the Ministers would have been forced to renew the mandates of the presidents, vice-presidents and members of the existing Commissions. Today it seems unlikely that the Foreign Ministers will meet at the end of the month, or that they could reach a decision by then in any case. An irritating uncertainty, prejudicial to the interests of the Community, is thus going to continue.

Furthermore the common transport policy (which seems ill-fated) will probably be delayed once again. This particular question has a special interest for the Netherlands, and any Dutch government would probably use very similar arguments. But it seems unlikely that any of them, once out of office, would risk giving any undertakings; especially as the Hague has never shown itself greatly concerned about the need to adopt a common transport policy, as envisaged by the other member states. Unfortunately this sector held out hopes of considerable progress for the Community.

A growing amount of opinion in Brussels now seems to think that the EEC will spend most of the next few months in "digesting" the agreements reached last summer, or to put it differently, in working out the details of the mechanisms of the common agricultural policy and finalising the GATT tariff negotiations. This feeling is confirmed by the fact that after the Danish fireworks, direct pressure from outside has rapidly become less intense. The problem of an enlargement of the Common Market is still the object of numerous discussions, especially in the various EFTA capitals, but all ideas about an immediate move have disappeared. The Kennedy Round offers an excellent reason for avoiding any haste.

This does not mean that all hope of an arrangement for "Greater Europe" has been definitely abandoned, far from it. All the events of these last few weeks could have made a decisive contribution to the progress of the hope, so often disappointed, of an arrangement between the EEC and its neighbours in Western Europe. As for EFTA,

no-one has yet put forward any ideas in place of straightforward membership of the Common Market. Dates have even been mentioned: what is not possible now, will be so in 1968 or immediately after the end of the Kennedy Round. Moreover, it is possible to think that some countries have started to strengthen their positions in preparation for negotiations with Brussels. Into this category one can put the Scandinavian countries, who have just decided to form a common front for the Geneva negotiations, with joint exception lists and a single delegation. It is more than likely that this strengthening of Nordic solidarity will survive the Kennedy Round, and they will again speak as one, the day when they ask Brussels to allow them to join the Common Market.

To sum up, no member of the Six or the Seven seems to have any interest or even the desire to speed up the course of history. Everyone is discussing the intentions of others, if they are not discussing their own. In this climate, the Kennedy Round, the Dutch crisis, the French elections, the British difficulties, all lead one to expect that governments will be cautious in the near future. The short term outlook may well be depressing, but the more distant view seems much more encouraging.

\* \* \*

#### Expansion Slow But Varied

The latest "Notes on the Economic Situation" published by the Commission show that industrial production in the Community continued to expand during the summer at a fairly quiet rate. What is even more striking is that the rate varied considerably from one country to another. In Germany, the trend was inclined to be weak, mainly in some basic materials and investment goods. The rate was slower in Belgium too, and production even fell slightly in Luxembourg. On the other hand there was again marked progress in industrial production in France, where a slight contraction in some consumer goods industries was more or less offset by the acceleration in the investment goods sector. Progress was even faster in Italy, and industrial production also registered considerable gains in the Netherlands.

At the same time there was a slight increase in unemployment, except in Italy, where partial unemployment is falling steadily. The building industry is no exception here and this can also be explained in some countries, such as France, by the growth in the working population. In fact Italy is the only country with an increase in building, which has been comparatively quiet elsewhere. This slackness in the labour market does not seem to have affected rising consumer prices very much any more than has the seasonable drop in agricultural production during the summer. Italy and France show the greatest stability in this field.

Apart from all this, the Community's trade balance has continued to improve. This trend, which has been evident since the end of Spring, is mainly due to a rapid increase in exports, mainly to the United States, and also to a drop in imports of raw materials.

Nevertheless, for the first six months of the year, the Statistical Office of the Communities shows that the trade deficit between the Community and outside countries stands at \$1,174 million, an increase of \$353 million over the first six months of 1965. German foreign trade still shows a surplus and even an increase (+ \$539 million) but in the five other countries the balance is deficitary.

\* \* \*

### Olive Oil Prices

As we already know, the Six have virtually adopted a system of "deficiency payments" for the olive-oil industry. To ensure the survival of Italian olive-oil producers, they have agreed to pay an indicator price of \$115/100 kg on production. However, since Italian production cannot supply the entire needs of the Community (or even of Italy itself) and it was desirable to maintain certain trade links (Morocco pointed this out officially in Brussels) it was impossible to fix Community protection, that is, the market price, at such a high level. Also the Commission has just proposed to the Council of Ministers that this price, which comes into force on November 1, should be fixed at \$78 per 100 kg.

The difference between the production price and the market price (\$370 per ton) will be paid by FEOGA - an annual burden of some \$140 million. When these measures come into operation Italian prices will drop by one-fifth for olive-oil and nearly one-third for other vegetable oils, which have been heavily taxed up to now to protect the former on the national market. Although the Italian exchequer will lose a certain amount of revenue, this is probably the first time that the common agricultural market has brought a heavy drop in prices in at least one country.

Imports from non-member countries showed a rate of growth approximately the same as the expansion in internal community trade; 11% as against 12%. On the other hand, EEC exports to other countries only rose by 9%. There is an even greater variation, if we take into account the trade relations with each country concerned separately. So in the case of the United States, imports increased by 10% while exports from the Six rose by 20%. With Britain, the figures are 7% and 10% respectively while for the other EFTA countries, this order is reversed: 8% and 3%. Overall, as far as the industrial countries are concerned the balance is fairly even, with a growth of 10% in exports and 11% in imports. On the other hand the difference is much clearer in relations with the developing countries: 4% and 10%. The contrast is even more striking in the case of EEC trade with the Associated African states: sales have not moved while purchases have increased by 14%.

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### The EIB Finances A Greek Cement Factory

The European Investment Bank has granted a \$1.5 million loan to the Greek Cement Company (Societe Hellenique des Ciments) to build a cement factory at a cost of \$7.8 m. at Patras. The new factory will produce 300,000 tons a year and supply a tenth of the country's existing needs. The Societe Hellenique is a subsidiary of SA Ciments Titan, Greece and the American International Cement Corporation.



ECSC:

ECSC Council to Discuss Steel Measures and Coking-Coal on November 22

The High Authority's special study group, charged with drawing up proposals for a new Community steel policy, has just presented its first report to the High Authority. This contains a list of theoretically viable measures intended to:

- quickly lead to the regulation of internal steel production;
- direct the trend of medium- and long-term investment;
- control production costs and selling prices.

On the question of relating production to actual outlets, it appears that the majority of High Authority experts feel that it would be rather complicated and difficult to fix production quotas under Article 58 of the Treaty. But there is the possibility of using Article 95 of the Treaty, which is more flexible and, unlike Article 58, allows for greater cooperation with the governments. In the immediate future, it was also suggested that the High Authority's quarterly forecasts for steel production should be made obligatory; these forecasts have always been of a purely indicative nature.

In the field of costs and prices, it will be necessary first of all to settle the problem of non-discriminatory supplies of coking-coal to the Community steel industry. On the other hand it would be difficult to fix minimum prices on the basis of Article 61 of the Treaty, because, not only does the level of prices have to be decided, but these prices must be genuinely observed by the factories. The special study group seems to be more in favour of measures designed to impose a stricter price discipline on the common steel market, for example by limiting the right to align prices with those of other Community producers. A similar regulation is already operating in the coal sector, where producers can only sell 20% of their output at prices based on the lowest prices of competitors within the common coal market. They have also considered tightening up the obligation to declare all sales made by alignment on supplies coming from the Community.

The study group has considered a number of possibilities so as to reach better co-ordination of investment. Here we find the real source of the steel industry's structural problems, that is, the growing imbalance between the progress of production capacity and needs for steel. The first intention here is to clarify the declarations which firms have to make prior to embarking on investment programmes, and to insist on these declarations being made sufficiently early to allow the High Authority to have a say if the project appears unsuitable. Finally the various member countries could be invited to make periodic comparisons of their investment programmes in order to achieve better co-ordination.

The High Authority has not yet decided on the various measures which have been put up and it will probably take several more meetings before it can finally put its proposals to the Council of Ministers. However, a date has been fixed for this important ministerial meeting (November 22nd next) when the governments will be confronted with their responsibilities, on both steel and coking-coal.

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D CHEMICALS	Belgium: AMOCO INTERNATIONAL, Geneva (European sales administrator for STANDARD OIL CO OF INDIANA, Chicago) forms technical assistance company in Brussels. THE McKAY CO, Pittsburgh, USA (electrodes for welding) forms SOUDOKAY, Brussels (manufacturing and sales). Italy: TH. GOLDSCHMIDT AG CHEMISCHE FABRIKEN, Essen forms Milan sales subsidiary. Luxembourg: FARBWERKE HOECHST forms Luxembourg holding company to launch European loan.
E ELECTRICAL ENGINEERING	Austria: HERMANN ZANKER, Tübingen, Germany (washing-machines etc.) extends its Austrian subsidiary's sales range. Germany: LIESEGANG, Düsseldorf (projection and enlarging equipment) and the BRAUN group, Frankfurt sign technical and sales agreement. Switzerland: LINDE, Wiesbaden (refrigeration) forms LINDE AG, Basle to sell refrigerators, domestic appliances etc.
F ELECTRONICS	France: SEAELECTRO, New York (electronic components) forms French sales subsidiary. France and Germany: AEG-TELEFUNKEN, Berlin and CIE EUROPEENNE D'AUTOMATISME ELECTRONIQUE, Paris will co-operate in developing computers. Germany: ROLLEI-WERKE FRANKE & HEIDECKE, Brunswick will be European agent for new electronic flash developed by the American HONEYWELL INC.
F ENGINEERING & METAL	Belgium: The American OMARK INDUSTRIES will build new EEC factory probably in Belgium making wood-saws, drilling and welding equipment etc. France: COSTER-TECHNOLOGIE, Milan (areosol valves) forms French subsidiary. The Swiss group PAILLARD (precision instruments) buys minority share in subsidiary of JAPY FRERES, Paris making typewriters. TREFILIERIES & LAMINOIRS DE PRECISION GILBY-FODOR, Rueil-Malmaison and UGINE will build stainless steel factory under joint subsidiary TREFINOX. The Italian printing machinery firm ALBERT-ROTOMECH takes 30% in LEGROS, MEYER & CIE, Puteaux, Hauts-de-Seine (printing). Germany: FARREL CORP, Connecticut (machinery etc. for rubber, plastics etc.) forms Frankfurt subsidiary. EMHART CORP, Bloomfield, Connecticut (packing machinery etc.) forms German company. The merger of two companies in the LURGI, Frankfurt group forms LURGI GES. FUER WAERME- & CHEMOTECHNIK (chemical engineering, nuclear technology etc.). Netherlands: TIME PRODUCTS,

- Page London (watch-making etc.) forms second EEC subsidiary in Amsterdam.
- H FINANCE France: The Paris subsidiary of BARCLAYS BANK, London opens Calais branch. F.F. SA, Paris (formerly SIMCA INDUSTRIES), a FIAT subsidiary sells property to new Paris company FAZZILAU-COLLANGE. Germany: Three German co-operative banks in Wuppertal form CREDIT- & VOLKSBANK SPAR- & MITTELSTAND-BANK. Luxembourg: The chairman of PENARROYA is appointed president of new Luxembourg finance company PENARROYA INTERNATIONAL. BfG, Frankfurt takes 50% in UNION DES COOPERATEURS LUXEMBOURGEOIS which has increased its capital. DEUTSCHE UBERSEEISCHE BANK, Berlin takes share in ADELA INVESTMENT, Luxembourg (finance for Latin American development).
- I FOOD & DRINK Belgium: GLUCOSERIES REUNIES, Aalst, Belgium buys large share in ETS HENRI TILKENS, Mechelen (fruit-juices), Belgian distributor for JOHN SMITH'S TADCASTER BREWERY, Yorkshire. France: EAUX MINERALES DE VITTEL, Vittel, Vosges and GEORGES LESIEUR, Paris sign agreement for market research and sales. MARTIN BRINKMANN, Bremen sells its controlling interest in HERMANN FABER, Bremen (coffee-roasting). Switzerland: A new management company SINVECO HOLDING is formed in Lugano.
- J GLASS Belgium: GLAVERBEL, Brussels forms BALLOTINI EUROPE SA, Charleroi (microspheres).
- K OIL, GAS & PETROCHEMICALS Japan: SNPA, Paris forms joint subsidiary in Tokyo with SUMITOMO, Osaka to prospect for oil in the Far East.
- K OPTICAL & PHOTOGRAPHIC Britain: CARL ZEISS, Heidenheim (optical and precision engineering) takes over its British distributor DEGENHARDT, London.
- K PAPER & PACKAGING Germany: The American OWENS ILLINOIS buys 50% in BUENDER GLAS, Bünde, Westphalia (glass and plastic packing etc.). The Swedish pulp maker SVENSKA CELLULOSA buys share in a German producer ASCHAFFENBURGER ZELLSTOFFWERKE which has increased its capital.
- L PHARMACEUTICALS USA: BAYER, Leverkusen intends to form joint US sales company with SCHERING CORP, New Jersey.
- L SERVICES Germany: The Swiss management consultants ATOR AG forms branch at Essen.
- M TEXTILES France: The American PROVIDENCE PILE FABRIC CORP forms QUAKER TEXTILES (FRANCE), Paris (synthetic textiles etc.). ETS DELEBART-MALLET, Lille forms international subsidiary.
- M TRANSPORT Luxembourg: The Danish air transport firm STERLING AIRWAYS

Page forms Luxembourg subsidiary.

M VARIOUS Italy: The Japanese public relations company INTERNATIONAL PUBLIC RELATIONS appoints Italian agent. Netherlands: The Danish fishing equipment makers ROBLON forms Dutch sales subsidiary.

N LATE FLASHES Belgium: McGRAW COLORGRAPH, California (printing materials) forms Belgian sales subsidiary. Brazil: The Brazilian public concern CIA SIDERURGICAS NACIONAL sells its 21% in SIMCA DO BRASIL to CHRYSLER, Detroit. Britain: The Italian domestic appliance group FERDINANDO ZOPPAS will sell ACME washing machines under agreement with BRITISH DOMESTIC APPLIANCES, London. France: SAVIEM, Suresnes (RENAULT group) signs trade agreement on civil engineering with RICHER, Paris. Germany: GREGORY INDUSTRIES, Ohio (electrical engineering) gains control of PECO VERKAUFS, Frankfurt (welding materials). Italy: FINGRAF, Milan (finance for the graphic industry) forms new silk-screan equipment firm in Milan. COLUMBIA BROADCASTING, New York buys two Italian record distributing firms. Netherlands: The American MAGNA CORP (equipment for the chemical and electronics industries) forms Dutch subsidiary. The Canadian storage specialists REDIRACK forms Dutch subsidiary. Spain: WURTTEMBERGISCHE METALLWARENFABRIK, Geislingen forms Madrid sales subsidiary. The French company ETS L. FAIVELEY (electromechanical equipment for rolling-stock) forms Madrid company 50-50 with DIMETAL SA, Madrid.

AUTOMOBILES
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\*\* The second largest Japanese car manufacturer NISSAN JIDOSHA KOGYO (NISSAN MOTOR CO), Yokohama, is continuing the build-up of its sales in Europe by forming three new sales companies in Sweden, Denmark and Belgium. The third of these, NV DATSUN BELGIUM SA, Brussels, has a capital of Bf 2 million. The Japanese interest holds 49% (held by Messrs. Kozaburo Ohta, Shigeo Yano and Yoshiro Shimao). The rest of the capital is owned by Belgian interests represented by MM Frans, Jean-Paul and Guy Pierreux with 49% all told, and Joseph Munster (2%).

The Japanese company first set up in the Netherlands in May 1966 (see No 347) through an agreement with HART NIBBRIG & GREEVE NV, The Hague, which resulted in the formation of DATSUN NEDERLAND NV, The Hague (capital Fl 50,000).

BUILDING & CIVIL ENGINEERING
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\*\* THE AUSTIN CO, Cleveland, Ohio (engineers and builders - see No 360) has formed another European subsidiary in the Netherlands: AUSTIN-NEDERLAND NV, Schipol (capital Fl 250,000).

The American group is headed by Mr. A. S. Austin and specialises in industrial architecture. It controls AUSTIN ENGINEERS INC, Detroit and AUSTIN INTERNATIONAL CORP, New York (branch in London). Its other subsidiaries in Europe are: AUSTIN-EUROPES SA (formerly AUSTIN FRANCE), Paris; AUSTIN ITALIA SpA, formed in Milan in May 1966 (capital Lire 10 million) and AUSTIN ENGINEERS BUILDERS LTD, London.

\*\* The Dutch building materials group MEES' BOUWMATERIALEN NV, Groningen (see No 313) which has shares in about fifteen similar Dutch firms (mainly in the pre-stressed concrete field) has opened a German branch.

CHEMICALS
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\*\* TH. GOLDSCHMIDT AG CHEMISCHE FABRIKEN, Essen (chemicals and metals - see No 324) has formed a 94.4% subsidiary for sales in Milan, TEGO ITALIANA Srl (capital Lire 900,000), the remaining 5.6% interest being held by Herr Peter Hinze of Essen, who is to manage the new concern.

The German company has DM 32 million capital, and employs about 2,500 people in its factories at Essen, Mannheim, Schöppenstadt and Hamburg. It makes alloys, lubricants, films and adhesives from synthetic resins, emulsifiers, silicones, anti-acid finishes, disinfectants etc. Its last move abroad was the opening of a Ghent branch at the end of 1965. It has interests in about fifteen German companies, and has two subsidiaries abroad. TH. GOLDSCHMIDT GmbH, Zug (100%) and A/S METALVAERT EL TIN, Trib, Denmark (50%). Its wholly-owned Essen subsidiary ELEKTRO-THERMIT GmbH holds shares in P. C. WAGNER ELEKTROTHERMIT SCHWEISSGESELLSCHAFT, Vienna; THERMIT WELDING (GREAT BRITAIN) LTD, and in companies in Mexico, Brazil, the Argentine and India.

\*\* AMOCO INTERNATIONAL SA, Geneva (see No 375) which is responsible for coordinating the European sales activities of STANDARD OIL CO OF INDIANA, Chicago, has established a technical assistance company in Brussels: AMOCO ADDITIVES SERVICES (BELGIUM) SA in which it owns nearly all the Bf 150,000 capital. The new company will be mainly concerned with boosting the sales promotion of terephthalic and DMT fuels produced by the group's two Benelux subsidiaries (in association with AKU NV and PETROFINA SA respectively): PETROCHEMIE AKU-AMOCO, Delfzijl and AMOCO FINA NV, Antwerp.

\*\* With a view to launching a loan on the European capital market, the FARBERWERKE HOECHST group of Frankfurt (see No 378) has formed HOECHST FINANZ HOLDING SA, Luxembourg. The capital of this company (Lux F 125 million) is held almost entirely by the holding company FARBERWERKE HOECHST INVESTMENT AG, Zurich, the remainder is held nominally by HOECHST-EMELFA SpA, Milan; HOECHST-VLISSINGEN NV, Vlissingen; HOECHST IBERICA SA, Barcelona; HOECHST U.K. LTD, London; HOECHST DANMARK A/S, Copenhagen and VEDEPHA GmbH, Vienna.

\*\* THE MC KAY CO, Pittsburgh which specialises in making electrodes for welding has set up in Belgium with a manufacturing and sales company in Anderlecht-Brussels, SOUDOKAY SA (capital Bf 12 million). The American company has a direct holding of 20%. Two of its American affiliates, SURFACE CHEMICALS INC, Pittsburgh and AUTOMATIC WELDING CO, Waukesha, Wisconsin own 20% each, and two local firms headed by the Lagrange family, USINE JULIEN DE WULF SA and SOUDOMETAL SA own 20% and 5% respectively.

The latter is linked with the BANQUE DE PARIS & DES PAYS-BAS SA group of Paris (see No 378) and has had a subsidiary in Düsseldorf since December 1962: SOUDOMETAL SCHWEISS-ELEKTRODEN GmbH. McKay has a British licensee: OERLIKON ELECTRODES (GREAT BRITAIN) LTD, Crawley, Sussex, a subsidiary of the mechanical engineering group WERKZEUGMASCHINENFABRIK OERLIKON BUEHRLE & CO, Zurich (see No 370).

#### ELECTRICAL ENGINEERING

\*\* A technical and sales agreement has been signed between two West German concerns ED. LIESEGANG oHG, Düsseldorf (projection and enlarging equipment) and the BRAUN group, Frankfurt (see No 346). The latter will take over all of Liesegang's export business, and they will jointly develop a new "Super-8" projector.

\*\* The German automatic washing machine and dish-washer manufacturer HERMANN ZANKER KG MASCHINEN- & METALLWARENFABRIK, Tübingen is extending its Austrian interests. Its subsidiary ZANKER HAUSHALTGERAETE GmbH & CO KG, Salzburg (formed in October 1965 - see No 327) is going to market in Austria fully-equipped kitchens made by the West German concern GEBR. LEICHT MOEBELFABRIKEN oHG, Schwäbisch Gmünd in its head office factories and in Waldstetten.

Hermann Zanker's foreign sales network includes ZANKER FRANCE SA, Paris (French capital), ZANKER NV, Brussels (jointly owned with the Van Vlierberghe family) and ZANKER NEDERLAND NV, Amsterdam (owned on a 40-60% basis with NV EXIMPORT HANDELS COMPAGNIE, Amsterdam).

\*\* LINDE AG, Wiesbaden (refrigeration - see No 352) has formed a company in Basle to sell refrigerators and refrigerator installations, domestic electrical appliances etc. called LINDE AG, (capital Sf 50,000; directors Messrs. E. Häni and W. Gmür).

The German group (13,000 workers) which is negotiating a technical and sales link-up with AEG-TELEFUNKEN already owns 32% in another Swiss firm SAUERSTOFF- & WASSER-STOFF-WERKE AG, Lucerne (capital Sf 2 million). Its other foreign interests are centred in Belgium, Britain, Denmark and Spain (see No 343).

ELECTRONICS
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\*\* AEG-TELEFUNKEN, Berlin (see No 370) and C.A.E.-CIE EUROPEENE D'AUTOMATISME ELECTRONIQUE SA, Paris (see No 372) have agreed to co-operate in the development and distribution of certain computer applications, especially hybrid computer systems.

The French company recently formed a Frankfurt subsidiary called C.A.E.-DATENVARARBEITUNGSSYSTEME FUER WISSENSCHAFT & WIRTSCHAFT GmbH (capital DM 1 million - see No 372). Its main shareholder is its own parent company CITEC-CIE POUR L'INFORMATION & LES TECHNIQUES DE CONTROLE SA, Paris (a 50-50 interest of CGE and CSF) and it will be involved in the French government's plan "le plan calcul" to develop the French computer industry.

\*\* The New York company, SEAELECTRO INC (electric components) has now formed its French sales subsidiary, SEAELECTRO Sarl, Villiers-le-Bel, Val d'Oise (capital Ff 10,000) with M. Jacques Bodet as manager (see No 358).

\*\* The long established links between HONEYWELL INC, Minneapolis, Minnesota, and the German firm ROLLEI-WERKE FRANKE & HEIDECHE GmbH & CO KG, Braunschweig (cameras, projectors and other photographic equipment - see No 373) have been strengthened with the signing of a new technical agreement allowing the latter to manufacture and sell in Europe a new electronic flash, launched on the American market about a year ago.

ENGINEERING & METAL
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\*\* The London company TIME PRODUCTS LTD (watch-making and precision engineering) has formed a second Common Market subsidiary, TIME PRODUCTS INTERNATIONAL NV, Amsterdam (capital Fl 100,000). The founder has an interest in 15 British firms, and since June 1963 has had an 85% controlling interest in PROMONTEC SPECIALITIES HORLOGERES SA, Paris (capital Ff 100,000).

\*\* COSTER-TECHNOLOGIE SPECIALI SpA, Milan, specialists in making aerosol valves, have formed a wholly-owned French subsidiary, COSTER Sarl, Aubervilliers, Seine (capital Ff 200,000).

The Italian company, directed by an Italian engineer, Sig Gianantonio Ruggeri, was itself formed in December 1963 (capital Lire 1 million). It has just absorbed the automation apparatus and equipment company A. CO. MA SpA, Milan.

\*\* The Swiss group PAILLARD SA, Ste Croix and Yverdon (mechanical and optical precision instruments) has made an agreement with the Paris group ETS JAPY FRERES SA (see No 331) under which Paillard will acquire a minority interest in the typewriter company now being formed by an 88.1% subsidiary of Japy, STE DE MECANOGRAPHIE JAPY SA, Paris, which will give the new company its factory at Beaucourt, Territoire de Belfort.

Paillard already has two French sales subsidiaries PAILLARD-BOLEX SA and HERMES-PAILLARD SA both in Paris, and it makes typewriters, automatic accounting machines, cameras and tape-recording equipment in its factories at Ste Croix, Yverdon and Orbe (payroll strength - 5,500). The group already has a West German manufacturing subsidiary HERMES PRECISA BUEROMASCHINEN-FABRIK GmbH, Säckingen (capital increased at start of 1966 from DM 5.5 million to DM 6.5 million). Its other commercial subsidiaries are PAILLARD-BOLEX GmbH, Munich, PAILLARD INC, Luden, New Jersey.

Mecanographie Japy (the leading French manufacturer of typewriters - around 80,000 units p.a.) has a British sales subsidiary B.M.J. LTD.

\*\* EMHART CORP, Bloomfield, Connecticut (see No 251) which makes presses and machinery for the packing industry has expanded its Common Market interests by forming EMHART GmbH, Neuss, W. Germany. This company (capital DM 300,000) will be run by M. Michel Cornaz, director of one of the group's two Swiss subsidiaries, EMHART ZURICH SA, Zurich - the other being EMHART AG, Zug.

The American group already has two Common Market subsidiaries: one in the Netherlands, VERENIGDE SLOTEN & BOUWBESLAGFABRIEK NV, Apeldoorn in which it is associated 50-50 with two Dutch firms NV NOXON FABRIEK VAN HANG & SLUITWERK and NV NEMEF SLOTENFABRIEK, Apeldoorn; the other in Italy, A.C.M.A. - AZIONARIA COSTRUZIONI MACCHINE AUTOMATICHE SpA, Bologna.

\*\* A merger is taking place between two companies of the Frankfurt LURGI group (see No 355) which is headed by METALLGESELLSCHAFT AG, Frankfurt (capital recently increased from DM 140 to DM 170 million - see No 376). LURGI GESELLSCHAFT FUER WARMETECHNIK mbH, Frankfurt (capital DM 25,000) is taking over LURGI GESELLSCHAFT FUER CHEMOTECHNIK mbH, Frankfurt (capital DM 20,000) and the new company which has been formed LURGI GESELLSCHAFT FUER WAERME- & CHEMOTECHNIK mbH will be responsible for work in numerous spheres: chemical engineering, nuclear technology, thermal and gas applications and water-purification.

Apart from owning five other Frankfurt companies, the LURGI group has numerous foreign subsidiaries in Paris, London, Milan, Madrid, Zurich (see No 303) and in South Africa, LURGI SOUTH AFRICA (PTY) LTD, Johannesburg (see No 355).

\*\* OMARK INDUSTRIES INC, Portland, Oregon intends to invest \$1.5 million in building a factory in the Common Market, and preferably in Belgium, making wood-saws, diamond-set tools, drilling and electric welding equipment.

The American company, 65% owned by Mr J.D Gray and his family, employs some 1,200 workers and had a turnover of \$27 million in 1965. Outside the USA its wholly-owned subsidiaries include, OMARK INDUSTRIES GmbH, Germany; SVENSKA OMARK A/B, Sweden; and OMARK INDUSTRIES LTD and OMARK INTERNATIONAL LTD, Canada. It also has affiliates in the Argentine: INDUSTRIES OMARK SA and Australia: SPORTING ARMS LTD.



\*\* A stainless steel wire factory is to be built, and a joint subsidiary, TRE-FINOX, is to be formed to run it by TREFILERIES & LAMINOIRS DE PRECISION GILBY-FODOR SA, Rueil Malmaison, Hauts-de-Seine, and UGINE SA (now becoming UGINE KUHL-MANN SA, Paris - see No 378).

Gilby-Fodor is affiliated to WILBUR B. DRIVER CO, Newark, New Jersey, has Ff 8 million capital, and has interests abroad in DEUTSCHE GILBY-FODOR GmbH, Langenfeld (formed February 1961); GILBY ITALIANA SpA, Milan (formerly VANZETTI-GILBY & SUPERTUBI); GILBY BRUMTON LTD, Britain etc.

\*\* FARREL CORP, Asonia, Connecticut (see No 351), makers of machinery and equipment for the rubber, plastics, paper, metallurgical and sugar industries etc., has formed a sales subsidiary in Frankfurt, FARREL GmbH.

The American group (turnover \$61 million in 1965) already has a stake in the Common Market: a large shareholding in POMONI-FARREL SpA, Castillanza, Como and a sales subsidiary in Milan, FARREL ITALIANA Srl which was formed in November 1965 when the branch of FARREL (INTERNATIONAL) NV, (a Division of the group in Rotterdam) was up-graded. Its other wholly-owned foreign subsidiaries in America are FARREL MEXICANA SA and FARREL CANADA LTD.

\*\* Sig. Francesco Osta, vice-president of the Italian printing machines company ALBERT-ROTOMECC COSTRUZIONI MECCANICHE ELETTRICHE SpA, San Giorgio Monferrato, has taken a 30% interest on the formation of L.M.C. LEGROS MEYER & CIE Sarl, Puteaux, Hauts-de-Seine, (capital Ff 10,000). The new company (printing and allied trades) has four other shareholders, MM. Albert Legros, manager, and Michel Meyer (30% each), Lucien Legros and Robert l'Ecolier (5% each).

The Italian company mainly manufactures helio rotary presses for printing on packaging and synthetic materials. Since October 1962 when the capital was increased from Lire 100 million to Lire 200 million it has been a 50% affiliate of the German company SCHNELLPRESSENFABRIK FRANKENTHAL ALBERT & CO AG, Frankenthal, Pfalz. The latter (capital DM 18 million) is headed by Herren Wilhelm Kucher and Karl Klinger. It employs some 2,000 persons in the manufacture of high speed typographic presses, helio equipment, and rotary offsets, and is represented in France by V. LEYSENS & G. MEIER SA, Paris.

#### FINANCE

\*\* Three German co-operative banks all based in Wuppertal, VOLKSBANK WUPPERTAL GmbH, BARMER KREDITBANK GmbH and VOLKSBANK NIEDERBERG have merged to form CREDIT- & VOLKSBANK SPAR - & MITTELSTANDBANK. The new institution, whose business is nearly all in the Ruhr, has global assets of DM 95 million and 14 branch offices.

\*\* BARCLAYS BANK (FRANCE) LTD (head office in Paris) a subsidiary of the London group BARCLAYS BANK LTD (see No 365), which carries on business throughout France, Monaco and Algeria, has opened its 17th French branch at Calais to meet the needs of the growing number of British firms opening offices near Calais. The manager of the new branch is M. R. M. Cailleux.

October 20, 1966.

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\*\* M. Ronald Ritter, chairman and director of STE MINTERE & METALLURGIQUE DE PENARROYA SA (part of the ROTHSCHILD FRERES SA group) has been appointed president of the newly constituted Luxembourg company PENARROYA INTERNATIONAL SA (capital \$250,000 - see No 377). The new company will carry out all types of financial operations, and has already placed \$2.6 million worth of shares.

\*\* BfG-BANK FUER GEMEINSCHAFT AG, Frankfurt (see No 378) has taken a 50% share in UNION DES COOPERATEURS LUXEMBOURGEOIS (U.C.L.) SA which has increased its capital from Lux F 1 to Lux F 10 million and changed its name to BANQUE DE L'UNION DES COOPERATEURS LUXEMBOURGEOIS. This company, in which the other half of the capital is still held by Luxembourg interests (mainly represented by the metallurgical and transport unions) will widen its activities to all forms of banking.

\*\* DEUTSCHE UBERSEEISCHE BANK, Berlin and Hamburg has become a shareholder in ADELA-INVESTMENT CO SA, Luxembourg (see No 334) which is a major private source of finance for economic development in Latin America.

The German bank (capital DM 9 million) is a 52.5% subsidiary of DEUTSCHE BANK AG, Frankfurt (see No 375) which also has a direct interest in Adela (see No 273). It is also largely concerned with two Spanish finance companies, BANCO COMERCIAL TRANS-ATLANTICO (capital Pts 210 million) and IMMOBILIARIA CONTRANS SA (capital Pts 84 million) both in Barcelona.

\*\* The Paris company F. F.SA (formerly SIMCA INDUSTRIES - see No 362), a 75% interest of the Turin group, FIAT SpA, has sold property at Levallois-Perret, Hauts-de-Seine to a newly-formed Paris company, FAZZILAU-COLLANGE SA (capital Ff 15.4 million). The latter has received help from STE CIVILE IMMOBILIERE FAZILLAU-PLACE COLLANGE, Paris, a societe civile (capital Ff 1,000) which has been granted a token shareholding in the new company.

FOOD & DRINK
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\*\* MARTIN BRINKMANN AG, Bremen (see No 335) has sold its controlling interest in the Bremen coffee-roasting concern HERMANN FABER GmbH KAFFEEGROSS-ROESTEREI (capital DM 100,000) to its minority shareholder Herr Hermann Faber who will be joined by new shareholders.

Martin Brinkmann has been trying since 1961 to promote European sales of coffee bearing the name "Faber", and it has been associated with the South African group REMBRANDT TOBACCO CORP SA, Stellenbosch (see No 374) through RUPERT TOBACCO CORP (PTY) LTD, Stellenbosch. Brinkmann specialises in tobacco production and cigarettes, employs some 5,000 persons and in 1965 it had a turnover of DM 130,000 million. Its foreign sales are coordinated by TRANSLANTA AG, Zug (capital increased in November 1965 from Sf 100,000 to Sf 1 million) a wholly-owned subsidiary of BRINKMANN-HOLDING GmbH, Zug formed in October 1963 with a capital of Sf 2 million, increased in 1966 to Sf 10 million.

\*\* GLUCOSERIES REUNIES SA, Aalst, Belgium (which recently formed a joint subsidiary with RAFFINERIE TIRLEMONTTOISE for sugar research - see No 376) is also extending its national and international interests generally. It has acquired a large holding of shares in a natural aromas and fruit juice packing concern in Belgium, ETS HENRI TILKENS SA, Mechelen (see No 256). The latter is the Belgian distributor for the British JOHN SMITH'S TADCASTER BREWERY CO LTD, Tadcaster, Yorks and South Milford, through a joint subsidiary formed in Belgium, JOHN SMITH'S BREWERY SA (capital Bf 25 million). It recently took an interest in forming HENTIL AUTOMATION SA, Ixelles, Brussels (capital Bf 1.5 million), which is to make, assemble and sell plant for breweries, soft drinks factories and the food and drink sector in general.

Glucoseries Reunies has also become a shareholder in the Paris powdered milk concern STE INDUSTRIELLE COMMERCIALE & AGRICOLE DE BRETAGNE-SICAB, which is based with CORNIC SA (formerly DISTILLERIES CORNIC FRERES - president M. Yves Cornic). Sicab (capital raised recently to Ff 2.5 million) was formed at the beginning of 1966 by DISTILLERIES BRETONNES, Paris. In Spain it has acquired an interest in CAMPO EBRO INDUSTRIAL SA, which makes starches and glucoses, and it took an interest in forming STE MAROCAINE DES DERIVES INDUSTRIELS DU MAIS - SOMADIM SA, Morocco, which also makes and markets starches and glucoses.

\*\* STE GENERALE DES EAUX MINERALES DE VITTEL SA, Vittel, Vosges and GEORGES LESIEUR & SES FILS SA, Paris (see No 310) have made a cooperation agreement to cover market research and sales promotion. At a later stage, the agreement may be extended to cover packing, as Lesieur already has a joint subsidiary with ROYAL DUTCH SHELL, DORLYL SA, Paris, making plastic bottles.

Vittel, which had a 1965 turnover of Ff 120 million, covers about 20% of the French mineral water market. Its chief subsidiaries are LABORATOIRE PHARMACOLOGIQUE DE VITTEL and STE THERMALE DES ABATILLES. Lesieur, for its part, is the largest French edible oil concern (45% of the market in 1965, with Ff 712 million sales). It also produces animal feeds and margarine, and has subsidiaries in Belgium, Germany and several African countries.

\*\* Sig. Giancarlo Zobili, a member of the governing body of CENTRAL - FRIGOR MAGAZZINI GENERALI FRIGORIFERI-PUNTA NORD EST SpA, Bologna and SUNPAT GAZZONI SpA, Zola, Predosa, Bologna (a wholly-owned subsidiary of the London manufacturing confectioners H. S. WHITESIDE & CO LTD) is a director of the newly formed Swiss management company SINVECO HOLDING SA, Lugano (capital Sf 50,000).

GLASS

\*\* BALLOTINI EUROPE SA, Charleroi which has been recently formed in Belgium (capital Bf 20 million) to make and sell glass microspheres (ballottini), is the wholly-owned subsidiary of GLAVERBEL SA, Brussels (see No 378). The main shareholders in the parent firm are STE GENERALE DE BELGIQUE SA, Brussels (see No 365) and BOUSSOIS-SOUCHON-NEUVESEL SA, Paris (see No 377).

OIL, GAS & PETROCHEMICALS

\*\* SNPA-STE NATIONALE DES PETROLES D'AQUITAINE SA, Paris (see No 371) has gone into Japan under a recent agreement with the Osaka group, SUMITOMO SHOJI, KAISHA LTD. The result of this has been a 49-51 joint company, LOTUS ENTERPRISE CO LTD, Tokyo (capital Yen 120 million). The new company will prospect for oil in the Far East.

The French group has several wholly-owned subsidiaries drilling for hydro-carbons in Australia and the Far East: AUSTRALIAN AQUITAINE PETROLEUM LTD, Brisbane, Australia; MERCURE INTERNATIONAL PETROLEUM PTY LTD, Canberra, Australia; NEW ZEALAND AQUITAINE PETROLEUM LTD, New Zealand; and ACQUITAINE PETROLEUM CO (SOUTH EAST ASIA) LTD, Sabah, Malaysia. The petroleum industry forms only a minor part of the Japanese group's interests, and it is mainly concerned with:

- 1) in import-export where its European interests are DEUTSCHE SUMITOMO EXP. & IMP. GmbH, Düsseldorf and EQUITRA-EQUIPMENT & TRADING CORP SA, Brussels (see No 327);
- 2) in chemicals. It controls SUMITOMO BAKELITE CO LTD, Tokyo and SUMITOMO CHEMICAL CO LTD, Osaka;
- 3) in metallurgy and mining through its subsidiaries SUMITOMO METAL INDUSTRIES LTD, Osaka and SUMITOMO METAL MINING CO LTD, Tokyo;
- 4) in electrical engineering (SUMITOMO ELECTRIC INDUSTRIES LTD, Osaka), banking (SUMITOMO BANK LTD, Osaka), etc.

OPTICAL & PHOTOGRAPHIC

\*\* The German company CARL ZEISS, Heidenheim (see No 364) a member of the major European optical and precision engineering group headed by CARL ZEISS STIFTUNG, Heidenheim - has gained complete control of the firm responsible for exclusive distribution of its microscopes and optical apparatus in Britain, DEGENHARDT & CO LTD, London (see No 257). Since 1964 the German group has had a London sales subsidiary for its optical and photographic equipment, CARL ZEISS (ENGLAND) LTD (capital £100).

PAPER & PACKAGING

\*\* The OWENS ILLINOIS INC group of Toledo, Illinois (see No 310) has expanded its German interests by buying 50% from the Zimmermann family in BUENDER GLAS GmbH, Bünde, Westphalia. The other 50% in this company (capital DM 5 million) is owned by the Hennings family. It makes glass and plastic packing for the chemical, pharmaceutical, cosmetic and food industries, has a payroll of 600 and an annual turnover of around DM 20 million.

In Germany, the American group (1965 turnover \$825 million) already owns 51% in AG DER GERRESHEIMER GLASHUETTENWERKE VORM FERD. HEYE, Düsseldorf (see No 297) in association with which it directly controls GERRO PLASTIK GmbH, München-Gladbach. It also has other German subsidiaries including AMBERGER FLASCHENHUETTEN AG, Amberg; GERRO KARTON GmbH, Hilden; GLASHUETTE ACHERN GmbH, Achern, Baden; OLDENBERGISCHE GLASHUETTE AG, Oldenburg and GLASHUETTE BUDENHEIM GmbH, Budenheim.

\*\* The leading Swedish pulp producer SVENSKA CELLULOSA A/B, Sundsvall (see No 373) is to take a large minority shareholding in a German producer ASCHAFFENBURGER ZELLSTOFFWERKE AG, Aschaffenburg when the latter increases its capital. Aschaffenburg has been trying to make a similar agreement with a German producer just larger than itself, ZELLSTOFFFABRIK WALDHOF, Mannheim (see No 362) as it has been in financial difficulties for some time.

The Aschaffenburg concern (capital DM 50 million) had as main shareholders until now: BAYERISCHE HYPOTHEKEN- & WECHSELBANK, Munich (a 25.2% interest - see No 373), BAYERISCHE LANDESANSTALT FUER AUFBAUFINANZIERUNG, Munich (a 16% interest), MARGARINE-UNION GmbH, Hamburg (a 15% interest and a member of the UNILEVER NV group, Rotterdam - see Nos. 290 & 366) and the American industrialist Karl F. Landegger, New York (a 13.7% interest). In 1965 it had a turnover of DM 184 million and employs some 5,500 people in 7 factories throughout West Germany. It has interests in ten German concerns in the same sector including PARSONS & WHITTEMORE ASCHAFFENBURG GmbH, Aschaffenburg (a 25% interest with the New York group PARSONS & WHITTEMORE INC, headed by Mr Landegger) and it has a New York subsidiary ASCHAFFENBURG CELLULOSE DEVELOPMENT CORP.

The Swedish concern (capital Kr 324 million) employs around 13,000 people in forestry exploitation, pulp and paper plants, electrical power stations, wood-processing, machinery manufacture, factories for the construction of wooden beams and units. It already has a West German sales subsidiary, NORDLINER KARTONVERKAUF DER SCA GmbH, Düsseldorf (capital DM 50,000), and it has other large subsidiaries throughout Europe: in three French concerns, PAPETERIES LEON CLERGEAU SA, Nantes-Chevire (a 90% interest - see No 268), CIE FRANCAISE SVENSKA CELLULOSA, Paris (a 98.3% interest) which itself has a 90% interest in SUND FRANCE Sarl, Paris; in CIE BELGE SVENSKA CELLULOSA SA, Brussels (a 99.8% interest); in SVENSKA CELLULOSA ITALIANA SpA, Milan (a 100% interest); in SWEDISH PULP CO (LONDON) LTD (a 100% interest); in COLON EMBALLAGE A/S, Holback, Copenhagen (a 50% interest); and in PAPELERA NAVARRA SA, Pampelona, Spain.

#### PHARMACEUTICALS

\*\* FARBENFABRIKEN BAYER AG, Leverkusen (see No 378) is negotiating with the American chemical and pharmaceutical group SCHERING CORP, Bloomfield, New Jersey for the formation of a jointly owned sales company for its new pharmaceutical products, and thus strengthen its market position in the USA.

The German group already has a number of American interests, FBA PHARMACEUTICALS INC, New York (100%), VERONA-PHARMA CHEMICAL CORP, Union, New Jersey (99.9%). MOBAY CHEMICAL CO, Pittsburgh (a 50/50 association with MONSANTO CO, St-Louis, Missouri - see No 376) and CHEMAGRO CORP, Kansas City, Missouri (43.9%) formed in 1950 with GEARY CHEMICAL CORP and PITTSBURGH COKE & CHEMICAL CO, Pittsburgh. The American group has a number of important European interests (see No 296).

#### SERVICES

\*\* Shortly after forming a branch in Milan (see No 377), the Swiss management consultants ATOR AG FUER UNTERNEHMENSBERAETUNG, Berne, formed in January 1966 (capital Sf 500,000) have now opened another at Essen, West Germany.

TEXTILES
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\*\* QUAKER TEXTILES (FRANCE) Sarl (capital Ff 50,000) has been newly formed in Paris with Mlle R. Hess as manageress. The new company will import and sell cloths and synthetic textile fibres for furnishings and travel goods. It is a 99% subsidiary of PROVIDENCE PILE FABRIC CORP, Pawtucket, Rhode Island and a token shareholding is held by two of its directors, Messrs Alan Symonds and Jeffrey Steiner.

\*\* ETS DELEBART-MALLET FILS, Lille (capital Ff 10.5 million) has formed a subsidiary to work on an international scale DELEBART MALLET INTERNATIONAL Sarl Lille (capital Ff 20,000) with M. James Brodeur as manager. A member of COURTAULDS LTD, London (see No 367) through FINE SPINNERS & DOUBLERS LTD, Manchester (see No 264) the French concern spins, twists and weaves natural and synthetic fibres.

The British group has numerous French interests: COURTAULDS SA, Coquelles-Pont-du-Leu, Pas-de-Calais (in which PEIGNAGE AMEDEE PROUVOST & CIE SA, Roubaix has an 18% interest - see No 306), ANTA Sarl, and LES TEXTILES DE DOUAI Sarl, both of Lille, BÜSETTERIE D'HELLEMES Sarl, RETORDERIE & CABLERIE D'HELLEMES Sarl, both of Hellemmes, TRICOT FRANCE Sarl, Colmar, STE COTONNIERE D'HELLEMES LTD (registered office in Manchester, administrative office and factory in Hellemmes), STE FRANCAISE DES PEINTURES & VERNIS CELOMER SA, Croissy-sur-Seine, Yvelines (see No 275), KAYSER BONDOR FRANCE SA, Lomme, Nord.

TRANSPORT
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\*\* The Danish air transport company STERLING AIRWAYS A/S, Copenhagen has formed a subsidiary in Luxembourg, STERLING AIRWAYS SA. It has a direct interest of 50% of the Lux F 100,000 capital. The rest is owned by its own directors Messrs Rordan Jensen and Helgstrand.

VARIOUS
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\*\* The Danish manufacturer of fishing equipment, ROBLON A/S, Frederikshaven, has formed a 75% Dutch sales subsidiary, TWINLON NV, Nymegen (capital Fl 500,000) with the remainder held by the local business man M. Joh. Nederhof.

\*\* The largest Japanese public relations concern, INTERNATIONAL PUBLIC RELATIONS CO LTD, Tokyo, has appointed GUIDO DE ROSSI DEL LIO-NERO to be its Italian agent.

In April 1964, through its New York agency (headed by Mr Hiramato Matano), the Japanese firm formed INTERNATIONAL PUBLIC RELATIONS (EUROPE) Sprl, St Josseten-Noode, Brussels (capital Bf 250,000 - see No 284), which has since opened a London branch under Mr Yorika Galitzine.

LATE FLASHES
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## AUTOMOBILES

The Brazilian public concern CIA SIDERURGICAS NACIONAL, Rio de Janeiro, has negotiated the sale of its 21% interest in SIMCA DO BRASIL, Minas Gerais, (capital Cruz. 6,000 million) a car assembly firm, to the CHRYSLER CORP, Detroit (see No 378). The main shareholder in Simca do Brasil is STE DES AUTOMOBILES SIMCA, Paris, itself a 76.7% interest of CHRYSLER (and an 18% affiliate of FIAT SpA, Turin). The American firm now has direct and indirect control of the Brazilian firm.

## CHEMICALS

MAGNA CORP., Santa Fe Springs, California (instrumentation and equipment for the chemical and electronics industries) has formed a wholly-owned Dutch subsidiary, MAGNACHEM NV, The Hague (capital Fl 75,000) which will mainly distribute equipment for the chemical industry.

A 53.7% interest of TRW INC, Cleveland, Ohio, (which has large European electronic interests) the British distributor of Magna's products is DYNAMCO SYSTEMS LTD, Shepperton, Middlesex, the British subsidiary of DYNAMICS CORP OF AMERICA (see No 377).

## ELECTRONICS

COLUMBIA BROADCASTING SYSTEMS INC, New York has considerably increased its Common Market interests with the acquisition of two Italian record distribution concerns, CIA GENERALE DEL DISCO SpA (capital Lire 100 million) and CIA DISCOGRAFICA INTERNAZIONALE SpA (capital Lire 2 million) both in Milan. The new directors of the two companies are Messrs Harry Schein and Goddard Lieberman, who are also directors of the American concern.

Other subsidiaries of the latter in Common Market countries are: DISQUES C.B.S. SA (formed in January 1963) which in its turn controls ART TECHNIQUE & COMMERCIAL, STE D'ETUDES DES METHODES DE VENTES, and DISQUES VERSAILLES Sarl, all in France; it also control C.B.S. SCHALLPLATTEN GmbH and APRIL MUSIKVERLAG GmbH.

## ELECTRICAL ENGINEERING

The French company ETS L. FAIVELEY SA, St Ouen, Seine-St-Denis (capital Ff 2,960,000), which makes electromechanical equipment for rolling stock, has formed FAIVELEY ESPANOLA SA in Madrid (capital Ptas 1 million), 50-50 with DIMETAL SA, Madrid.

\*\* The Italian domestic appliances group FERDINANDO ZOPPAS SpA Cornegliano Veneto (see No 363) has signed an agreement with BDA-BRITISH DOMESTIC APPLIANCES LTD, London (see No 363) under which the Italian group will supply "ACME" washing machines to be distributed by a subsidiary called ACME LTD. Recently TOPP APPLIANCES INC, New York (see No 356) made an agreement with Zoppas under which the latter will supply household refrigerators for the American market.

BDA was formed in May 1966 by the merger of the domestic appliances divisions of EMI-ELECTRICAL MUSICAL INDUSTRIES LTD, Hayes, Middlesex and AEI-ASSOCIATED ELECTRICAL INDUSTRIES LTD, London. It recently formed BRITISH DOMESTIC APPLIANCES IN DEUTSCHLAND GmbH, West Germany where it is linked with ROBERT KRUPS ELEKTROGERATE UND WAAGENFABRIK KG, Solingen.

\*\* GREGORY INDUSTRIES INC, Lorain and Toledo, Ohio, has gained outright control of the Frankfurt welding material sales company, PECO VERKAUFS GmbH (see No 329), by buying up the 50% interest held by CROMPTON PARKINSON LTD, Guiseley, Leeds and London. The American firm has an annual turnover of around \$10 million, and controls half a dozen companies in the U.S.A. It has one Canadian subsidiary, GREGORY FASTENERS LTD, Toronto.

#### ENGINEERING & METAL

The Canadian company REDIRACK (storage specialists) is continuing the expansion of its Benelux sales interests and it has formed REDIRACK NEDERLAND NV, Rijswijk, whose Fl 50,000 capital is held by M. Cornelis (90%) and Robert van den Bos (10%) both of Wassenar. In May 1966 it took a 20% interest through one of its directors, Mr Frederick W. Reilly, in the formation by Belgian interests of REDIRACK SA, Nivelles (capital Bf 1 million).

\*\* McGRAW COLORGRAPH CORP, Burbank, California (graphic materials, especially for silk-screen printing) has formed a Belgian sales subsidiary McGRAW COLORGRAPH NV, Louvain (capital Bf 500,000).

The founder forms part of the food and drink group CARNATION CO, Los Angeles (since 1954), which has its own Louvain subsidiary CARNATION SA (see No 384), which through its 65% subsidiary GENERAL MILK CO, Los Angeles has numerous European interests (see No 326).

\*\* WURTTENBERGISCHE METALLWARENFABRIK, Geislingen, Steige (see No 321) has expanded its foreign interests by forming a sales subsidiary in Madrid, WMF ESPANOLA SA (capital Pts 6 million).

The German firm is a major national producer of household goods in brass, silver and stainless steel and had a turnover of DM 200 million in 1965. It already has several foreign subsidiaries abroad, especially in Europe: WMF FRANCE Sarl, Paris; EYCK & CO NV, Amsterdam; WMF ORGANIZZAZIONE ITALIANA SpA, Verona; WMF TABLEWARE LTD, London; G. RITTER AG, Zurich; WMF IN OESTERREICH RIEDER KG, Vienna and WMF (HELLAS), Athens.

\*\* FINGRAF-FINANZIARIA PER AZIENDE GRAFICHE SpA, Milan which specialises in finance for the graphic industry has backed a new firm at Ospedaleto Lodigiano, Milan called SERITECNICA Srl (capital Lire 15 million). This firm will deal with all the manufacturing and sales operations connected with silk-screen equipment and tooling. It is a direct 98% interest of the Zurich holding company FINGRAF AG, Zurich. The rest of the shares are held by M. Andre Garnier (a Swiss businessman resident in Milan), the sole director.

Fingraf was formed in 1960. It increased its capital in November 1961 from Lire 200 to Lire 300 million, then in October 1962 to 500 million. The president and vice-president are the banker Antonio Mazzatta and Sig Mario Rocoroni respectively. The latter is president of INTERPRINT, Milan, the exclusive agent for WINKLER FALLERT & CO, Berne, MIEHLE PRINTING PRESS MANUFACTURING CO, Chicago and INTERTYPE CORP, New York. Its shareholders include the INVESTOR SA group, Geneva (finance and shareholding company) represented on the board by M. E. Baerr and the trading company ORGANIZZAZIONE P. CAPITINI SpA, Milan, represented on the board by its president Sig P. Capitini.



\*\* SAVIEM - SA DES VEHICULES INDUSTRIELS & D'EQUIPEMENTS MECAN-IQUES, Suresnes, Hauts-de-Seine (a member of the REGIE RENAULT SA group, Boulogne Billancourt, Hauts-de-Seine - see Nos 373, 376) has made a trade agreement with the Paris RICHIER SA group (see No 275) to cover the civil engineering plant field, but this will not in any way threaten the independence of their respective sales networks.

Richier, which employs 7,000 people directly, and a further 3,000 on sub-contracted work, produces a wide range of mechanical and hydraulic earth-moving equipment, diesel rollers, cranes, concreting and crushing machines (RICHIER, NORDEST and WEITZ divisions). Since October 1961 it has had a special subsidiary, RICHIER INTERNATIONAL SA, Paris, to promote sales abroad: this firm coordinates the business of RICHIER BELGIQUE SA USINE MACSINA, Bouffioulx; RICHIER BAUMASCHINEN GmbH, formed in Cologne in July 1964 etc.

Saviem has just taken an interest in forming SORIMEX-STE DE REPRESENTATION INTERNATIONALE IMPORTATION-EXPORTATION SA, Boulogne-Billancourt (see No 373), and recently reorganised and developed its civil engineering plant business by forming an association with a firm building caterpillar chassis, ETS RICHARD FRERES SA, Villeurbanne, Rhone, under which they formed (66.6-33.3) STE CONTINENTALE DE MATERIELS DE TRAVAUX PUBLICS SA (see No 347).

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