Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT
A Letter from Paris

MONETARY MALAISE

Although money matters have been hotly debated, both at recent working sessions of the Group of Ten and in the annual assembly of the International Monetary Fund which followed them, there was one basic premise from which all concerned were working - that at present there is no real lack of world liquidity. This being so, the studies of ways of deliberately creating new forms of liquidity (either by establishing new "reserve units", or by providing supplementary drawing rights on the IMF) were conducted at the purely hypothetical level. The object was to design new monetary devices "against the time" when world liquidity might fail in the future. Nevertheless, there are indications even now that we might be going through the first phases of just such a situation: the most significant of these is the fact that everywhere interest rates are on the increase. A number of countries have deliberately put their bank-rates up, either to put the brake on an economy where inflation is getting out of hand, or as a means of righting an adverse balance of payments, but this alone does not suffice to explain why there is now a general tendency for all interest rates to go up. The trend can only be this marked and this persistant at the international level if the overall supply of capital is failing to meet demand, and this is the same as saying that world liquidity is not such that it can meet all the needs of production and trade.

This theory is further borne out if we consider the statistical evidence: although international trade is expanding, when we look at the industrialised and the most developed raw materials-producing countries as a whole, their increase in reserves in 1965 was only marginal. This is shown in the annual IMF Report, where we find that the overall increase in world reserves was only slightly higher than the figure for the less developed countries. Even if we take this overall increase, moreover, we still find that it only came to about half the annual average for the last decade. Since world production and trade have in no way slackened in the meantime, we can only conclude that the monetary mechanism is running rough.

If we trace official reserves (including reserves at the IMF) at the end of the calendar years 1962-5, the increases, in 1,000 million dollars, were as follows: 1962-3 - 3.45; 1963-4 - 2.39; 1964-5 - 1.33 only - and the last figure mainly represents dealings with the Fund ($1,200 million).

When the less developed countries are left out (and it seems fair to do this, since most of the trade is between the industrialised and the more developed raw materials countries), we find even more striking figures: between 1962 and 1963 the reserves increased by $2,450 million; this dropped to 2,290 million in 1963-4, and in 1964-5 it fell to only $110 million, which is virtually nothing.

This anomolous situation can be explained by two factors, which at first sight seem to have no bearing on each other at all: the fact that gold-hoarding has reached record proportions, and the fact that the dollar-share of the official reserves remained almost constant in 1965. With regard to gold-hoarding, the total reserves converted in 1958 amounted to $ 591 million, a figure which rose to $ 627 million in 1959. For the 1962-4 period, the rate per year was already over $ 1, 100 million, but in 1965 it was no less than $ 1,745 million. True, these figures include the industrial use of gold, but there consumption only increases at a fairly gentle rate: of all the gold produced in 1965 (including sales from the USSR), only $ 245 million found its way into the central banks.

As far as the dollar-share of the official reserves is concerned, although there was an appreciable increase in dollar reserves in the non-industrialised countries, dollar holdings in a number of European countries fell, mainly as a result of gold conversions at the Federal Reserve Bank. The net result was that combined official dollar holdings changed very little. Whereas dollar holdings in the previous thirteen years (1951-1964) increased from 4,200 million to 14,940 million - an average annual increase of $826 million - in 1965 these fell by $120 million, to reach a total of $14,820 million at the end of 1965.

The urge to hoard gold, and the refusal to increase the dollar-quota in the reserves as much as in previous years both stem from the same thing: monetary malaise, or if you prefer, a degree of anxiety as to the future of our monetary system. Until a few years ago, internal American liquidity was fully assured by the constant ploughing-back into its monetary cycle of the dollars which were regularly being added to the reserves of other countries, and which these, in their turn, almost always placed in the USA. Although some of the experts had misgivings, this double use of dollars, first of all shipped out, then almost as soon returned to the USA, did not give rise to inflation there. This has only occurred since the military commitment has been stepped up in Vietnam, a move which came about at the very time when the flow of dollars back from the foreign central banks virtually dried up.

There is now much talk about American inflation, but in fact it is by no means as rampant as earlier examples of the phenomenon in Europe. According to statistics issued by the Department of Labor, the cost of living index rose from 110 to 113.8 between 1965 and 1966 (1957-9 being 100), which is an increase of 3.5%. Even this, however, is not a little, when we remember that in the previous five years the average annual increase never rose above the 1.3% mark. But the trend has proved sufficiently troublesome for the Federal Reserve Board to have introduced credit restriction measures, which in turn have led to a shortage of capital and increasing interest rates in the USA. If this problem is not specifically American, it is because of the existence of "communicating vessels" with other parts of the world, Europe in particular. The fact that today the great American companies are financing many of their European investments with reinvested profits or capital raised in Europe certainly takes some of the pressure off the American market - but not all, because loans issued in Europe attract a certain proportion of Euro-dollars. Again, these large concerns have become accustomed to the European scale of interest rates, and are paying out sums in this way which once they would have considered exorbitant: this has predisposed them towards paying rates at home which, if they are not as high as the foreign ones for long-term loans, are still higher than those they used to pay, until recently, on bonds or short-term borrowings at prime rate.

The capital market outside the USA (one cannot speak of a European market as such, since issues organised in London and Amsterdam are often financed with capital from other continents, though there are no exact statistics for this) must not only satisfy the needs of European and Japanese concerns, but also an ever-increasing number of American corporations. The sums raised abroad by leading American companies, especially in Europe, have reached a very high level, though statistics tend to be confusing. A fair estimate would be that the various types of loan exceeded $800 million in 1965, and that this year they will approach the $1,000 million mark. When a relatively limited market is bled in this way, and it is no longer freely supplied with dollars at the expense of the American balance of payments, the obvious result is strain on interest rates.

This strain now exists, to some extent, the world over; and it is causing consternation in several sectors of the American economy, especially in the building industry, which is encountering more and more difficulty in acquiring the capital it needs for long-term investment. In most other sectors, the present strength of the market and the backlog of orders lend some promise for the future, but there are those who wonder whether the current situation contains the seeds of recession. Since the USA is so important to world trade this question should also be causing concern for Europeans. We would be wrong to imagine that if the Vietnam War ended, an important inflationary factor would be removed, and that everything would go back to normal, as the credit restrictions could be removed. It is estimated that the annual increase in military spending is around $10,000 million, such that a sudden switch to a lower level of production could easily result in recession, unless government measures in other spheres were planned well enough to compensate for it to some extent.

This leaves us with the persistant problem of the American balance of payments, and the efforts being made to eliminate the deficit, which, of course, has an adverse effect on international liquidity. It is customary to say that monetary reform will not really be possible until the USA and Britain have got rid of their deficits, but one might rightly ask whether the various artificial forms of liquidity thought up by the experts will give the same service to monetary circuits as, for many years, the dollar has given and continues to give, at the expense of the American balance of payments. While we are waiting to get a clearer picture of what is involved, we could do worse than take a more sympathetic look at what constitutes the liabilities side of this balance.

October 3 - 9, 1966

From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET:

Israel Seeks Common Market Association

Through its Community representative, Ambassador Amiel Najar, the Israeli government officially informed the Council and the Commission that it wished to "open negotiations as soon as possible with a view to substituting, as from July 1, 1967, an Association agreement for the present commercial agreement". This came as no surprise. High-ranking Israeli officials had already, on several occasions, expressed their desire to widen the field of cooperation with the EEC. The results of the present commercial agreement, which they found disappointing, were the reason for this new approach. It is also possible that the Israeli leaders had considered the prospects of a rapprochement between the EEC and Britain, which could further damage Israel's relationship with her two main commercial allies.

From the outset, Israel has sought the widest possible agreement with the Six but with comparatively little success. The commercial agreement already signed has in particular failed to solve the important problem of the "finishing trade", that is, the export to the EEC of finished Israeli products made from semi-finished goods bought in the EEC. This question is all the more vital because Israel has virtually no raw materials. Also the boom in Common Market egg production has seriously affected a traditional Israeli export. Finally, as far as Israel is concerned, the advantages which she has gained could be at the mercy of future agreements between the Common Market and certain Mediterranean countries (Maghreb, Spain).

Rather than try to obtain an extension of the commercial agreement which expires on July 1, 1967, Israel has decided to go the whole hog. In the case of association, unlike that of a commercial agreement, preference is the rule, except for sensitive products. Also, under the Treaty of Rome, association is a fairly vague concept and therefore flexible. Article 238 merely specifies "reciprocal rights and obligations, common action and special procedures". Under these terms it has been possible to arrive at agreements as varied as the associations with Greece and Nigeria.

In the case of a non-European country like Israel, association is not the first step towards full membership of the Community. At the same time, since it involves the establishment of a general system of preference, GATT regulations require that it eventually take the form of a customs union or a free trade area. This was the formula applied for Nigeria's association. But here Israel raises the fresh problem of an association candidate which is not a developing country. It also appears that the Israeli government has suggested to the Six that co-operation should extend beyond the limits of a mere customs union. The main intention would be to organise some co-operation between the partners in the fields of science and technical aid to developing countries.

This move by Israel must be approved unanimously by the Six if it is to get any further. And this raises certain delicate questions. First of all, economic problems: it is no secret that Italy is worried about the number of Mediterranean countries which are trying to get a foot in the door of the EEC, because of the competition they could offer against her agricultural production. To reduce this danger the Italian government has demanded that before going any further the EEC must clearly define the meaning of association. For this reason, and also because of the inevitable length of Common Market negotiations (excluding the time needed for parliamentary approval) it is highly doubtful, not to say impossible, that any new arrangement with Israel can be settled by July 1, 1967.

Of course Israel's approach cannot be taken out of the context of Middle East policy. Here it is likely that several of the member countries, wishing to improve or at least not to compromise their relations with the Arab countries, will prefer to tread lightly. It is true that the EEC has signed an agreement with the Lebanon, with apparently promising results. However it would not be enough to balance this with an association with Israel. From a political point of view, they would probably have to throw the Maghreb arrangement into the Arab scales, but this arrangement is not yet ready for completion, judging from the way things have been moving up to now. Certainly the Israeli government is aware of these problems. It could be that it is trying to bring its problems home to the Six by raising the ante in this way. But this is no bluff because Israel is basically only too ready to sign an association agreement with the Common Market. But her sincerity had put her in a good position to gain the advantage over a partner which has certainly not been over-generous up to now. So it is likely that a solution to the problem of the "finishing trade" would be enough to put Israel's mind at rest.

* * *

European Trade Unionism

M. Auguste Cool, president of the European Organisation of the International Confederation of Christian Trade Unions (CISC-Confederation internationale des Syndicats chretiens) presented to the IVth European Conference of Christian Trade Unions meeting in Amsterdam on October 6th, an important document outlining how trade union activities can be organised at a Community level. The political importance of this document is greater than it would seem at first sight, as it not only aims at integration amongst Christian unions, but also suggests that there should be unified action with the free unions (socialists), and does not exclude the possibility of working with Communist unions depending on the attitude taken by the World Federation of Trade Unions towards the Community.

M. Cool's case is based on a premise which can be summarized thus: despite the vicissitudes and the unknown problems facing its future, the Community exists, and already it seems unlikely that it can now be reversed, which implies that it will develop, at a varying pace, into an economic union, then a political union. This means that workers must become aware of the European scale of life in order to take the right steps. But what is the existing position? The president of the European Christian Trade Unions said there was a great deal to be done. The Treaty of Rome and the uses it has been put to, have deceived the hopes of the workers as far as the fulfilment of the traditional aims of trade unions are concerned (raising the workers' standard of living and the preservation of a democratic political system). The business of the Council of Ministers is free of any parliamentary control, whether it be economic or social; the Economic and Social Committee, which has trade union representatives, has very little effective power; the EEC's social policy has made virtually no progress, although the Six lavish care on the world of business and trade.

For M. Cool, the situation can to some extent be blamed on trade unionists themselves. Their lack of organisation on a European scale shelters governments from any trade union pressure and lets the employers, who are the unions' opposites on a national basis, avoid talks on a European scale. To break through this barrier, which is daily becoming more of a threat as the Community grows and employers concentrate, it is essential for trade unions to group themselves on a European basis. In his conception of the problem, M. Cool sets out the need for a "European Trade Union Confederation", headed by a team of permanent "European" officials, who would be given a number of powers until now used only on a national basis. Permanent organised cooperation with the free trade unions should be introduced with a "Joint Inter-Confederal Committee", where the Christian Confederation and the Socialist Confederation would be represented. Finally, if organised cooperation with the Communist Trade Unions is not conceivable, M. Cool does not exclude the possibility of examining "the usefulness of concerted action" with them.

* * *

EURATOM:

Fission without Faction

It is now clear that Euratom's third five-year research and investment programme will follow a basically different pattern from that of the other two. These embraced all Euratom activities, and lent it a typically Community character, and in this respect they contained some element of politics, some degree of supranationality. Seen in this light, the third programme is a retrograde step, and in some circles there is often a strong temptation to impute this trend, partially at least, to the personal intervention of Monsieur Pierre Chatenet at the head of the Commission. Chatenet, a former minister in the de Gaulle administration, and successor in Brussels to Monsieur Etienne Hirsch, whose European ideals were somewhat frowned upon at the Elysee Palace, has appeared to some people as a sort of "winder-up" of Euratom. It was only a few months ago that certain of his public statements in the European Parliament at Strasbourg were attracting harsh criticism from a number of Italian delegates.

M. Chatenet (who can scarcely be charged with taking his duties lightly) has always met such accusations by maintaining that his approach is inspired not by ideological convictions, but by an "enriching" analysis of the facts. As for his beliefs, he claims never to have fostered any political discipline, and does not believe that just because certain states have changed their ways of going about things, they must necessarily be bound by community sovereignty. The only thing that the Euratom Treaty formally arranges, he point out, is "complementary" cooperation. According to him "it is better for the drawing together of national interests to pool as many things as possible in the most important spheres than to affect to believe in a higher sovereignty." For M. Chatenet, these spheres are essentially the nuclear, space, electronics and aviation sectors. This means that he sets no little store by the Euratom venture, and indeed is tempted to rate it higher than the Common Market itself. The former, looking to the future, is in no danger of becoming a mere "mutual aid society for victims of economic mischance". He is anxious, he claims, "to approach the end of the century as Robert Schuman might", and this is why he believes the modest Euratom programme to be "the most serious contribution to the reality of Europe".

This is the way that the President of the Euratom Commission is thinking, at least according to those who are close to him: the impression they give is that he is a pragmatist. Of course, M. Chatenet's own brand of doctrinal neutrality is something to beware of, but if we look at the facts, he has found arguments (his opponents would call them alibis) which are difficult to shoot down. Right now, or several months ago in fact, the Euratom Commission finished a five-year plan so "Ecumenical" that in its course it incurred the wrath not only of France, but also of Italy and Germany, the former disillusioned by the amount it gets out of Euratom compared with what it puts in, and the latter under pressure from its industrialists.

According to M. Chatenet, there were three adverse factors that brought about this state of affairs:

1) The differences existing between the six states, as regards nuclear development, which Euratom had neither the power nor the right to reconcile.

2) The train of circumstances which led to Euratom being set up at the same time as the Common Market, in other words, ten years too soon, when the Six had not as yet had time to reach a full state of solidarity in most fields.

3) An institutional system of cooperation which lacked the flexibility called for: how could the content of an overall programme be agreed, when the ratio of the national contributions followed a fixed code, and when unanimity was demanded on all decisions?

The President of Euratom may well imagine that the solution of its difficulties lies in a much more flexible interpretation of the Treaty. There is no doubt that unanimous decisions are still required to define the framework of common action. But within this framework, matters should be dealt with as they arise. M. Chatenet uses an image to express his idea of a "Europe a la carte, which is not a picnicking

Europe where everyone brings what he wants, but a Europe where there is a restaurant, whose chef (in this case Euratom) makes a menu from which the guests can choose as they please." If this is put into more formal language, and applied to Euratom, it can be expressed as follows:

1) The joint research programme to be limited to a few essential aims studied in the joint research centres. It is worth noting here that M. Chatenet (as well as some other influential Gaullist deputies such as MM. Catroux and Terrenoire) are as convinced as the most orthodox "Europeans" of the necessity to keep all the various Euratom centres working, as these have proved to be remarkable institutions from both the human and scientific standpoint. But even this hope is fraught with a number of difficulties. Several governments have shown a lukewarm enthusiasm for the idea of actually building an industrial prototype under the ORGEL programme, although this is the main objective of the important joint research centre at Ispra.

2) A more rational use of the possibilities offered by the "joint enterprise" status created by the Treaty. A joint enterprise, in exchange for publication of the information it receives, has various financial advantages and benefits from the technical and scientific assistance given by Euratom. It must be admitted that until now this form of temporary association has above all been used "to keep everyone happy", without paying too much attention to the scientific merits of the industrial scheme undertaken. It might be able to serve the common interest better if Euratom's available resources were concentrated on more useful schemes, as stipulated in the Treaty.

3) Finally, and here the idea of "Europe a la carte" is more strictly relevant, it would be reasonable if, under the watchful eye of the Community, the Treaty regulations permitting bilateral or trilateral agreements could be used for the signing of such agreements between interested States. According to M. Chatenet this process would permit a more equitable distribution of costs, in proportion to each member's interest. On this point he is in no doubt that this question of support (and a fair return for each contributor) has been the largest obstacle met with during Euratom's second five-year plan.

It seems at present that these new ideas have made noticeable progress, but it cannot yet be said that they are shared by all the members of the Commission. What does seem certain, however, is that the latter, faced with the reluctance shown by the states, is convinced that it will be impossible to impose an old style five year plan on the Six.

ECSC:

Does the Treaty of Paris Go Far Enough?

Luxembourg: The High Authority's moves to draw up a new Community policy for the iron and steel industry are the subject of numerous press commentaries. All these dwell on the High Authority's deficiencies, its lack of foresight, or the impossibility of basing a policy on the existing Treaty; but they seem to forget that, although the Treaty may no longer be relevant to some spheres, it still forms a set of coherent rules, based on a certain concept of economics, which it is difficult to change by ad hoc measures. The Treaty provides a policy for market control and for the adaptation of the industry and the steel market to prevailing conditions. What is lacking today are definite measures calculated to help the Community's iron and steel industry overcome two equally intractable difficulties: firstly, the sudden increase in productive capacity, due to pressure for modernisation and the replacement of equipment on a much larger scale than before, generated by technical progress and secondly the advent of new productive capacity in the developing countries, until now traditional importers of steel.

These two causes of the present steel crisis (and especially of the fall in prices and revenue due to over-production) are signs of the problems linked with growth which are likely to persist for some years. An effort must therefore be made to soften their repercussions by temporary measures, tailored to the problem now facing the steel industry. In the longer view, it would be running the risk of permanently harming the Community's steel industry if the Treaty's rules governing competition and a free market were tampered with. The steel industry is faced with an acute income crisis, but it is only a temporary crisis, and any general solution based on a return to "dirigisme" and external protection would be unsuitable in the present circumstances. It would also create serious international difficulties, and over a long period would threaten the stimulus which Community and world competition provides for the steel industries of each member country.

The most obvious problem, that of a fall in receipts, leads one to consider the fixing of a minimum price as envisaged by Article 61 of the Treaty. But recourse to this general escape clause is governed by extremely strict conditions, and there are a great number of experts who are very sceptical about its prospects of success. At what level would prices have to be fixed? There would obviously be no question of arbitrarily fixing them (for example at so much per cent above the present inadequate market prices). To form an idea of what the minimum price should be, it would be necessary to know what production costs were. As these vary considerably from country, a survey would have to be undertaken amongst the firms concerned (this is expressly envisaged in Article 48 of the Treaty) and past experience has shown that firms will never allow national or supranational authorities to poke around in this sphere, as it is considered free enterprise's most sacred prerogative. Even if a certain market price level could be accepted as the minimum, fresh difficulties would arise out of the scale prices applied by the Community's iron and steel industry. It would not be enough to fix basic prices, because these are surrounded by a whole system of rebates and surcharges, varying from one firm to another. It would be easy for firms to manipulate minimum prices, and to avoid this, an extremely complicated and cumbersome system would have to be introduced.

Neither is the fixing of production quotas (foreseen in Article 58 of the Treaty) a measure which can easily be introduced. To do this, the member countries must agree to declare a state of "Manifest Crisis", and it seems that some governments, maybe for psychological reasons connected with economic growth, are unwilling to take the plunge. In any case a fixing of quotas applied to internal production alone would be completely useless, if it was not accompanied by similar measures covering imports from non-member countries. But how, at the time of the Kennedy Round, could the Community justify a step backwards in the liberalisation of world trade in steel?

Nor are certain circles close to the High Authority convinced that in this case classical market control methods can be used to solve the steel industry's difficulties. Rather they hope that the High Authority will show imagination (using Article 85 of the Treaty as a legal basis) and act as soon as possible:

a) By trying to eliminate the main causes of unfair competition within the internal market, with special reference to supplies of coking coal for the steel industry, and

b) By making it easier for steel firms to improve themselves, by harmonising investments, by rationalisation and by taking steps to regulate the market. Various measures along these lines have been proposed in the different member countries, and since the High Authority's approval is required, it should be able to impose such conditions as to prevent these various national moves from breaking up the Common Market.

Finally there is the problem of the world market. The most important point here is to create rules introducing fair competition, by harmonising tariff barriers and anti-dumping regulations. To lessen the difficulties created for the international level of prices by temporary over-capacity, some of the High Authority's experts have suggested that a "Fair Trade Rule" should be drawn up. This good conduct code would be adopted by all the major steel producing and exporting countries, throughout the world.

The High Authority's proposals will not be made known until the end of October and it is to be hoped that they will be definite, pragmatic and to the point, for if they are not, and if the Council of Ministers rejects them, the continued existence of the steel Common Market may be open to doubt. But it would be foolish to underestimate the difficulties of shaping a steel policy, and the High Authority's proposals must concentrate on what can be actually achieved, otherwise they run the risk of meeting the same fate as proposals for a fuel policy have met with for many years.

STUDIES AND TRENDS

STRUCTURAL CHANGES IN THE EUROPEAN MOTOR INDUSTRY

by
Achim Diekmann
Head of the Department of
National Economic Affairs in the Motor Industry Association
(West Germany)

During the past twenty years the European motor industry has become one of the largest industrial sectors on the whole of the European continent owing to the favourable circumstances obtained after the end of the war when there was a great deal of ground to be made up, living standards in West European industrial countries were rising rapidly, and there was a growing demand for its products.

Table I Production of Motor Vehicles in Western Europe

Numbers in Thousands

Type of Vehicle	1938	1950	1955	1960	1961	1962	1963	1964	1965	(1) 1966
Passenger and Estate Cars	-	1,110	2,518	5,077	4,789	5,728	6,844	7,286	7,487	7,800
Commercial Vehicles	-	487	704	992	1,019	1,021	1,045	1,119	1,081	1,140
Total:	1,092	1,597	3,222	6,069	5,808	6,749	7,889	8,405	8,568	8,940

1) Estimated

This development started from the production of about half a million units in 1946, about half the level reached in 1938. Three years later the level of production reached in the years immediately before the war had already been exceeded. Progress continued. Production rose from 1.6 million units in 1950 to 6.1 million in 1960. Five years later it reached 8.6 million units, eight times the pre-war level.

The European motor industry today employs about 1.6 million people*. It now occupys second place in the world league table with a volume of production which has long since reached American dimensions and with manufacturing techniques which are at least the equal of the American motor industries. Its share in world production is at present about 35.5%. However, there are a number of basic differences between the European and the American motor industry. They are mainly of a structural nature. But there is no doubt that the structural changes which have taken place in recent years in

STUDIES & TRENDS

*Employees in the parts and accessory industries are included in this total.

the European motor industry have brought it closer to the American pattern. We shall now deal in somewhat greater detail with these structural changes.

All economic growth implies processes of adaptation, which in turn lead to changes in structure. This is true, not only for the growth of national economies, but also for that of individual economic sectors and branches of industry, even when they are separated from one another by national boundaries and by obstacles'to trade.

Even a superficial analysis of the development of the European motor industry over the past twenty years shows that here also expansion has lead to structural changes. The scale of the enterprises involved has adapted itself to changed market conditions. The regional focuses of the manufacture of motor vehicles in Europe have shifted. Basic changes have taken place in the structure of production. The private car has taken over an increasing share of the growth and manufacture of commercial vehicles has, correspondingly, diminished in importance. External influences like the reduction in tariff restrictions in the EEC and EFTA have also contributed to alter the face of the European motor industries.

Two principal factors have a decisive effect on the structural changes in the European motor industry: the difference in the development of the share of the market held by the principal manufacturing countries in Europe and the equally-marked difference in the efforts that each has made to promote exports. This can be seen very clearly from an analysis of the sales on European and non-European markets which shows to what extent the principal manufacturing countries (West Germany, Great Britain, France and Italy) have been able to exploit the expansion of the market which has been continuous except for minor interruptions.

If one considers the European market, it is apparent that in the last few years both France and Great Britain have lost ground. Both these countries have experienced a fall in their share of the market while West Germany has increased her share slightly, and Italy to a rather greater degree.

Table II

Sales of Private Cars in Europe
Numbers in Millions

Year	Total	% share of the market: West Germany	France	Italy	Great Britain	Other Countries
1958	2.57	34.2	25.0	11.3	24.8	4.7
1959	2.95	34.0	24.6	12.1	24.1	5.2
1960	3.56	34.1	23.2	13.4	24.1	5.2
1961	3.91	35.7	21.6	15.4	21.7	5.6
1962	4.58	34.1	23.5	15.8	21.1	5.5
1963	5.41	32.9	22.7	16.7	22.6	5.1
1964	5.81	33.4	20.7	15.3	24.5	6.1
1965(1)	6.27	34.6	20.6	16.2	21.8	6.8

Table III

Sales of Commercial Vehicles in Europe

Numbers in Thousands

Year	Total	% share of the market: West Germany	France	Italy	Great Britain	Other Countries
1958	534	24.2	26.3	5.3	38.1	6.1
1959	561	26.7	19.3	5.8	41.4	6.8
1960	677	25.4	20.4	6.9	40.0	7.3
1961	736	27.1	18.3	8.7	37.7	8.2
1962	754	27.3	18.8	9.4	34.1	10.4
1963	794	26.4	18.9	9.8	33.1	11.8
1964	839	26.6	19.3	7.8	34.1	12.2
1965 2)	812	25.8	17.7	7.4	36.4	12.7

Note to tables - Provisional figures
(1) and(2)

Even more marked has been the change in deliveries to non-European countries where Germany now holds 46% of the market.

Table IV

Deliveries of European Private Cars to Non-European Countries(1)

Numbers in Millions

Year	Total*	% share West Germany	France	Italy	Great Britain	Sweden	*of which to N. America
1958	1.01	30.9	21.6	6.0	39.4	2.1	0.52
1959	1.34	32.2	23.8	6.3	35.4	2.3	0.80
1960	1.24	35.2	20.4	5.9	36.1	2.4	0.58
1961	0.88	45.1	18.6	7.9	26.1	2.3	0.38
1962	0.99	41.4	16.0	8.8	31.5	2.3	0.47
1963	1.09	43.0	14.4	9.8	30.1	2.7	0.47
1964	1.24	46.6	11.3	8.1	31.5	2.5	1.60
1965(2)	1.21	50.9	13.3	4.9	27.7	3.2	0.63

(1) includes Eastern block countries and Yugoslavia
(2) provisional figures

Table V Deliveries of European Commercial Vehicles to Non-European Countries(1)

Numbers in Thousands

Year	Total*	% share					*of which to N. America
		West Germany	France	Italy	Great Britain	Sweden	
1958	182.6	31.9	16.4	3.5	48.2	-	24.6
1959	190.3	31.8	17.7	1.1	47.9	1.5	32.2
1960	205.4	26.0	19.7	1.3	51.6	1.4	30.9
1961	190.7	22.5	13.9	2.0	59.7	1.9	13.2
1962	198.4	18.3	12.1	2.4	65.4	1.8	13.5
1963	181.4	21.0	14.4	2.0	61.2	1.4	15.2
1964	191.0	19.8	13.1	3.7	61.6	1.8	8.9
1965(2)	198.0	16.5	13.1	8.8	60.1	1.5	7.8

(1) includes Eastern block countries and Yugoslavia (2) provisional figures

Note to tables IV and V

These differences in the sales curve of the German, French, Italian and British industries both on the internal European market and on the overseas market - partly an expression of the existing competitive position and partly influenced by the extent of the available productive capacity - is naturally reflected in the share of each manufacturing country in total European production. Again, the outcome here has been a weakening of the British and French positions.

Table VI Share of production of the principle manufacturing countries

(In per cent)

1 - Private and Estate Cars

Manufacturing country	1950	1955	1960	1961	1962	1963	1964	1965
EEC:	52.1	62.4	69.9	75.1	74.5	72.8	70.1	71.9
West Germany	19.8	30.3	35.7	39.8	36.8	35.3	36.5	36.5
France	23.2	23.0	22.8	21.4	22.9	21.8	18.7	18.2
Italy	9.1	9.2	11.1	13.6	14.4	15.5	13.8	14.5
Netherlands	-	-	0.3	0.3	0.4	0.2	0.4	0.4
Belgium	-	-	-	-	-	-	0.7	2.3
EFTA:	47.9	37.4	29.1	23.5	24.2	25.7	27.9	25.5
Great Britain	47.0	35.7	26.7	20.9	21.8	23.5	25.7	23.0
Sweden	0.9	1.3	2.1	2.3	2.3	2.1	2.2	2.5
Austria	-	0.4	0.3	0.3	0.1	0.1	-	-
Other European Countries	-	0.2	1.0	1.4	1.3	1.5	2.0	2.6
Spain	-	0.2	0.8	1.1	1.1	1.2	1.6	2.1
Yugoslavia	-	-	0.2	0.3	0.2	0.3	0.4	0.5
Total	100	100	100	100	100	100	100	100

Table VII

2 - Commercial Vehicles

Manufacturing country	1950	1955	1960	1961	1962	1963	1964	1965
EEC:	43.9	47.4	48.9	48.6	50.7	52.7	49.4	47.4
West Germany	17.6	20.8	24.1	23.9	24.2	24.3	23.2	22.4
France	20.5	20.8	19.1	17.7	19.2	20.6	19.9	17.2
Italy	5.5	5.4	4.9	6.4	6.8	7.2	5.5	6.6
Netherlands	0.3	0.3	0.4	0.5	0.5	0.5	0.6	0.6
Belgium	-	0.1	-	-	-	0.1	0.2	0.6
EFTA:	56.0	52.0	48.8	48.0	44.6	41.3	44.1	44.8
Great Britain	54.0	48.5	46.2	45.2	41.7	38.8	41.5	42.1
Sweden	1.4	2.4	2.0	2.1	2.2	2.1	2.1	2.2
Austria	0.4	1.0	0.5	0.6	0.6	0.4	0.4	0.4
Switzerland	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other European Countries	0.1	0.6	2.3	3.4	4.7	6.0	6.5	7.8
Spain	-	0.2	1.6	2.7	3.9	5.1	5.4	6.8
Yugoslavia	-	0.4	0.5	0.6	0.7	0.8	1.0	0.9
Finland	0.1	-	0.2	0.1	0.1	0.1	0.1	0.1
Total	100	100	100	100	100	100	100	100

The creation of the EEC and the European Free Trade Area are undoubtedly among the factors which have influenced the volume of sales of individual manufacturing countries and thereby the growth of their motor industries. The exact quantititive effect of the creation of these two economic zones cannot be accurately measured. But in order to form some idea of the effects of this integration it is possible to compare developments in internal trade in each of these economic zones since the start of reductions in tariffs with changes in total sales in each of the zones over the same period. This gives some indication of the measure of the "integration elasticity" of deliveries of motor vehicles within each of the two zones.

As the following table shows, sales of motor vehicles in the EEC rose between 1958 and 1965 from 1.9 million to 4.4 million units (+ 132%). Over the same period, exchanges of motor vehicles between the EEC countries rose from 240,000 to 940,000 units (+ 295%); that is to say that internal exchanges over the last seven years rose by 2.2 times more than the total volume of sales.

Table VIII Intra-Community Trade in Motor Vehicles

Numbers in Thousands

Year	Total sales	Internal exchanges	Manufacturing Countries West Germany	France	Italy	Benelux
1958	1,883	237	117	62	58	-
1959	2,085	321	123	130	68	-
1960	2,534	376	162	146	61	7
1961	2,910	452	213	142	91	6
1962	3,430	644	271	239	126	8
1963	3,998	832	417	303	104	8
1964	4,066	862	399	225	134	52
1965(1)	4,375	937	379	254	173	131

(1) Provisional figures

EFTA sales of motor vehicles rose between 1960 and 1965 from 1.5 to 2.2 million units (+46%). The parallel development of exchanges of motor vehicles between the EFTA countries was an increase from 77,000 to 181,000 units (+135%) that is to say three times the rate of increase of total sales. Expressed in terms of internal exchanges of motor vehicles, the effect of integration has thus been considerably more marked in EFTA than in the EEC.

Table IX Internal exchanges of Motor Vehicles in EFTA

Numbers in Thousands

Year	Total sales	Internal exchanges	Manufacturing Countries Great Britain	Sweden
1958	1,118	86	75	11
1959	1,297	77	63	14
1960	1,532	77	58	19
1961	1,522	94	70	24
1962	1,652	136	107	29
1963	1,920	145	112	33
1964	2,213	166	125	41
1965(1)	2,175	181	136	45

(1) Provisional figures

In order to see the relationship between the two economic zones we may look directly at figures for the development of the share of the EEC motor industry in EFTA and that of EFTA manufacturers in the EEC market.

Table X EEC Manufacturers Share in the EFTA Market

(in %)

Type of Vehicle	1958	1959	1960	1961	1962	1963	1964	1965
Private Cars	25.5	27.8	28.0	27.4	29.1	26.2	25.6	27.7
Commercial Vehicles	12.1	13.4	13.2	14.6	17.4	15.8	16.4	16.3
Total Vehicles	22.7	24.9	25.0	24.8	27.0	24.5	23.9	26.0

Table XI Share of EFTA Manufacturers in the EEC Market

(in %)

Type of Vehicle	1958	1959	1960	1961	1962	1963	1964	1965
Private Cars	1.5	1.4	1.6	2.0	2.9	3.2	3.1	3.2
Commercial Vehicles	2.5	3.2	3.3	3.7	3.8	3.8	4.0	3.2
Total Vehicles	1.6	1.6	1.9	2.2	3.1	3.3	3.2	3.1

These figures show that the share of EEC manufacturers in the EFTA market has remained virtually unchanged since 1960 at about a quarter. The share of British and Swedish vehicles in the EEC market has, however, risen since the effective date of the first reduction in tariffs within the EEC from 1.6 to 3.1%. This difference between the two economic zones in the development of their market shares can be explained by the fact that the common external tariff of the EEC represented an increase of current tariff rates for West Germany, but a decrease for the other Community countries under the Dillon Round leading, on balance, to an improvement in the competitive position of the British and Swedish motor industries in the EEC. Conversely EEC countries benefitted from a reduction in the British tariff on motor vehicles, but the advantage gained here was almost immediately cancelled out by the introduction of the 15% import surcharge.(1)

The maintenance of the previous share of the EEC motor industry in the EFTA market and the doubling of the EFTA industry's share in the EEC market shows little

(1) The import surcharge has since been reduced to 10% and will continue until November 30th this year.

evidence of the "sealing off" associated with the creation of these two economic zones. The fact that the adverse effect on trade caused by this economic split in Europe has not yet found full expression, is probably due to the fact that both sides have so far been making considerable sacrifices in order to escape the effects of tariff restrictions. Such a procedure can only continue to make economic sense so long as an eventual end to this unnatural situation is in sight.

From this brief analysis, it is possible to draw the conclusion that from the EEC's point of view the positive consequences of integration take the form of a disproportionate growth in neutral exchanges and an increase in the rate of growth within the Community, possibly caused by integration; the negative consequences appear in the static share of the EEC in EFTA markets, which has itself only been maintained with difficulty. From the point of view of EFTA, the picture looks brighter. The EFTA motor industry also has less at stake. However, it must be admitted that, unless there is some bridge-building between the two zones, the EFTA motor industry will, in the next few years, be able to participate to a lesser extent in the growth of the EEC market, which is likely to be more extensive than that of EFTA's own market.

If these facts are considered from the point of view of the growth in production in individual European manufacturing countries, the conclusion seems to be justified that this dual development of tariff dismantling within Europe has so far mainly prejudiced the growth of the German motor industry because EFTA occupies a considerably more important relative position in her sales structure than it does in the French or Italian motor industry.

We have confined our examination so far to the four largest manufacturing countries. It may at first sight be surprising to learn that their share in total European production has been falling constantly in the last few years. Not only in Sweden where a considerable volume of motor vehicles was produced, in the years before the Second World War, but also Spain, the Benelux countries and in Yugoslavia considerable productive capacity has appeared in the last few years or is currently being constructed. This development - partly caused by commercial policies - is a sign of an increasing geographical decentralisation of the productive capacity of the European motor industry. A similar process of decentralisation can also be seen within the individual manufacturing countries themselves. Apart from the considerations of commercial policy mentioned above, this process of dispersion of productive units is mainly the result of labour shortages in the traditional industrial concentrations. The fact that coastal cities like Emden, Antwerp or Le Havre have been chosen as the location for new production or assembly plants is probably due to their favourable situation from a communications point of view.

In Great Britain and France regional policies and the consequent pressure of the government in these two countries on the motor industry will also have played a part. By decentralising its production in this way, the European motor industry has made a significant contribution to the equalisation of productivity between different regions and to a levelling out of living standards within the European area.

TO BE CONTINUED

and ILSEDER HUETTE regroup their steel-trading interests in new 50-50 subsidiary STAHLHANDEL-VERWALTUNGS, Salzgitter. The American SOABAR CO (textile-labelling machinery) forms German manufacturing subsidiary. The new German group HOESCH AG HUETTENWERKE, Dortmund formed by HOESCH AG and DORTMUND-HORDER HUETTENUNION has KON NEDERLANDSCHE HOOGOVENS as its main shareholder. ACCIAIERIE PISOGNE, Brescia, Italy forms Munich steel subsidiary (sales). RHEINISCHE STAHLWERKE, Essen regroups its export business. ROBERTO PERLINI, Verona (civil engineering equipment) forms German import-sales subsidiary. The American NORDSON CORP (paint melangeurs) will form German sales subsidiary. DEMAG ELEKTROMETALLURGIE, Duisburg will manufacture industrial electric ovens under agreement with WILHELM RUPPMANN, Stuttgart. FIDES VERWALTUNGS, Frankfurt (BfG group) and the F. MEYER group, Dinslaken form WILHAG BETRIEBS (civil engineering). Italy: FAG ITALIANA, Milan (ball-bearings etc.) forms Turin subsidiary. Netherlands: BAU-STAHLGEWEBE, Düsseldorf (wire) and two Dutch concerns will build factory making metal frames for building at Alphen. STORK, Amsterdam signs licensing agreement with EUR-O-MATIC, Weesp. Switzerland: The Paris group headed by François Durand forms ENGRENAGES & TRANSMISSIONS DURAND, Fribourg (gear-boxes, transmission etc.). STRAFOR HAUSERMANN, Strasbourg (partitions for buildings) opens branch in Lausanne.

K FINANCE

Luxembourg: UFITUR, Luxembourg increases its capital and gains four new shareholders. Netherlands: The transport and storage concern BLAAUWHOED and the ROYAL DUTCH SHELL pension fund form investment company and fund. Venezuela: DEUTSCH-SUEDAMERIKANISCHE BANK, Hamburg buys share in Venezuelan investment company.

L FOOD & DRINK

Belgium: The Marseilles wine group MARGNAT makes its Antwerp factories and sales office into full subsidiary. Belgium and Germany: The San Francisco group DI GIORGIO CORP will set up Belgian and German sales network for its fruit juices. France: KON FABRIEKEN C. J. HOUTEN, Weesp (W. R. GRACE group) raises the capital of its French subsidiary in Boulogne-sur-Seine. BENOIT, Marseilles (cheese etc.) takes over two recently-acquired subsidiaries. Germany: The Italian firm AZIENDA VINICOLA FATTORIA OLIMPIA (wines, fruit-juices etc.) opens branch in Hamburg. Italy: INDUSTRIE AGRICOLE LIGURE LOMBARDA takes 50% in ETNA, Catania (fruit-juices, frozen foods etc.). Switzerland: The Dutch spirits manufacturer BOONEKAMP forms Swiss holding company.

N GLASS

Italy: MONTECATINI-EDISON sells its minority share in PENN-ITALIA, Salerno (plate-glass).

N INSURANCE

Belgium: J. HENRIJEAN, Brussels signs technical and administrative agreement with the Antwerp brokers PAUL MORTELMANS. Netherlands: The Dutch life insurance group LEVENSVERZEKERING-MIJ

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		reorganises its finance and property subsidiaries.
N	OFFICE EQUIPMENT	France: CHEMISCHE FABRIEK L. VAN DER GRINYEN, Venlo (colorants etc) gains control of its French licensee PHOTOSIA, specialists in dye-line copying. Germany: ICC MACHINES, London and the German firm LUDWIG MAYER form joint subsidiary in Bruchsal.
O	OIL, GAS & PETROCHEMICALS	Germany: OFENBAU UNION, Düsseldorf takes share in new gas-pipe-laying firm in Düsseldorf: SILAMIT ERDGAS. Italy: MONTESHELL PETROCHIMICA, Brindisi becomes MONTESUD PETROCHIMICA after SHELL ITALIANA sells its 50% interest. Netherlands: NEDERLANDSE PIJPLEIDING, The Hague is formed to build and run a pipe-line between Rotterdam and Amsterdam for MOBIL OIL. STANDARD OIL will extend the capacity of its Rotterdam refinery.
P	PHARMACEUTICALS	Belgium: LABORATOIRES MAUCHANT, Brussels is formed by the French firm of the same name to prepare, pack and sell pharmaceuticals. France: In the INDUSTRIE BIOLOGIQUE FRANCAISE group SACER is transferred over to SOFERAS, Paris (research).
P	PLASTICS	Germany: The French company APPLICATIONS & REVETEMENTS PLASTIQUES forms German sales company for chemical fibres and polyvinyl chloride coatings. Netherlands: RHEINHOLD & MAHLA, Mannheim (insulating materials) forms Rotterdam sales subsidiary.
Q	RUBBER	Belgium: GOODYEAR TIRE & RUBBER, Akron, Ohio will open scientific liaison office in Brussels. France: The Munich plastic and rubber group METZELER forms Paris sales subsidiary. Germany and Netherlands: B. F. GOODRICH, Akron, Ohio will build technical research centre (tyres) at Enschede and tyre factory at Koblenz.
Q	TEXTILES	France: The Dutch synthetic fibre net makers APELDOORNSE NETTENFABRIEK VON ZEPPELIN forms French sales company. Ivory Coast: CIE COMMERCIALE HOLLANDO-AFRICAINE takes 30% in two new Ivory Coast textile companies.
R	TRADE	Italy: INDUFINA, Rome takes 49% in Milan import-export company IMEX ITALIANA. Luxembourg: The ready-made group C & A BRENNINKMEIJER forms Luxembourg investment company. Switzerland: The mail-order and store group QUELLE GUSTAV SCHICKEDANZ forms Berne holding company.
R	TRANSPORT	Netherlands: HANDELSVEEM, Rotterdam forms new storage concern. BLAAUWHOED, Amsterdam and THOMPSEN'S VERENIGDE BEDRIJVEN cancel crossed shareholding scheme.
S	VARIOUS	
T	LATE FLASHES	

ADVERTISING

** The Zurich public relations and advertising agency GISLER & GISLER is about to open a Düsseldorf subsidiary headed by Messrs H. Falkenham and M. Ziebarth. The Swiss company has an annual budget around Sf 32 million and is headed by D. and K. Gisler. The latter also runs the Zurich television agency TELESPOT AG (capital Sf 50,000).

AUTOMOBILES

** CHRYSLER CORP, Detroit (see No 358) and its British subsidiary ROOTES MOTOR LTD (see No 336) have added the Netherlands to the area covered by their joint sales company, renamed CHRYSLER BENELUX NV in April 1966 (formerly CHRYSLER NV, Antwerp). The latter was formed as a result of agreements signed between the two companies in 1965 to cover sales in Belgium and Luxembourg. AUTOBEDRIJF TEN HOEVE, The Hague will continue to market Rootes trucks in the Netherlands.

BUILDING & CIVIL ENGINEERING

** The EDMOND DE ROTHSCHILD group recently placed six new executives (from its Paris subsidiary CIE FINANCIERE SA) on the board of the building, real estate and civil engineering concern, FARNSWORTH-FRANCE SA, Marseilles. The board of this company also includes Messrs J.P. Halbron, G. Kraemer, R. Cuckierman and A. Kery, who represents BANQUE PRIVEE SA, Geneva (see No 305), which has come under the 85% control of the group.

The Marseilles concern, formerly ETS LEADER Sarl, has M. J.P. Meinier as president: he was formerly a director of COGIFRANCE SA, the secretary general of which, M. Claude Janin, is also a director of Farnsworth-France. Its capital, which was recently raised to Ff 5.7 million, is shared between COFIPARIM, Fribourg, which was formed as a holding company in November 1965 (majority interest), and R.P. FARNSWORTH & CO INC, New York (which is represented by Mr Lexis I. Leader), which also has its own finance subsidiary in Fribourg, FARNSWORTH INTERNATIONAL SA (president M. J.P. Halbron).

** Under an agreement between the German insulating materials firm F. WILLICH KG, Dortmund and the Swiss concern SCHNEIDER & CO AG FUER ISOLIERUNGEN & INDUSTRIEBEDARF, Winterthur have formed a joint Belgian subsidiary WILLICH-SCHNEIDER & CO SA, Etterbeek-Brussels (capital Bf 3 million). The German concern (with its sleeping partner EGON JAEGER GmbH, Dortmund) and the Swiss company each hold a one-third interest with the balance held by M.J.M. Emsens of Etterbeek. The new company will undertake all forms of research connected with the development and use of heat and acoustical insulation processes in Belgium.

CHEMICALS

** Eight European chemical companies have taken equal shares in forming GLYCOLEX AG in Zurich (capital Sf 100,000) to integrate their foreign sales programmes outside the EEC, USA and Canada areas. Glycolex will cover their marketing of glycol ethylenes, which are the raw material for polyester fibres, anti-freezes and cosmetics.

Four German groups are involved: BADISCHE ANILIN & SODA FABRIK AG, Ludwigshafen (see No 376); FARBENFABRIKEN BAYER AG, Leverkusen (see No 376 - its holding company BAYER-VERSALTUNGSGESELLSCHAFT FUER BETEILIGUNGEN mbH, Leverkusen, has just had its capital raised from DM 36 to DM 66 million); FARBWERKE HOECHST AG, Frankfurt (see No 376), and CHEMISCHE WERKE HUELS AG, Marl (see No 370). The other four partners are: PROGIL SA (see No 373 - its joint subsidiary with UGINE and BAYER, PROGIL BAYER-UGINE SA recently had its capital raised from Ff 25 to Ff 30 million); KUHLMANN SA (now integrating in UGINE KUHLMANN SA - see No 373); NAPTHACHIMIE SA (see No 375 - a 57.22/42.78 joint subsidiary of PECHINEY and BRITISH PETROLEUM) - all three of these are based in Paris - and a Belgian firm, PETROCHIM SA, Antwerp (see No 370 - controlled 50-50 by PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma, and PETROFINA SA, Brussels).

** Now that CDF CHIMIE-STE COMMERCIALE CHIMIQUE DU GROUPE CHARBONNAGES DE FRANCE SA (see No 359) is in operation (since October 3, 1966) - with agencies at Libercourt, Pas de Calais; Mulhouse, Haut Rhin; Lyons; Oyonnax, Ain; Rennes and sales offices shortly to be set up in Marseilles and Bordeaux - the reorganisation of the state-controlled section of the French chemical industry will now turn to fertilisers. So CHARBONNAGES DE FRANCE (see No 376) and STE DE PRODUITS CHIMIQUES D'AUBY SA, Neuilly, Hauts de Seine have agreed to form a joint subsidiary which will combine the sales services of the two groups for compound fertilisers and ensure close co-operation on investment, production and supplies.

Some 90% of Auby's turnover (Ff 244 million in 1965) comes from fertiliser sales (mainly ammonium nitrates) formerly developed by PROCHINOR-PRODUITS CHIMIQUES INDUSTRIELS & ORGANIQUES SA and SATIA- SA DES TECHNIQUES INDUSTRIELLES DES ALGUES which were both taken over in July 1960. The company has considerably increased its manufacturing capacity for compound and complex chemical fertilisers by taking over UNION FRANCAISE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 328); it is linked with the CARBOCHIMIQUE SA group of Brussels (see No 375) by licensing agreements and a joint subsidiary formed in 1952, TERTRE-AUBY SA, Brussels; since 1962 it has had a subsidiary in Algiers, UNION ALGERIENNE D'ENGRAIS & DE PRODUITS CHIMIQUES. The Charbonnages de France group is a leader in France in the manufacture of ammoniac with fertiliser factories at Mazingarbe, Nord and Carling, Moselle.

** STANDARD OIL CO OF NEW JERSEY (see under "Oil, Gas & Petrochemicals") is centralising its chemical activities in France (synthetic products, alkylates, detergents, aromatic solvents, elastomers, resins, agricultural products etc) under a new subsidiary, ESSO STANDARD SAF, Courbevoie, Hauts-de-Seine.

This operation is part of a reorganisation and specialisation programme which has already been applied in several Common Market countries (see No 350) and resulted in chemical subsidiaries in Belgium, Netherlands, Italy etc.

** The Swiss chemical and pharmaceutical group J.R. GEIGY AG, Basle has grouped some of its chemical interests in France under STE FRANCAISE DE PARTICIPATIONS INSECTICIDE SOPRAFIN SA, Paris. This was formed recently under the structural reorganisation of the affiliated company LE. FLY TOX SA, Gennevilliers (see No 366) which has been changed into a holding company and will shortly merge with the group CENTENAIRE-BLANZY SA, (see No 350).

** The West German concern CILLICHEMIE ERNST VOGELMANN, Heilbronn-Sontheim (equipment and products for water purification) has formed a Milan sales subsidiary CILLICHEMIE ITALIA Srl, whose Lire 10 million capital is shared equally between the owner of the German company Herr Ernst F. Vogelmann and R. Weinberger of Milan.

Cillichemie has had a wholly-owned sales subsidiary in Strasbourg since the end of 1961, CILLICHEMIE-FRANCE, E. VOGELMANN & CO Sarl headed by M. T. Keller.

COSMETICS

** BARBARA GOULD SA, Neuilly s/Seine (beauty creams and cosmetics - see No 344) is to set up a distribution subsidiary in London in 1967. The new company will have as president M. J. Leal, who at present holds that position in the London sister company, CHANEL LTD (controlled by CHANEL SA, Neuilly s/Seine), and M. de la Briere will be director.

"Barbara Gould" products are made and sold in America by BARBARA GOULD INC, New York, and a subsidiary of BOURGEOIS INC, New York (the sister company of BOURGEOIS SA, Paris) and which (through the holding company TREMAR SA, Vaduz) belongs to the same French group, WERTHEIMER FRERES. Chanel perfumes are sold in the USA by CHANEL INC, New York, which is a subsidiary of the company of the same name in France, which also belongs to the Wertheimer Freres group, and has M. Normand as president.

** The German group MARIA CLEMENTINE-MARTIN KLOSTERERAU KG, Bensberg, (cosmetics, toiletries, dietary and pharmaceutical products - see No 376) has doubled the capital of its Schaerbeek-Brussels, subsidiary, MELISANA SA (see No 334) to Bf 4 million, to finance its expansion. Recently Maria Clementine-Martin Klosterfrau KG made a similar move with its other Belgian subsidiary, KLOSTERFRAU INTERNATIONAL SA.

Until now, Melisana SA, which was formed at the end of 1961, has been under the direct control of M.C.M. KLOSTERFRAU VERTRIEBSGESELLSCHAFT mbH, Cologne, and of a holding company in the group, AUGUSTA INVESTMENT CO GmbH, Basle. The latter is itself controlled by PANIX FINANZ AG, Zurich and by BANKHAUS DELBRUEK VON DER HEYDT & CO (which in 1955 took over the bank in the group DOERENKAMP & STOLLBERG KG, Cologne - see No 334).

** PARFUMS MADELEINE DE RAUCH SA, Paris (president M. Jean Perinet) which was formed in 1965 with a capital of Ff 200,000 has given the agency for its sales promotion in Italy and for its general sales of toiletries and cosmetics under the name of MAISON MADELEINE DE RAUCH, to an independent company PARFUMS MADELEINE DE RAUCH, SOC ITALIANA DI DISTRIBUZIONE Srl, Milan. The manager of the Italian company, Silvia d'Andria has almost complete control. The remainder of the capital is owned by M. A. Pozzati, a French businessman living in Neuilly sur Seine.

ELECTRICAL ENGINEERING

** The American company RECOGNITION EQUIPMENT INC, Dallas, Texas (electronic and mechanical equipment and tools) has formed a Frankfurt manufacturing and sales subsidiary RECOGNITION EQUIPMENT GmbH (capital DM 100,000) with Messrs. Albert Bieser of Garland, Texas and Ortwin Neumann as managers. The American company's previous move in Europe was the formation of RECOGNITION EQUIPMENT ITALIA SpA, Milan in May 1966 (see No 364).

** PILES WONDER SA (capital Bf 1.5 million) has just been formed at Jette, Brussels, by the group LES PILES WONDER SA, St-Ouen, Seine (see No 250) to distribute dry cells, components and accessories for electrical and electronic equipment. The president of the new firm is M. Pierre Courtecuisse, Neuilly s/Seine and its managing director is M. Maurice Anspach, Ixelles.

The French group (Ff 16,214 million) has its major factories in France, and already has sales subsidiaries in Cologne and Milan; further interests are in various parts of French-speaking Africa (Casablanca, Tunis, Dakar, Abidjan, Tananarive, Bamako, etc.).

ELECTRONICS

** The first moves in the French "Plan Calcul", the plan for a national computer programme have led to the formation of SPERAC-SYSTEMES PERIPHERIQUES ASSOCIES AUX CALCULATEURS SA (Ff 10,000) a joint subsidiary of CIE FRANCAISE THOMSON-HOUSTON-HOTCHKISS-BRANDT SA (see No 367) and CIE DES COMPTEURS SA (see No 370) - in which ROBERTSHAW CONTROLS CO, Richmond, Virginia has been a shareholder since last year (see No 333). The new company will develop peripheral computer techniques, whilst computers will be manufactured by another new concern whose principal shareholder is CITEC-CIE POUR L'INFORMATIQUE & LES TECHNIQUES DE CONTROLE SA - a 56% interest - (see No 362) a joint subsidiary of CSF-CIE GENERALE DE TSF SA (see No 377) and CGE-CIE GENERALE D'ELECTRICITE SA (see No 371). The remaining interests will be held by the SCHNEIDER SA group (33% - see No 371) and MM. RIVAUD & CIE Snc (11% - see No 362) directly and through INTERTECHNIQUE SA, Plaisir, Yvelines (see No 362) whose president, M. Jacques Maillet, will occupy the same position in the new company.

** The French company COCELAM-CIE CENTRALE D'ELECTRONIQUE & D'APPAREILS DE MESURE SA, Montrouge, Hauts de Seine (see No 356) has wound up the subsidiary formed in Lausanne at the end of 1965 (see No 317) called UNIC RTV SA (capital Sf 50,000). Cocelam is equally owned by LEBON & CIE Snc ("R. Paluel-Marmont" group) and STE LYONNAISE DES EAUX DE L'ECLAIRAGE SA. It still has two Swiss subsidiaries COCELAM DISTRIBUTION SA (see No 305) and COCELAM INSTRUMENTS SA (see No 329), both in Geneva.

** REMINGTON RAND GmbH, Frankfurt (a wholly-owned subsidiary in West Germany of the New York group SPERRY RAND CORP - see No 296) has increased from 95.5% to 99.5% in interest in TOREDO BUEROMASCHINEN WERKE AG, Frankfurt (capital DM 3.2 million) which it acquired in March 1962. Before the end of the year it intends to reorganise its subsidiary completely; 700 of the 800 employees will be dismissed and the firm will cease manufacturing typewriters in order to concentrate on the production of electronic accounting equipment.

The American group hopes to have 15% of the German computer market by 1969 with sales of its UNIVAC machines. Its other West German subsidiaries are KARDEX AG, Sarrebrücken, DEUTSCHE CLARY GmbH, Rastatt (office equipment), VICKERS GmbH, Bad Hamburg (hydraulic euipqment) and SPERRY KREISELTECHNIK GmbH, Munich (control instruments and equipment).

** MIJ. VOOR ELECTRISCHE BEDRIJESAUTOMATISE-RING ELECTROFACT NV, Amersfoort (since 1963 a Dutch member of the Minneapolis group CONTROL DATA CORP. - see Nos. 322 and 357) has completed its overseas sales network by forming ELECTROFACT GmbH AUSTRIA in Vienna: the new firm is to make magnetic tape for computers and measuring and control instruments.

The Dutch group, which is represented throughout Europe, has its own subsidiaries in Brussels, Milan, Düsseldorf, etc.

ENGINEERING & METAL

** GEBRUEDER NUSBAUM & CO GmbH, Lindau, Bodensee, has just been formed in West Germany with DM 260,000 capital, for all types of metal processing. Messrs. Max Baumer and Heinz de Haën, who are the vice president and managing director of the Swiss automobile firm MOTORWAGENFABRIK BERNA AG, Olten, Soleure, (capital Sf 3 million) are to manage the new company, together with Messrs. Herbert and Theodor Nussbaum, Langenfeld, Rhineland.

** The State-owned group SALZGITTER AG, Salzgitter and Berlin (see No 372) and the Peine company ILSEDER HUETTE (see No 360) have decided to regroup some of their steel-trading interests by joining up 50-50 in a new company STAHLHANDEL-VERWALTUNGS GmbH, Salzgitter. The new firm (capital DM 2.6 million) has taken over the respective holdings of its parent companies (25% in all) in DEUTSCHER EISENHANDEL AG, Berlin (capital DM 7.5 million) in which the other main shareholder is L. POSSEHL & CO GmbH, Lübeck (see No 356) with 33% since 1964 (see No 269). Deutscher Eisenhandel covers twenty German firms in this sector and has a total turnover of around DM 200 million.

The main shareholder in Ilseder Hütte is the State holding company VIAG-VEREINGTE INDUSTRIE UNTERNEHMUNGEN AG, Berlin and Bonn (see No 374).

** The American textiles-labelling machine concern SOABAR CO, Philadelphia, Pennsylvania, has formed a manufacturing subsidiary in West Germany, SOABAR GmbH, Siegburg. The latter has DM 400,000 capital, and is directed by Mr. Frank Laundy, who manages the subsidiary the American company formed at the Hague in February 1964 (see No 242), SOABAR EUROPA NV.

** The Paris group headed by M. Francois Durand which includes STE DES TRANSMISSIONS MECANIQUES DE PRECISION SA and STE DES ENGRENAGES DURAND Sarl (see No 297) has now formed a company in Switzerland called ENGRENAGES & TRANSMISSIONS DURAND SA, Fribourg. The new company (president M. F. Durand) has a capital of Sf 50,000.

The first of the two founding companies has factories at Fourcambault, Nievre: the second (factory at Nanterre, Hauts-de-Seine) is linked in the technical and sales fields with the British transmission equipment makers DAVID BROWN CORP LTD, Huddersfield, Yorkshire.

** The Ijmuiden group KON. NEDERLANDSCHE HOOGOVENS & STAALFABRIKEN NV (see No 366) has the largest (15%) shareholding in the new German group HOESCH AG HUETTENWERKE, Dortmund, which results from the merger, agreed nearly a year ago (see No 374) between the two Dortmund concerns HOESCH AG (see No 362) and DORTMUND-HOERDER HUETTENUNION AG (in which the Dutch group held an interest of almost 43%). Hoesch (sales approaching DM 5,000 million) has an annual capacity of 6 million tons of crude steel and 4.6 million tons of rolled steel. As a result of the merger, its capital has been raised to DM 569 million.

** MERI-STAHL VERTRIEBS GmbH has just been formed in Munich with DM 20,000 capital to sell for ACCIAIERIE PISOGNE SpA, which was formed at Pisogne, Brescia in March 1963. The capital (Lire 1 million) of the latter is shared 60-40 by Herr and Frau Hans Merkel of Munich, who will be the managers of the new concern.

** RHEINISCHE STAHLWERKE, Essen, is rationalising its export business, and has regrouped two of its special subsidiaries: RHEINSTAHL INDUSTRIEPLANUNG GmbH, Essen has taken over HABAG-EXPORT & IMPORT GmbH, Düsseldorf (capital recently raised from DM 5,000 to DM 20,000). As a result of this move, the capital of the Essen subsidiary has been increased from DM 1 million to DM 2 million, and it has had its name changed to RHEINSTAHL EXPORT & INDUSTRIEANLAGEN GmbH. From now on, it will handle all the group's overseas sales, which in 1965 accounted for 23.3% of turnover (DM 4,020 million). It will also be responsible for developing a network of branches which already covers Brussels, Milan, London, Zurich, Madrid, Lisbon, New York, New Delhi, Hong-Kong, Johannesburg, Lagos, Beirut and Teheran.

At the same time, within the group, BERGISCHE STAHLINDUSTRIE KG, Remscheid, has taken over its wholly-owned subsidiary BERGISCHE STAHLWALZ- & HAMMERWERKE JULIUS LINDENBERG, the division which produces special steels for machine tools.

** STRAFOR HAUSERMANN SA, Strasbourg (moving partitions for buildings) has made a branch it opened in Lausanne in July 1964 a full subsidiary under its own name. The new company has M. Raymond Winocour as president and Sf 100,000 capital.

The French company, which also has a Dutch interest in the form of BRAAT STRAFOR HAUSERMANN NV, Delft (in which it is linked 50-50 with KONINKLIJKE FABRIEK F. W. BRAAT NV), is itself a jointly-owned subsidiary of C. F. HAUSERMANN CO, Cleveland, Ohio and FORGES DE STRASBOURG SA, Paris (see No 354), which is 53.9% controlled by CIE INDUSTRIELLE & FINANCIERE DE POMPEY SA, Pompey, M. & M. (see No 346).

** AUGUST BROETJE KG, Rastede, Oldenburg, has formed BROETJE & CIE Sarl at Ivry-sur-Seine, Val de Marne, to promote sales in France of its central and industrial heating equipment. The new firm has Ff 20,000 capital, shared between Messrs August Brötje and Walter Schmitt-Ney. The latter owns SCHMITT-NEY, the French sanitary engineering and plumbing concern at Ivry-sur-Seine and Lyons, which acts as agent for the German firm's steel heaters.

With an annual turnover around DM 120 million the German company has more than 20 branches in West Germany and it controls at Rastede BROETJE HANDELS GmbH, BROETJE GUMMI- & KUNSTSTOFFABRIK GmbH and BROETJE BETEILIGUNGS GmbH as well as the Hamburg company ZWING & CO. It has two Austrian subsidiaries at Hallein: BROETJE-HEIZUNG GmbH (capital Sch 13.54 million) and BROETJE OELFEUERUNG GmbH (formed in November 1965 with a capital of Sch 200,000 - see No 348).

** ROBERTO PERLINI, Verona, which makes civil engineering equipment, has formed a sales/import subsidiary in West Germany, DEUTSCHE PERLINI BAUFAHRZEUG GmbH, Horressen (capital DM 20,000: manager M. Gianfranco Perlini, San Bonifacio).

The Italian company is represented in France by ETS FERGA SA, Gentilly/Val-de-Marne (capital Ff 6,020,000), which, as a member of the Paris group CIE GENERALE DES VOITURES SA (see No 293) represents various other foreign companies in this industry. These include JOSEPH VOEGELE AG, Mannheim, FRIEDRICH-WILHELM SCHWING GmbH, Wanne-Eickel, GEBR. WEHRHANN MASCHINENFABRIKEN oHG, Delmenhorst, H. WEYHAUSEN KG MASCHINENFABRIKEN, Delmenhorst and HUBERT ZETTELMEYER MASCHINENFABRIK & BAUUNTERNEHMUNG KG, Konz ub. Trier (see No 322). Another Generale des Voitures subsidiary, STE LOUIS BLANC AUTOMOBILE SA, Paris, recently became the agent for the Japanese automobile firm, TOYOTA MOTOR CO LTD, Korome (see No 286).

** The American manufacturer of paint melangeurs NORDSON CORP, Amherst, Ohio, intends to form a sales subsidiary soon in West Germany.

The American company has as siter companies in Amherst AUTOMATIC CORP, NORDSON MIDWESTERN INC, NORDSON MICHIGAN INC, NORDSON EASTERN INC, NORDSON CENTRAL INC and NORDSON SOUTHERN INC. In February 1966 it formed the Belgian company NORDSON SA (capital Bf 1 million) at Saint-Josse-ten-Noode.

** DEMAG ELEKTROMETALLURGIE GmbH, Duisburg (capital DM 1 million), a wholly-owned subsidiary of DEMAG AG (see No 371) is going to manufacture a complete range of industrial electric ovens, under a technical and sales agreement signed with the manufacturer of furnaces for non-ferrous metals, WILHELM RUPPMANN, HUETTENTECHNISCHES BUERO- & INDUSTRIE -OFENBAU KG, Stuttgart. The latter firm, controlled by the Ruppmann family, employs some 250 people.

** GEBR STORK & CO'S APPARATENFABRIEKEN NV, Amsterdam (a member of the Hague group VERENIGDE MACHINEFABRIEKEN NV - VMF - see No 358) has made a licensing agreement with the Weesp company EUR-O-MATIC NV - MIJ VOOR MECHANISATIE. Under the agreement, Stork, in its factories at Boxmeer, will manufacture plastic-laminating machines for the carpet and floor-coverings industry. Eur-O-Matic is a member of the Nigtevecht group RUBATEX-EERSTE NEDERLANDSE SCHUIMRUBBERFABRIEK.

** FAG ITALIANA SpA (capital Lire 2,500 million) which specialises in ball-bearings, roller bearings and precision castings (see No 333) has extended its Italian interests with the formation of a subsidiary of the same name in Turin. Fag Italiana is the common subsidiary of the Italian concern FINMECCANICA SpA, Rome (a 49% interest - see No 364) and the German concern FAG-KUGELFISCHER GEORG SCHAEFER & CO, Schweinfurt, Main (a 51% interest - see No 360).

The Milan concern (formerly DURKOPP ITALIANA SpA, Naples - see No 256) has a factory at Casoria, Naples opened at the end of 1964 and subsidiaries in Bologna, Catania, Genoa, Naples, Padua and Trento.

** FIDES VERWALTUNGS GmbH, Frankfurt (see No 280) - a member of the BfG - BANK FUER GEMEINWIRTSCHAFT AG group of Frankfurt (see No 365) through IHB - INVESTITIONS & HANDELSBANK AG, Frankfurt - has taken a half share in forming WILHAG BETRIEBS GmbH (capital DM 500,000). The other partner in the venture is the metal group headed by Herr Fritz Meyer which includes F. MEYER DINSLAKEN STAHL-DRAHT- & ROHRENWERKE, Dinslaken and F. MEYER WEIDENAU EISEN- & ROEHRENWALZ-WERKE, Weidenau (see No 314). The new company will now back the civil engineering equipment makers WILHAG-WILHELM HAGENKAMP KG, Langelfend (see No 365) from which Herr W. Hagenkamp has retired as managing director. The Hagenkamp family has also relinquished its control of the share capital directly in favour of the Meyer group and Fides Verwaltungs.

Wilhag also intends to ensure closer co-operation with a similar firm IBAG-INTERNATIONALE BAUMASCHINEN AG, Neustadt (see No 361) which it controls in association with Herr Fritz Meyer. IBAG also has several foreign subsidiaries including IBAG-FRANCE Sarl, Wissembourg, Bas-Rhin. Wilhag controls WILHAG ESPANOLA SA, Madrid.

** BAU-STAHLGEWEBE GmbH, Düsseldorf-Oberkassel (wire-mesh and frames) has joined with two Dutch concerns, VAN THIEL'S DRAADINDUSTRIE NV, Beek-en-Douk (a wire-drawing mill - see No 292) and HANDELMIJ VOOR DRAADPRODUKTEN NV, Rotterdam in constructing a factory producing reinforced metal frames for the building industry at Alphen, Rijn. A joint sales subsidiary has already been formed in Rotterdam NV HANDELMIJ VOOR BETONSTAALMATTEN which will start by marketing wire-mesh made in West Germany.

Stahlgewebe (capital DM 10 million) has as its shareholders various groups in the Rhineland and Westphalia: KRUPP (through WESTFAELISCHE DRAHTINDUSTRIE, Hamm) and AUGUST-THYSSEN HUETTE (through WESTFALISCHE UNION AG FUER EISEN & DRAHT-INDUSTRIE, Hamm) as well as KLOECKNER-WERKE AG, Dortmund, HOESCH AG HUETTENWERKE and ROESLER-DRAHT, AG, Amern b, Düsseldorf.

FINANCE

** UFITUR, which was formed in Luxembourg a few months ago by UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA, Paris (a bank in the SCHNEIDER SA group) to finance the European tourist industries (see No 360) now has four new main shareholders after increasing its capital to Lux F 78 million. They are BANCA TOTTA ALLIANCA, Lisbon (see No 309); GENERALFIN SpA, Milan (see No 376) - whose parent company, LA CENTRALE SpA, is already a shareholder (see No 359) - STE FRANCAISE DES PETROLES BP SA, Courbevoie (BRITISH PETROLEUM CO LTD group - see No 368) and the NAHMIAS group represented mainly be PETROFRANCE SA, Paris (see No 362).

** DEUTSCH-SUDAMERIKANISCHE BANK AG, Hamburg has broken new ground in the development of its American interests by buying a share in the Venezuelan investment company CAVENDES-C,A. VENEZOLANA DE DESARROLLO SDA FINANCIERA, Caracas (capital 40 million bolivars). This company was formed in 1963 with the assistance of CORPORACION VENEZOLA DE FOMENTO, Caracas, SFI-STE FINANCIERE INTERNATIONALE (WORLD BANK group, Washington - see No 377) and several North American and European banks.

The German bank is a 90% subsidiary of DRESDNER BANK AG, Frankfurt. It recently bought an interest in Brazil (see No 372) in the medium and long- term firm FINASA-BANCO BRASILEIRO DE DESENVOLVIMENTO SA, Sao Paolo.

** Two companies have been jointly formed in Amsterdam by the transport and dock storage concern BLAAUWHOED NV and STICHTING PENSIOENFONDS DER KONINKLIJKE SHELL, The Hague (ROYAL DUTCH SHELL's pension fund - see No 324). They are an investment fund BLAAUW-FONDS III TRUST NV, and the company managing this fund BEHEERMIJ. BLAAUW-FONDS III TRUST NV (capital Fl 10,000).

The first investment fund formed by the two companies was in April 1963 with the support of AMSTERDAMSCHE BANK NV, the second in July 1964 and the third SARKFONDS-TRUST NV in 1966.

FOOD & DRINK

** The Dutch spirits manufacturer WED. A. P. BOONEKAMP NV, Leidschendam, has set up an administrative company in Switzerland by the name of BOONEKAMP HOLDING SA, Roveredo (capital Sf 100,000). The parent company (trade-mark "Petrus Boonekamp") has an agency in Frankfurt, WED. A. P. BOONEKAMP GmbH, which is managed by M. Walter Asbach, Bingen.

** Further to the agreement made some months ago with the Dutch glass and bottle concern VAN TUIJN'S LIMONADEFABRIEKEN & DISTILLEERDERIJEN NV, Dongen (through HANKELSONDERNEMING TUDO NV, - see No 244) and which led to the formation of the joint subsidiary SUNNYLAND NV, Dongen (see No 359), the San Francisco group, DI GIORGIO CORP, is setting up a Belgian and West German sales network for fruit juices produced in the Netherlands from concentrates imported from the USA.

Sunnyland NV's production (trade-mark "Sunland") will be in the region of 3 million (70 cl) crates of disposable cartons, some of which will be provided by the Dutch parent company. Following an agreement with another American group BALL BROTHERS CO INC. Murcie, Indiana, the latter will invest some Fl 15 million for this purpose in the construction at Dongen of the new glass containers factory, 50% of the production of which will be for export.

** The Italian company AZIENDA VINICOLA FATTORIA OLIMPIA, Spilimbergo, Frioul has opened a branch in Hamburg under the direction of Mr H.G. Rehfeld to distribute its wines, fruit-juices and agricultural produce.

** KON FABRIEKEN C.J. VAN HOUTEN & ZOON NV, Weesp (see No 273) which has been part of the W.R. GRACE & CO group, New York since 1963 (see No 376) has raised the capital of one of its French subsidiaries C.J. VAN HOUTEN & ZOON Sarl, Boulogne-sur-Seine to Ff 3.85 million to finance expansion.

The Dutch group has subsidiaries - either direct or through the holding company BOSENA SA, Panama - in all the major European towns (Krefeld, Rhineland; Stockholm; Como; Zeventem; Chesham, etc). It also has a stake in the French companies STE DES PRODUITS COMPOSES C.J. VAN HOUTEN & ZOON SA, Chauvigny, Vienne and STE DE COURTAGE ALIMENTATION & PUBLICITE (SCAP) Sarl, Boulogne-sur-Seine.

** The Marseilles wine group MARGNAT SA (formerly MARGNAT FRERES Sarl - see No 342) has made its Antwerp factories and marketing office (branch at St-Gilles-Brussels) a full subsidiary with the name MARGNAT SA (capital Bf 8 million; director M. Gunter Rohde). The properties in question represent assets of Bf 16,390,000, and consist mainly of warehouses, cellars and bottling shops covering an area of 6,738 sq. metres. Margnat SA is a family concern and it and its sister company, STE FINANCIERE MARGNAT FRERES Sarl, Marseilles have subsidiaries and stores at Hamburg, Tarragona, Dakar, Penthalaz-Cossonay, Vaud, etc. The group's main French interests are ETS VALETTE SA, St-Ouen, Seine (where it is linked at about 25% with C.F.A.O.-CIE FRANCAISE DE L'AFRIQUE OCCIDENTALE SA, Paris), VINS MARGNAT-MARSEILLE, GRANDES CAVES DE BRETAGNE, Angers and Lorient and VINS DU CARILLON, Lyons.

** The French yoghurt and cheese group J.A. BENOIT SA, Marseilles (capital Ff 3 million) has rationalised its structure by taking over SOLAITAM-STE LAITIERE DES ALPES MARITIMES SA, Nice, and CHAMBOURCY SA, Clamart, Hauts-de-Seine (capital Ff 2.5 million), of which it gained 51% control in May 1962.

The Benoit group, which achieved a consolidated 1965 turnover of Ff 100 million, heads about ten other companies, including CHAMBOURCY-AUVERGNE SA, Clermont-Ferrand, Puy-de-Dome, CHAMBOURCY-EST SA (formerly FROMFRAIS), Baleycourt-Verdun, Meuse etc. It holds shares in GENERALE ALIMENTAIRE SA, Neuilly, Hauts-de-Seine (see No 375), by virtue of having made its "Flan lyonnais" department over to it in 1965. Abroad, it has a Belgian subsidiary, CEUPPENS Sprl, at Woluwe-St-Pierre.

** INDUSTRIE AGRICOLE LIGURE LOMBARDA SpA, Genoa (see No 333) has taken a 50% interest in E.T.N.A. SpA (GIA FRIGOR SICULA), Catana which specialises in fruit juices, frozen foods, preserved citrus fruits etc. With a capital of Lire 187,000 million the latter was controlled by SOFIS-SOC. FINANZIARIA SICILIANA SpA, Palermo (see No 365), which, when the relevant bill becomes law under the Sicilian Parliament, will become a public corporation, E.S.P.I.-ENTE SICILIANO PER LA PROMOZIONE INDUSTRIALE.

The Milan financier Sig. Attilio Monti (who controls the oil concern SAROM SpA) has recently become an important shareholder in Ligure Lombarda (capital Lire 91,800 million). With Sig. P. Bertollo as president, the group controls ERDIDANIA ZUCCHERIFICI NAZIONALI SpA, Genoa (see No 333) one of Italy's leading sugar firms (2.42 million quintals in 1965 with sales worth Lire 615,800 million).

GLASS

** The MONTECATINI-EDISON SpA group of Milan has sold its 40% minority interest in PENNITALIA SpA, Salerno (see No 287) and its representatives Sigs. Bruno Janni and Franco Mozzana have resigned from the board of the Salerno company. The reason behind the move is that the Milan group is associated with GLAVERBEL SA, Brussels (see No 360) in a rival concern VETROBEL SA, Trieste (a plate-glass factory at Zaule with an annual capacity of 65,000 tons - see No 304).

Pennitalia (president Mr Robinson F. Barker) has a plant at Fuorni near Salerno, Sicily which can produce 12 million tons of plate-glass annually. It was formed in 1961 by PITTSBURGH PLATE GLASS CO, through its international subsidiary in Geneva (see No 352) and it was in 1962 that the Edison group acquired an interest.

INSURANCE

** The Dutch life insurance group LEVENSVERZEKERINGSMIJ NILLMIJ NV, The Hague (see No 357) has reorganised and changed some of its finance and property subsidiaries and given them increased financial resources. PARTICIPATIE MIJ NIBEL, The Hague has become NILLMIJ PARTICIPATIE NV (capital Fl 40 million) while PARTICIPATIE MIJ NIPA NV (see No 264) has become NILLMIJ EFFECTENBELEGGING NV (capital Fl 100 million). Also NV NIVAG (formerly LEVENVERZERARING MIJ ARNHEM) has become NILLMIJ VAST GOED NV (capital Fl 10 million) and NV BUKA (formerly KAMPEERCENTRUM DE WILTZANGH, Ruinen) has been changed into NILLMIJ VAKANTIEVERBLIJVEN NV (capital Fl 250,000).

** A technical and administrative agreement to take effect at the beginning of 1967 has been signed by J. HENRIJEAN & SES FILS Sprl, Brussels and the Antwerp insurance brokers PAUL MORTELMANS (in which M. R. Hertogs is a partner). The latter deals in all kinds of insurance and reinsurance and has branches in Brussels and New York (it was the first Belgian broking firm to open an office in the USA after the war).

Henrijean & Ses Fils is the Common Market representative for the American brokers MARSH & MC LENNAN INC, New York (which has had its own Brussels subsidiary since October 1964). Its senior partners are MM Jacques Henrijean, Baron Ph. Snoy and D.H. Pantlin. Its business covers several countries through its subsidiaries: HENRIJEAN ITALIANA SpA, Milan and Rome; HENRIJEAN FRANCE, Paris; HENRIJEAN HOLLAND, Rotterdam; HENRIJEAN-GERMANY GmbH, Frankfurt; HENRIJEAN ESPANA Srl, Madrid; etc.

OFFICE EQUIPMENT

** ICC MACHINES LTD, London intends to expand the German sales of its office equipment by joining the local firm LUDWIG MAYER KG, Bruchsal in forming MAYER-ICC GmbH, Bruchsal (capital DM 20,000; managers Messrs L. Mayer and A.L. Markham).

The British firm is the agent for MICHAEL LITH SALES CORP, New York and is itself a subsidiary of the London group CHUBB & SON LTD, which controls about forty companies in the United Kingdom and the Commonwealth.

** CHEMISCHE FABRIEK L. VAN DER GRINYEN NV, Venlo (colourants, aromatic nitro- and amino compounds, sulfonated acids and heliographic materials and equipment - see No 321), has completed its Common Market expansion programme by gaining control of its French licensee, PHOTOSIA SA, Paris and Montreuil-sous-Bois. The latter specialises in dyeline copying, and is directed by M. M. Bensoussan.

The Dutch group has its own subsidiaries in Belgium (Etterbeek, Brussels) and West Germany (Mülheim), and recently extended its interests to the EFTA countries by forming a subsidiary under its own name in Salzburg, and gaining control of its Stockholm agent, A/B INGENIOERS UTENSILIER.

OIL, GAS & PETROCHEMICALS

** NEDERLANDSE PIJPLEIDING MIJ NV has been formed at The Hague to build and run a pipeline which is to link the Rotterdam oil port with Amsterdam, mainly to supply the new refinery in the MOBIL OIL CO group (which has just formed MOBIL RAFFINADERIJ NV to build it), with its headquarters at Amsterdam (see No 377). Nederlandse Pijpleiding Mij NV is directed by M. K.G. de Groot, and has Fl 5 million starting capital, which is shared between the Dutch State and the Local Authorities in Amsterdam.

** OFU-OFENBAU UNION GmbH, Düsseldorf has had a share in forming a gas pipe-laying firm in Düsseldorf (capital DM 100,000): SILAMIT ERDGAS UMSTELLUNGS GmbH with the Dutch company EURO-GAS OMBOUW NV (see No 373), Apeldoorn (linked with another firm in the sector GELDERS BUIZENLEGGERSBEDRIJF NV, Apeldoorn.

OFU makes a wide range of industrial burners and controls half a dozen German firms concerned with the use of gas (burners, liquid gas installations, pipe-laying etc). Its foreign interests are OFU-THERMO ITALIANA Srl, Milan (100%); OFU-WIEN INDUSTRIEOFEN-, KONSTRUKTIONS- & HANDELS GmbH (100%); and COMBUSTA GmbH, (60%) of Vienna; OFU-LYNX PRIVATE LTD, Calcutta (49-51 with the local company LYNX MACHINERY CO).

** The American group STANDARD OIL CO OF NEW JERSEY (see No 376) intends to invest between now and 1969 some Fl 90 million in extending the capacity of its Rotterdam refinery to 13 million tons a year (around 250,000 barrels per day). This will be achieved by the construction of a second feeder pipeline and five new giant oil storage tanks (90,000 tons capacity each), able to receive 200,000 ton tankers. It is planned as a second stage to increase the capacity of the refinery to 16 million tons.

The American group has had Dutch interests for 75 years and controls ESSO NEDERLAND NV, The Hague (headed by M. H.P. Kelder) who in May 1966 formed the finance company ESSO BELEGGINGSMIJ NV (capital Fl 5 million). It also controls ESSO CHEMIE NV (see No 350) which is about to invest some Fl 250 million in new petrochemical installations at Rotterdam.

** MONTESHELL PETROCHIMICA SpA, Brindisi (capital Lire 150,000 million - see No 375) has become MONTESUD PETROCHIMICA SpA following the sale by SHELL ITALIANA SpA (see No 377) of its 50% interest. Four new members have been appointed to the board (replacing the representatives of the ROYAL-DUTCH SHELL group) and these are Sig G. Valerio, president of MONTECATINI-EDISON SpA, Milan (which now has absolute control), V. de Biasi and G. Molteni.

PHARMACEUTICALS

** A merger has taken place in the INDUSTRIE BIOLOGIQUE FRANCAISE SA group, Gennevilliers (see below): SACER-STE D'APPLICATIONS CHIMIQUES D'ETUDES & DE RECHERCHES SA, Monte Carlo (net assets Ff 4.29 million) has been transferred over to SOGERAS-STE GENERALE DE RECHERCHES & D'APPLICATIONS SCIENTIFIQUES SA, Paris (see No 309) which has increased its capital to Ff 745,000.

SOGERAS recently made several patents and trademarks over to another company in the group LYSOFRANCE Sarl, Gennevilliers and last May received the benefit of the split of POINTET & GIRARD SA, Paris.

** LABORATOIRES MAUCHANT SA, Uccle, Brussels (capital Bf 2 million; president M. Robert Labey; managing director M. S. Guerin) has just been formed to extract, prepare, pack and sell pharmaceuticals as the subsidiary of the French concern of the same name, which is represented by S.P.R.E.T. - STE PARISIENNE DE RECHERCHES & D'EXPANSION THERAPEUTIQUE SA, Gennevilliers, Seine.

The latter is mainly known for such patent drugs as "Ascorbamine", anti-inflammation preparations like Chynar and Prictanal, and soluble forms of vitamin B1 like Nevriton. In 1965 it took over LABORATOIRES POINTET & GIRARD SA, Paris and Villeneuve-la-Garenne (see No 309), which makes preparations for skin disorders (Goudroline), bismuth silicate, Jamulene etc, and which used to belong to the group INDUSTRIE BIOLOGIQUE FRANCAISE (see No 362).

PLASTICS

** The French company BAT-APPLICATIONS & REVETEMENTS PLASTIQUES Sarl, Tarare, Rhone has formed a West German sales company for its chemical fibres and polyvinyl chloride coatings. The new company TARAFLEX SPANNBELAEGE GmbH FUER BODEN- & WANDBELAG, Fribourg-en-Brigsau (capital DM 50,000) has M. Jean Besson, Tarare, as manager.

The founder (capital Ff 3.6 million) was formed as a result of the splitting up of a company of the same name in June 1965 (capital Ff 4.5 million - see No 315) - this also led to the formation of LES HERITIERS DE H. CHAMPIER Sarl, Tarare (capital Ff 1.8 million). The main products made by BAT are "Taraflex", "Batsol", "Taral", "Taryl" and "Taradal".

** THEINHOLD & MAHLA GmbH, Mannheim has formed a Rotterdam sales subsidiary RHEINHOLD & MAHLA NEDERLAND NV (capital Fl 100,000), in which it has a 90% interest whilst its own parent company VEREINIGTE KORKINDUSTRIE AG (see No 355) holds the remaining 10%. The Mannheim concern specialises in thermal and acoustical insulating materials (made from polyurethane foam and mineral wool) for the chemical and brewing industries, refrigerated stores etc.

It is linked by distribution agreements with DOW CHEMICAL INTERNATIONAL, Midland, Michigan and OWENS CORNING FIBREGLASS, Toledo, Ohio for plastic foams and glass wool. Abroad it has subsidiaries at Strasbourg, France and in Madrid.

RUBBER

** B.F. GOODRICH CO, Akron, Ohio (see No 374) is consolidating its Common Market manufacturing and sales network by building a European technical research centre for tyres at Enschede in the Netherlands and a lorry and car tyre factory at Koblenz to start production at the beginning of 1968.

The American group already controls NV NEDERLANDS-AMERIKAANSE AUTOBANDEN FABRIEK VREDESTEIN, Enschede (a direct interest and indirect interest through the 21% holding in NV RUBBERFABRIEK VREDESTEIN, The Hague), and B.F. GOODRICH GmbH, Frankfurt. In April 1966 it formed B.F. GOODRICH Srl, Milan (see No 359) responsible for the sale of its tyres, tubes, coatings, and industrial adhesives. The sale of the group's chemical products such as "Hyear" rubber, "Carbopol" and "Geon" resins in Italy are the exclusive right of SOC. TROVATI & CO, Milan.

** The Munich plastic and rubber group METZELER AG (see No 377) has formed its own Paris sales subsidiary METZELER FRANCE Sarl (capital Ff 20,000) and it shares control 50-50 with its Belgian representative M. J. Brille, Malines. The German company already owns indirect shareholdings in France (see No 374) and has representatives and distributors such as TUROVER SA, Pantin, Seine-St-Denis and NAUDER Sarl, Paris.

** The GOODYEAR TIRE & RUBBER CO group, Akron, Ohio (see No 370) which specialises in tyres and industrial rubber intends to open a scientific liaison office in Brussels. This will co-ordinate the research of its main European laboratories especially at Asnieres, France; Cisterna, Italy; Colmar-Berg, Luxembourg; and Cologne, Germany. The group already has a subsidiary in Brussels, GOODYEAR SA (director Mr G.J. Buytendijk).

TEXTILES

** The Dutch manufacturer of natural and synthetic fibre nets and ropes APELDOORNSE NETTENFABRIEK VON ZEPPLIN & CO NV, Apeldoorn has formed a French sales company ANZA-FRANCE Sarl, Lorient, Morbihan (capital Ff 10,000) with M. Jan Waanders of Apeldoorn as manager.

The founder company is being reorganised within the Rotterdam group NV VERENIGDE TOUWFABRIEKEN, and it exports the major part of its production. Abroad it already controls ANZA-BELGIE NV, Ostend (see No 247) and has interests in LUSANDESA FABRICA LUSO-HOLANDESA DE REDES Srl, Lisbon, Portugal (30%) and in APELDOORN-LIGHTHOUSE NET & TWINE (PTY) LTD, (40%).

** CIE COMMERCIALE HOLLANDO-AFRICAINE (HOLLANDSCH AFRIKAANSCHE HANDELSWERKE NIGING) NV, (a member of the Amsterdam group CONTINAF-COMTINENTALE & AFRIKAANSE HANDELSVEREENIGING NV - see No 288) has taken a 30% interest in the newly formed textile companies in the Ivory Coast. The other companies involved are NICHIBO CO LTD, Osaka, Japan and STE COTONNIERE DE FRANCE & D'OUTRE-MER SA, Paris. To begin with, a spinning and weaving complex will be built at Abidjan with annual capacity of 8 million tons to be followed by a combing plant at Bouake.

TRADE

** INDUFINA -CIA INDUSTRIALE FINANZIARA SpA, Rome has taken a 49% interest in the formation of a Milanese import-export concern, IMEX ITALIANA SpA (capital Lire 1 million) which is controlled by the South African concern IMEX (PTY) LTD, Johannesburg (see No 373). A Paris subsidiary MUNDIA-LIMEX FRANCE SA (capital Ff 200,000) was recently formed, and it is represented in London by IMEX MERCANTILE (UK) LTD.

** The mail-order and department store group GROSSVERSANDHAUS QUELLE GUSTAV SCHICKEDANZ AG, Fürth (see No 373) has formed a holding company in Berne called QUELLE FINANZ AG (capital Sf 2 million: director Herr Carl Froehlich).

The German group already has several administration companies, including SCHICKEDANZ INTERNATIONAL HOLDING GmbH, Nuremberg and QUELLE INVESTITIONS AG, Nuremberg (formerly HERMES INVESTITIONS) and a Swiss sales subsidiary GUSTAV SCHICKEDANZ KG, Zurich (see No 294) which has just opened a branch in Berne (see No 373).

** The ready-mades and fashion house group NV ALGEMENE CONFECTIEHANDEL VAN C. & A. BRENNINKMEIJER, Amsterdam (see No 363) has formed a Luxembourg investment company BELUNION SA (president Herr Hermann Brenninkmeijer). This company, whose initial capital of Lux F 1 million was immediately raised to 83 million, is under the almost complete direct control of one of the group's holding companies SURREY BEHEER MIJ NV, Amsterdam (see No 347). The rest of the capital is shared by other financial subsidiaries: CENACO NV; PRADAM NV; ADMINISTRATIE KANTOOR; FONDSEN UNIE NV; FINANCIERING MIJ LEICESTER NV; SUSSEX BEHEER MIJ NV; and MIJ TOT ASSURANTIEBEMIDDELING ASCA NV (all in Amsterdam).

C. & A has numerous subsidiaries in the Common Market, and the Düsseldorf group of the same name (with numerous subsidiaries in Germany), several companies in Belgium and also in Switzerland, France, Britain, the USA, etc.

TRANSPORT

** HANDELSVEEM NV, Rotterdam (also known under the company name of C. STEINWEG) has taken the largest share (50%) in forming a new marshalling, despatch and warehousing concern in the city, BECKSTEIN NV. (capital Fl 500,000; directors A. J. de Beer and A. Reens). Three other sizeable interests in Beckstein have been taken by three Groningen companies in the same group as Handelsveem: SCHEEPVAART MIJ NOBECKA NV (20%), SCHEEPVAART MIJ TRIBECKA NV and SCHEEPVAART MIJ GLOBECKA NV (each with 10%).

** Two of the largest Dutch storage, warehousing and transport concerns, BLAAUWHOED NV, Amsterdam and THOMPSEN'S VERENIGDE DEDRIJVEN NV, Rotterdam (see No 364), have decided not to go ahead with the crossed shareholding scheme they devised in April of this year (see No 353), which would also have involved the acquisition by the latter of Blaauwhoed's premises.

VARIOUS

** The manufacturer of the newly formed W. SAUMER-VERSAND GmbH, Fribourg-en-Brisgau (capital DM 20,000) is M. Juan Roca, president of the Swiss high quality fire arms and sporting equipment manufacturer HAEMMERLI AG, Lenzburg, Aargau (capital Sf 3 million). The directors of the new company, which will sell sporting equipment, are M. Hugo Kehl (director of the Swiss company) MM. W. Saumer, K. F. Wäldele and H. R. Bolliger. The latter is also director with M. Juan Roca of REINAG-FINANZ AG, Reinach, Aargau, a holding company formed in 1964 with a capital of Sf 300,000.

** VAN WILGEM DIAMANT IMPEX NV, Rotterdam (jewellery traders) has formed VAN WILGEM DIAMANT IMPEX GmbH (capital Sf 50,000). It will be run by Messrs. H. A. Van Wilgem of Rotterdam and M. Stocker of Lucerne.

** MOEBEL-GSCHWEND AG has been formed in Zurich with Sf 550,000 capital, and thus joins the network of similarly named companies already established on the Swiss market (at Aarau, Herzogenbuchsee, Berne, Thun, Steffisburg - all of which are headed by M. Theodor Gschwend-Frei, Steffisburg). The new company is to sell furnishings, carpets, curtains, etc., and its directors include M. Wilhelm Krügel, who owns the German wood furnishings and window frames concern, MOEBEL-KRUEGEL GmbH. The latter has branches in some 15 West German towns, and recently (see No 369) set up a holding company in Zug, NEWO AG (capital Sf 500,000).

** The Danish furnishing company LOUIS POULSEN & CO A/S, Copenhagen has extended its interests to France with the formation of LOUIS POULSEN & CIE Sarl in which ELDEFA A/S, Copenhagen has a token shareholding. The new company (capital Ff 100,000) will sell all types of furnishings, especially lighting equipment.

** The Italian company ING. EMILIO LAGOSTINA SpA, Omegna, Novara (capital Lire 300 million) has formed a Paris sales company S.M.L.-STE METALLURGIQUE LAGOSTINA Sarl (capital Ff 50,000) in which it has a 70% interest, with the 30% remainder split equally between MM. Vladimir Fanger and Andre Sinclair, Paris. Formed in 1947, the Italian company makes cooking utensils, medical scales and cutlery for schools, canteens, etc.

** The BANQUE DE PARIS & DES PAYS-BAS SA, Paris (through its Geneva subsidiary) has made an offer to tender in the United States for a 17.7% shareholding (350,000 shares) in COLUMBIA PICTURES CORP, New York (see No 355). The American company has numerous subsidiaries under its own name in Europe in London, Paris, Brussels, Schaerbeek-Brussels, Rome, etc.

** The London VENESTA LTD group (see No 302) has sold to the Amsterdam finance company ACAFIN NV (see No 351) for £895,000 half of its interest in its Paris subsidiary LUTERMA SA, which specialises in wood-peeling and the manufacture of laminates from African woods (mainly from Gabon), in its factory at Le Havre, Seine-Maritime.

Acafin was formed a few months ago by HAMBROS BANK LTD through the Amsterdam investment and management company ALGEMENE ASSOCIATIE NV-ACA (see No 345), and it has an option which will let it gain complete control of the French firm.

LATE FLASHES

FINANCE The Antwerp group KREDIETBANK NV (see No 373) is the depositary for the new Luxembourg joint investment trust, KB INCOME FUND, launched on the open market in negociable securities, which is managed by a holding company formed in Luxembourg under the name of GESTION KB INCOME FUND SA. The group of international banks responsible for the appearance of the latter are: BANCO AMBROSIANO SpA, Milan; CREDIT COMMERCIAL DE FRANCE SA, Paris; KLEINWORT, BENSON (EUROPE) SA, Brussels, and NEDERLANDSCHE MIDDENSTANDSBANK NV, Amsterdam, each of which hold 6%, and CREDIT GENERALE DE BELGIQUE SA, Brussels, whose interest is 2%.

Kredietbank shares with its Luxembourg subsidiary KREDIETBANK SA LUXEMBOURG the controlling interest of 74% in the new holding company's Lux F 5 million capital, and of the nine directors on the board, it provides five.

PHARMACEUTICALS The German chemicals and pharmaceuticals group RIEDEL DE HAEN AG, Sellze, Hanover has formed a sales subsidiary in Aubervilliers, Hauts-de-Seine, RIEDEL DE HAEN (FRANCE) Sarl (capital Ff 50,000). Until now, Riedel de Haen has been represented in France by its exclusive agent GUICHARD CHATENAY & CIE, Paris, which also represents the British firm HOSTOMBE LTD, Sheffield, for iron sulphide.

The parent company is a subsidiary of CASSELLA FARBWERKE MAINKUR AG, Frankfurt, in which BADISCHE ANILIN & SODA FABRIK AG, Ludwigshafen, FARBWERKE HOECHST AG, Frankfurt, and FARBENFABRIKEN BAYER AG, Leverkusen each hold 25.1%. It has DM 14 million capital, and itself has interests in about six West German firms, in addition to which it has a wholly-owned subsidiary in Brazil, RIEDEL DE HAEN QUIMICA DO BRASIL LTDA, Rio de Janeiro.