Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

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THE WEEK IN THE COMMUNITY

June 30 - July 6, 1969

THE COMMON MARKET

A Fresh Dose of "Eurosophy"

The efforts by the Monnet Committee (the Action Committee for a United States of Europe) to bring about the enlargement of the Community and its strengthening at the same time have been gathering force during recent months, and July 15-16 will see a meeting of the Committee in Brussels to discuss the result of a series of reports drawn up by experts as to the effects of enlargement of the Community. The Committee includes representatives of most of the leading political parties and unions in Western Europe including Britain, but excluding the Communists and orthodox Gaullists. It does however count amongst its members, M. Giscard d'Estaing, the new French Economics and Finance Minister and M. Duhamel, the Minister for Agriculture.

The reports to be presented in Brussels have been gradually released over the past week so as to provide the background for discussion. Although no doubt some of the ideas which they contain are perhaps a trifle daring for most politicians, because of the nature of the Monnet Committee they will get more consideration than if they had been put forward by a single party within any one nation. It is also certain that they represent a major effort by the "federalists" to promote their concept of a united Western Europe.

Professor Walter Hallstein, President of the Common Market Commission until July 1967, when he was ousted because of French pressure over his views on European integration, has prepared the report dealing with institutional questions raised by the enlargement of the Community. Basically he comes down in favour of increased powers for the Commission and the European Parliament and a weaker Council of Ministers, thus bringing about a stronger supranational element and weakening the hold of the national capitals. Perhaps his ideas are over-optimistic for some, but nevertheless it seems at present that this is the way European unity may evelve in practice, through this evolution will be more difficult and take longer than Prof. Hallstein expects. Discussing the question of enlargement, Prof. Hallstein says that in principle, "it is not true that the enlargement of the Community to seven or more members would necessarily modify its nature, dilute its aims or weaken its dynamism. This would only occur if at the moment when the Community was enlarged the opportunity was not taken to reshape its organisation and strengthen its constitutional system". The basis of this system in Prof. Hallstein's view is an increase in overall powers for institutions able to take the relevant decisions, allied to guarantees that any decisions taken by these institutions will be observed in the member countries. He deals with the Commission, the Parliament and the Council of Ministers.

The Commission's role in planning, initiating and acting as mediator within the Community should be strengthened, for the Commission is the guarantor of assiduous consideration of Community interests. But in the long run, it should become more of an initiator, instead of the hybrid federal conciliator it is at present, a role which could be taken over by an improved European Parliament. The need for it to act as an arbiter is one of the reasons why all the member states of the Community are represented within the Commission, but if the EEC were enlarged, the number of Commission members might have to be reduced to ensure its effectiveness. The present 14 Commission members are due to be reduced to nine when the Treaties have been merged, and certainly fewer members would be welcome. It can be asked, however, if there are only ten countries in the enlarged Community, why it would not be possible to have one national representative in each country, at least in the early stages. In any case, there is the problem of operating the Community during any transitional period.

Prof. Hallstein therefore favours a Commission having greater powers, as well as being partially appointed by, and directly responsible to the European Parliament, which itself would be directly elected. It would thus be less susceptible to the influence of national considerations.

The European Parliament should gradually switch to being directly elected by the electorate throughout the Community. It is suggested that there could be one member for every 750,000 inhabitants or a minimum of three per country. To start with, elections to the European Parliament could take place alongside national elections so that a member would sit in both assemblies, but in time he would become a member of the European Parliament alone. Once the members of the European Parliament are chosen in a more democratic manner than at present, its powers could be strengthened in three main sectors. First it could take part in appointing the members of the Commission, while in the legislative sector for as long as the Council of Ministers keeps a power to veto decisions, the Parliament should be able to oppose such legislative decisions. Thirdly, the powers of the Council of Ministers should gradually be transferred to the European Parliament, and this could allow the Community to draw on its own resources and thus be financially independent of the national governments. Prof. Hallstein also envisages the possible use of normal taxes by the Community, as a source of revenue.

The application of the majority voting rule would be even more of a necessity in an enlarged Community, which means that this principle should be extended to sectors where a unanimous decision has previously been required. The progressive introduction of the qualified majority vote would provide the bridge between the inter-governmental system of running the Community and the federal system. It is suggested that there should be a blocking minority of one-third, which would require the votes of two of the four larger countries or one of them and two or three of the smaller states. Britain would be in a similar position to the other major states, while Denmark, Ireland and Norway would be somewhere between the Netherlands and Belgium on the one hand and Luxembourg on the other. If however the Council was unable within a specified time, to reach agreement on a matter needing only to be decided by a qualified majority, it is suggested that then the European Parliament should become responsible for reaching a decision. Professor Hallstein recognises that this system could mean a decision being taken against the wishes of one of the larger states.

The practice of applying a veto would become more difficult, as the use of majority voting would mean that systematic vetoeing of decisions could be both legally and politically dangerous. Such drawbacks should therefore encourage compromises and lessen the desire continually to harp on particular national interests. However a possible form of protection for governments is provided by another clause, which would provide that no proposals laid before the Council could be modified - even if they need only be adopted by a qualified majority vote - except by a unanimous decision of the Council. In effect this means that no amendments which might be detrimental to a state's interests could go through without its assent. To some extent the Commission is made the arbiter of national interests, and some observers have already pointed out that this could clash with the suggestion, that not all the member countries should be represented on the Commission, in order to prevent it from being too unwieldy.

The monetary problems connected with the enlargement of the Common Market have been tackled by Signor Guido Carli, the Governor of the Bank of Italy and an additional report on this aspect has also been prepared by the Belgian-born American expert, Professor Robert Triffin. The role of the pound provided some of France's strongest arguments in 1967, when the current British bid to join was first transmitted to the Council of Ministers, but since the world monetary scene has undergone some major crises whilst the position of both the British and French currencies has also been drastically modified.

Signor Carli, in his report, comes out in favour of flexible rates within the Community during the period before full economic union, as this could also help its enlargement. In his opinion, the introduction of "mobile parities" whose rate could be altered quarterly or even monthly within an annual range of 2% would make it easier to control some of the imbalances created by different inflationary rates within an enlarged Community. At the same time these would enable countries to avoid taking measures to restrict trade which could affect the very future of the Community itself. The use of this crawling peg system would, in Signor Carli's opinion, mean that a more realistic balance within the Common Market could be created before the economic union is completed. "Members and candidates could thus make necessary currency adjustments without provoking speculative flows menacing the survival of the industrial and agricultural community". He felt that the continued drawbacks of exchange rate uncertainties should encourage countries to speed up the efforts to bring about the harmonisation of medium-term objectives and the coordination of policies followed to attain them. Measures along these lines remain essential if there is to be an effective economic and monetary union within an enlarged Community. The Governor of the Bank of Italy also warned of the dangers facing the Community, and said that its cohesion could not be taken for granted. "It is unlikely that the Community can continue without a more adequate coordination of economic policies". Signor Carli does not consider that the sterling balances or the debts Britain has to foreign monetary institutions are a bar to membership of the Community. He also favours a more rapid strengthening of international liquidity, and suggests that the Community could take steps aimed at pooling some of its reserves as a move towards monetary unification.

On Tuesday, M. Raymond Barre the vice-president of the Commission responsible for the Barre Plan (increased coordination of medium-term economic policies, consultations over major short-term economic decisions and a monetary mechanism to help member states in difficulties) addressed a London conference organised by the Federal Trust. In this M. Barre came out against any variation in exchange rates, especially within the Community because of the major upheavals this would cause for both industry and agriculture. He said that the Commission had suggested the parity margins between the currencies of the EEC states should gradually be eliminated, and repeated the view that if the rest of the international monetary community was to move towards a greater flexibility in its exchange rates, the Community would have to keep fixed internal rates and a common position towards third countries. M. Barre was also unenthusiastic over suggestions for a European currency or Federal Reserve System. He did not think the Community, which was now a customs union and had some way to go before it could become a full economic union, was ready for such developments. If these took place, it would involve a loss of national sovereignty in the monetary sphere, an area where states are most anxious to guard their rights. Nevertheless he believed that if the Six could agree to strengthen their monetary cooperation amongst themselves, it could help to make the acceptance of new countries into the Community an easier task, as well as being a vital need if the Community was enlarged.

The report by Professor Triffin for the Monnet Committee which was drawn up to supplement that prepared by Signor Carli claims that Britain's sterling deficit is not a real barrier to entry into the EEC. He points out Britain's debts are already largely financed by the Six and membership would "merely clarify the preponderant role already excercised during the past five years by the Six". "The Community would more directly and openly assume the role and political responsibilities corresponding to the charges it already bears in practice and thus acquire a more decisive influence in the decisions defining the conditions, magnitude and limits of such operations". Furthermore these debts have been accumulated over the past thirty years, and it is extremely unlikely that they can be eliminated through an improvement in the country's balance of payments." The solution should lie in the conversion of the sterling reserves, which today form an integral part of international monetary reserves of other countries - especially in the sterling area - into reserves on the IMF and/or into a European monetary fund."

Professor Triffin considers that Britain's "multiple credits and commitments should be integrated in an overall plan which more closely reflects the real contributions towards solving the problem, wipes out in advance the surplus sterling balances, without waiting for the speculative movements they set off and intensify, and more realistically adjusts the repayment maturities expected of Britain". He considers that a five year transitional period would be needed, with appropriate financial mechanisms and also points out that the burden of the agricultural policy would be considerable, while to begin imports might rise at a faster rate than exports. However entry into the Community should provide with the stimulus needed to modernize and rationalise her industry and should thereby raise her productivity level. Part of Britain's sterling debts in Professor Triffin's view could be put into the reserve pool and thus become a community rather than a national responsibility which would help to overcome the continual instability created by the existence of the debts. In any case there is a need for a European monetary area backed by effective institutions to provide increased stability and promote monetary harmonisation within the Community.

* * *

COMPETITION

No Clash Between Parent and Subsidiary

In a recent decision, the Commission concluded that a market-sharing agreement between a parent company and its 100% foreign subsidiary does not contravene Article 85 of the Rome Treaty. The question arose because of an agreement in the civil engineering sector between the Danish company Christiani & Nielsen and its wholly-owned Dutch subsidiary which has the same name. According to this agreement the subsidiary was not allowed to operate outside the Netherlands without the permission of its Danish parent company.

In the Commission's view such an agreement does not distort competition as one cannot compete against oneself. The Dutch subsidiary is only independent in the legal meaning of the term, for from the economic and financial standpoint it is part of its parent company. The agreement in question is not intended to restrict competition but rather to organise the division of labour within the group formed by Christiani & Nielsen.

* * *

AFRICAN ASSOCIATES

The new Yaounde convention linking the Six countries of the Community to 18 African states including Madagascar, will be signed in Yaounde on July 29. Details of the new convention, which has come in for considerable criticism, were discussed at length in last week's issue of Opera Mundi.

* * *

AGRICULTURE

EEC Ministers Plan All Out Effort

The latest meeting of the EEC Council of Ministers, which took place in Luxembourg on June 30, lasting into the early hours of Tuesday morning, ended with a decision to devote two three-day sessions in July to solving urgent EEC agricultural problems. The first, from July 15 to 17, will be devoted to fixing the 1969/70 prices for dairy products and beef, which should have come into force in April and have now been twice postponed - the earliest possible date for the start of the 1969/70 season is July 27. Also under discussion at this meeting will be medium-term measures to reorganise milk and beef production. These measures include the disposal of butter stocks, slaughter premiums for cows and incentives for farmers to abandon dairy farming for beef production. M. Duhamel, the new French agricultural minister, will probably insist on grouping these measures under one single heading, as well as calling for special social subsidies, since the introduction of a true common milk price will entail the abolition of the so-called corrective adjustments whereby French dairy farmers among others received a higher milk price. The second season, from July 28 to 30, will be devoted to fixing prices for the 1970/71 season - this it is optimistically stated could well come up for discussion at the earlier meeting, but in view of the complexity of the dairy problems this is most unlikely. This was M. Duhamel's first Council meeting. The outgoing President of the Council, M. Buechler of Luxembourg, welcomed him as succeeding "a sincere European but representing a new generation capable of audacity though still persevering".

After this expression of goodwill the ministers gave the impression of wanting to step out of the lethargy which has paralysed their work for so many months. Mr. Lardinois of the Netherlands, the next President of the Council, obviously intended that the various deadlines would be met. The other ministers, including Herr Hoecherl in spite of the forthcoming election campaign, were equally optimistic. Herr Hoecherl affirmed that his government had no intention of blocking EEC negotiations until the election of the new West German parliament in the autumn. M. Duhamel also expressed his desire to respect the EEC programme. No doubt he was thinking of December 31 next, the date on which the present interim arrangements for financing the Common Agricultural Policy expire.

The two marathon sessions proposed, and these expressions of goodwill reflect the ministers' intentions to escape from their former atrophy, but even so EEC and national officials are somewhat sceptical as to whether ministers will in fact complete their agenda before the summer season. So far only the special agricultural committee has been asked to discuss the milk problem. Nor is it considered likely that the six countries will abandon their own individual plans for solving the dairy problem in favour of a new plan drawn up by the Commission - at a recent meeting of the agricultural committee of the European Parliament Dr. Mansholt announced a new dairy report, probably based on a new concept. Even after last week's meeting EEC officials were quite confident they still had until the summer recess to complete their work.

One obstacle is that so far M. Duhamel has not yet made it clear whether he will continue the policy of his predecessor. At the last Council meeting he attended, M. Boulin presented a detailed plan to encourage the switch from dairy farming to beef production. On the assumption that meat production should be made a least as profitable as milk production, his representative on the special agricultural committee, M. Thomassin, proposed that farms giving up dairy farming should receive a premium of about $30 for each heifer fattened over a period of about five years to compensate them for the income lost in milk production. Such a programme he claimed would be less expensive than the planned slaughter premiums and would also solve the problem of surpluses. Moreover, this was the only programme likely to meet with the approval of farmers in some parts of France. The Commission's experts pointed out that the proposed fattening premium would in no way guarantee that farmers would stop delivering milk to the dairies for cows gave more milk than their calves needed. They also contested the French assessment of the annual income from dairy farming at the rate of $75 per cow since in the regions where conversion was necessary milk yields and consequently earnings were generally lower.

The German representative doubted whether such a plan could be controlled. The Belgian and Dutch representatives agreed with him that the Commission's fattening premiums were superfluous. Help should be given to farms to convert, but not on a per head or slaughterweight basis. Though the members of the committee agreed in principle with the slaughter premiums most felt that only about half or even less of the rate of £300 per cow proposed by the Commission was in fact necessary. The Dutch considered premiums should be combined with other structural measures, for example incentives to give up farming. Most delegates were of the opinion that a programme should be drawn up for a fixed period. Whether this would come into effect this year was still undecided, since it was generally feared that the premiums could aggravate the usual depression in prices towards the end of the grazing season. In the opinion of the West German delegation it was necessary to end speculation, with which the Commission agreed, since farmers were now holding on to their dry cows. The Belgian, Italian and Dutch representatives urged that the Council of Ministers should make a formal statement that no slaughter premiums would be granted before April 1. This is a more likely solution, since the date would probably coincide with the introduction of a new dairy policy and more acceptable to the Italians who have shown themselves rather reluctant to approve the slaughter premiums at all. They feel the $72.5 million could be better spent, for example, in improving the production and marketing structure for olives and further help for fruit and vegetable production. The slaughter of 100,000 extra dairy cows will mean only 10,000 tons less butter and was not worth the effort. With all these marked differences of opinion it seems unlikely that the ministers' hopes will be fulfilled, at least as far as the dairy policy is concerned.

Apart from fixing the dates for the next two meetings and recording their goodwill the ministers studied the situation on the fruit and vegetable market, which was threatened by overproduction in some sectors, and decided after a lengthy discussion to defer any decision on extending the subsidy to Italian rapeseed millers to July 15, and referred problems in connection with aid consignments of dairy products to the committee of permanent representatives.

Tobacco Market: No Light Up Yet

Last week's meeting of the European Parliament in Strasbourg dealt with the proposed common market organisation for tobacco. After a lively debate, the Parliament adopted a draft proposal which differs considerably from that originally put forward by the Commission earlier this year. Basically this involved a minimum guaranteed price for Community tobacco growers while allowing the West German, Dutch and Belgian manufacturers as well as the French and Italian state monopolies to obtain their supplies at world market prices.

The European Parliament has backed a system which is less favourable to tobacco growers. If its proposals go through, all Community tobacco production will have to be sold on a free market, although those growers willing to join together into special groups would be granted production premiums. It was a Luxembourg deputy, Mlle Lulling, who put forward these proposals, and during the course of the debate an Italian Communist member of the Parliament accused her of being the agent of West German manufacturers. Some 56 amendments to the "Lulling Plan" were laid before the Parliament, but it was finally adopted, although opposed by French and Italian members. Afterwards, the Commission's vice-president responsible for agricultural problems, Dr. Sicco Mansholt, said that the Commission's own proposals for the organisation of the common tobacco market would now be reviewed.

* * *

EURATOM

Council's Crumb to the Dying Man

For over eighteen months now the European Nuclear Community has been hobbling along with the aid of an almost worse-than-useless crutch - six-monthly voted survival budgets - and this atrophying regime, it seems, must continue for yet another four months, until the long-awaited panacea, an agreed pluri-annual research budget, has been secured. The Commission's detailed proposals for this were presented in April (see No 510), and further elucidation on such matters as nuclear fuel enrichment facilities have followed since then. Nevertheless, the Council meeting of research ministers of the Six was unable to achieve anything more than token assent to minimal measures for keeping Euratom going until the autumn. The Community needs a golden handshake, and instead is treated to only the most dispassionate kiss of life. In terms of cash, what this means is that the Nuclear Community has something just over $50 million to play with, for the whole year, instead of funds of nearly $400 million for a properly scheduled programme, as inscribed in the Commission's proposed pluri-annual budget (see below).

PROPOSED EURATOM RESEARCH PROGRAMME

Proposed appropriations for a five-year period

(30 April 1969)

Activities	Personnel	Appropriations (in millions of u.a.)
I. Contribution to reactor development		
Fast reactors	175	29
High-temperature reactors	185	45.2
Heavy-water reactors	490	55.9
II. General fuel-cycle problems	220	25.3
III. Public service activities		
Central Bureau for Nuclear Measurements	180	24.9
CETIS	177	16.3
Control of fissile materials	40	3.2
Nuclear plant safety	47	3.8
Biology and health physics	112	38
Training and instruction	9	7
High-flux irradiation	90	20.9
IV. Basic research		
Thermonuclear fusion	94	45
Condensed-state physics	180	29.7
V. Non-nuclear field		
Abatement of nuisances	103	8.2
Information science	105	11
Community Bureau of Standards	189	15.3
TOTAL AMOUNT TO BE CHARGED TO RESEARCH BUDGET	2,336	378.7
III. bis. Public-service activities to be charged to Operating Budget		
Uses of radiations	9	0.9
Dissemination of information	119	12
GRAND TOTAL	2,464	391.6

The problem of what to do with the 250-odd researchers at Ispra, the joint research centre, will also remain unsolved until November, now, although the Council did vote an additional credit of $5.45 million to ensure their full employment (occupational therapy?) in the meantime. This was perhaps as well, for only last week-end ten of these workers, some Euratom employees, and other, "appaltanti", or workers seconded to the Centre from Italian industry, went on hunger strike in protest about their situation. Moreover, the general climate of opinion, including that of the Commission (voiced by M. Rey) and of the European Parliament (Mr. Adrian Oele of the Netherlands) has been diametrically opposed to any dismissals before the definitive pluri-annual budget is known. One would have thought that the plight of Euratom at this time could have produced some more constructive sort of emergency intervention from the Council, but this did not happen.

However, one must recall that the French Government has only just been installed, and that to be safe in the long run there is something to be said for the Six avoiding radical action until they have this safely scheduled in a coherent programme. The cornerstone of this, in fact, will be a Community-wide industrial nuclear policy, the prime purpose of which is be to put an end to the fragmentation and dissipation that at present undermine the commercial nuclear sector in the Six. Some constructive debate did in fact ensue on this matter, and a first move towards "concertation", the device that hopefully may prove to be a viable compromise between France's prediliction for "supplementary programmes" (backed only by those interested), and the total rationalisation sought by the Five, was in fact made. Concertation is no more nor less than a careful use of the "common table" of the Six for comparing notes on any proposed projects in order to avoid duplication of effort. On Monday last, the ministers agreed that they would from now on hold regular meetings with the utilities interests of the Community, specifically the heads of the electricity-generating sector, with a view to getting a clear picture of energy requirements and the manner in which they are to be met over the years. Also, the go-ahead was given to start work on a coordinated safety scheme, the granting of selective aids for certain reactor families ("joint enterprise" status, partial guarantee against certain risks inherent in plant start-up, financial aid for head-of-line advanced power reactors, participation in R & D etc). Concertation is also, for the time being, to be the medium for any Community action in the advanced reactor sector: the Commission here suggested that electricity producers, reactor builders and governments should have frequent exchanges of ideas, up to the point where a single high-power prototype may be chosen for each family (heavy water, high-temp. gas, and fast breeder).

As frequently happens in these cases, we have now reached a point of consensus on objectives, but not on ways and means. The ministers are agreed on the vital need for rationalisation in their commercial nuclear sector (fourteen nuclear power station builders, where the market could be sustained effectively by just two), but not on how it should be met. One school of thought in the Community is that when their own resources are unequal to a given project, the constructors themselves are capable of taking whatever cooperative measures effectiveness demands, and that the Community has no other role than to provide the framework for this sort of activity - European company statute, patents and so on. Others maintain that their own electricity producers already have too free a rein, while still others are violently opposed to the concept of Community finance to assist energy generators in the building of their own advanced reactor power stations. It was with the mere directive to intensify liaison between Community electricity interests and nuclear power station constructors, therefore, that reconciliation in the end was brought to the division of interests on ways and means.

It is of course on the research side proper that the situation between the Six is so delicate, and especially when it somes to the "a la carte" question. It has become clear over the months that what the Commission and for the most part the "Five" want of research in Euratom - a five-year programme of completely community projects, jointly financed - will not find the assent of all member states. Some sort of makeshift arrangement is going to have to be found, and alas the only way of securing this is to slide into the sort of hair-splitting that has so weakened the Community in the past. In other words, France wants there to be included in the research budget, as has happened during this year, a number of "complementary programmes", the idea being that only those countries who had a real interest need take part - so-called "a la carte" research. Of course, this sort of approach is simply devastating to the concept of coherence "de rigueur" in all joint undertakings, and the Commission is utterly opposed to it. Therefore, and with the assent of the Five, who feel that some sort of sop must be offered if further progress is to be made, the Commission has now suggested that there be "special programmes". These are not so different to the complementary type, except that they would not be as separate as the latter: they would be Community projects, but financed only by those interested, and any results or findings would become common knowledge of research institutes throughout the Six. This format would of course be useful for projects of too modest a scale to merit joint action by the whole of the Nuclear Community. Finally, the Council took up the point made by the Commission, that the joint research centre and other Euratom facilities should "earn their keep" by being made available for contracted work for industry. The Permanent Representatives were delegated to look further into the legal and financial aspects of these various new kinds of research programme, the final proviso being made in Council that all such were to be deemed extreme measures, and that as broad a truly common programme should be the prime objective.

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Fuel Enrichment Requirements

There has recently appeared an annex to the Commission's April report on "Euratom's Future Activities" (see above) dealing with specific questions raised by the matter of the Community's nuclear fuel requirements up to 1980. As far as one can tell from the latest estimates, the Six should have some 40,000 - 60,000 MW installed nuclear generating capacity by 1980. If we take the lower of these two figures, then the amount of isotopic separation capacity that will be required, assuming that the Six become self-sufficient in this field, is of the order of 5 - 8 million kilo units of separative work. This in fact is no more than roughly the equivalent of just one large American separation plant. However, the chances are that the price, if not the cost of U.S. fuel may rise appreciably in the coming years, and supplies could easily become scarce into the bargain. For these and many other reasons, the Six are intent on securing their own supplies of enriched uranium and if possible extracting these through their own technology.

According to the Commission, there are but two possible systems to be used in the Community during the next decade - ultracentrifugation and gaseous diffusion, broadly the preserves of the Dutch and British on the one hand, and the French on the other. The latter system is in fact already proven at the Pierrelatte installation in France, where experiments should be complete in about three years' time, on a plant that is very nearly of commercial scale - evaluating tests in this sort of field cannot be carried out effectively on miniaturised equipment. The ultra-centrifuge principle, on the other hand, is a much younger technology, complicated by the fact that secrecy still surrounds certain aspects, and with some doubt hanging over the question of the "life expectancy" of the centrifuge used, and the cost of maintenance.

Given these facts, the Commission has decided to move ahead pragmatically in this matter, not least because the two principles are at once compatible and complementary: gas diffusion seems a solid proposition, and even now can be envisaged as a staple process for producing large amounts of slightly-enriched uranium. If the ultra-centrifuge comes to fruition, on the other hand, it could well prove the better process for high enrichment, and there may well be a case for coupling the two processes. Costing the ultra-centrifuge process, however, is at this time the most nebulous of all the "crystal-gazing" activities that surround it. Because there are insufficient grounds for choosing either system in preference to the other at present, the Commission suggests that both be allowed to progress with the blessing of the Community. Of course, the ultra-centrifuge installations are in both Almelo, Netherlands, and in Britain, but the Commission does not see this as a problem yet (witness U.K. participation in the Dragon project). Should British entry come about, then the matter would be resolved, but even without this, it should be possible to arrange a framework for fuel enrichment activities, on strictly commercial terms. Indeed, if it were to prove the most economical system in the long term, the Commission would be quite happy to envisage inclusion in the final Community enrichment plant of both French, Dutch, British and American technology. The Commission's programme for testing, evaluating and constructing the Community nuclear fuel enrichment plant is as follows:

- the <u>FIRST STAGE</u>, which might end at the close of 1971, would comprise preparatory studies designed to compare the fundamental technical and economic characteristics of the various enrichment plants based on the two technical processes, possibly with Community participation in the construction and operation of demonstration plants;

- a SECOND STAGE, which might end on 30 june 1973, would consist in design studies leading to a firm decision to build;

- in a brief THIRD STAGE it should be possible, before 31 August 1973, to finalize the decisions on the choice of site and to invite construction tenders, whilst the results of the exploration of possibilities of collaboration between the Community and non-member countries will be examined;

- lastly, in a FOURTH STAGE, up to the end of 1978, the construction should be completed of common enrichment facilities capable of covering a significant fraction of the Community's requirements, which for 1980 are estimated to run to between 5 and 8 million kg units of separative work a year.

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Technical Cooperation: Transmission Postponed

The final item on the agenda of the science and technology ministers' meeting on June 30 in Luxembourg was the report of the Aigrain group - better known now as P.R.S.E.T. (groupe Politique de la Recherche Scientifique & Technique), with its 47 projects for cooperation extending possibly beyond the Community. In this, as in all other matters discussed during the Council, it was not possible to make any firm decisions, and again the permanent representatives, stepping in like a juggler's assistant to take over the still-flying skittles and prevent breakages, while the spotlight swings elsewhere, were summoned to give the matter further consideration. In liaison with an expert group, they are in fact to sift through the 47 projects and the seven sectors embracing them to find which items might be suitable for transmission to third countries, to invite their participation. As examples, we might expect to find Switzerland asked to participate in a project under the "Nuisances" classification (i.e. Rhine pollution), or Sweden, with its ample research facilities in this field, approached about the possibility of joining in a road research programme. Again, Britain's I.C.L. has already been invited to participate in initial talks on the Giant Euro-Computer for the Eighties (see No 513).

During these months (representatives to report back by October 1), the Six will of course be open also to approaches from non-member states, with any ideas of their own they may have for collaboration. The essence of the whole scheme, as with certain parts of the Euratom programme (see above) is once again the concept of "concertation", and avoidance of duplicated effort. Coupled with this, the Commission wants to see a special emphasis placed upon coherence in these cooperative programmes: it is not single projects, one-shot commercial ventures that it is after so much as continuing, coordinated activities - as one spokesman put it, the idea is for those concerned "to put all their eggs together and make an omelette". A prime example of this was the Commission's selection of meteorology as one of its sectors. Under this heading, in fact, so many allied projects coalesce that if cooperation is even embarked upon we cannot fail to have a coherent programme - the elements therein cannot be divorced. Mere cooperation would be a useless exercise: if the project is launched, its aim can be nothing other than the complete overhaul and harmonisation of meteorology in Europe, ranging from satellites and recording stations to weather ships, data collation and research centres, coordination of forecasting and so on, right up to such institutional possibilities as the creation of a confederation of European meteorological institutes.

Come the autumn, therefore, there is a really strong possibility that serious technological cooperation within and beyond the Community may begin to get under way: the justification for drawing political red herrings across this particular path is slight - because the commercial sense of it is so great - that this surely is one optimistic prospect that we may allow ourselves.

* * *

E.C.S.C.

Dutch Steel Plant

Mr. de Block, the Dutch Economics Minister, recently confirmed that an American firm is preparing a draft plan for a further steelworks near the Maas with an annual capacity of 10 million tons. This is being carried out at the request of the Rotterdam authorities, and the Dutch steel concerns Nederlandse Kabelfabriken and Steenkolen Handelsvereniging have expressed an interest in the project. The Minister said that it was possible that this scheme might be married with the one proposed by Hoogovens and Hoesch. For the time being, however, both schemes involved the Rotterdam authorities, rather than the Dutch Government.

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COMPANIES

M.A.N. - SAVIEM Pact Go-Ahead

The Commission recently indicated that it intends to approve the cooperation agreement reached last year between M.A.N. - Maschinenfabrik Augsburg-Nürnberg Aktiengesellschaft, Munich, and SAVIEM - Societe Anonyme de Vehicules Industriels & d'Equipements Mecaniques, Suresnes, However, before taking any final decision, the Commission has invited all interested third parties to inform it of any objections which they might have.

Under the agreement the two companies have undertaken to develop and market throughout the world a joint range of civilian utility vehicles and also to cooperate in developing, manufacturing, assembling, marketing and the provision of after sales facilities for commercial vehicles of over 7.5 tons. Each of the two companies is the design leader for certain categories of vehicles, with Saviem being in charge of medium-size vehicles and M.A.N. in charge of heavier trucks. All the engines used in these commercial vehicles will be based on a design developed by M.A.N., including those made under licence by Saviem in France. The agreement does not contain any restrictions with regard to selling prices.

* * *

INDUSTRY

Cosmetic Safety Standard

The Commission intends to propose before the end of the year measures to harmonise legislation covering the cosmetics sector in the Community. It has therefore asked the Six to state their views on the following points before the 1st September:

1) Definition of cosmetic products.
2) Lists of poisonous or dangerous products whose use is banned.
3) Lists of products whose use is banned except under regulated conditions.
4) Colorants whose use is authorised in products likely to enter into contact with mucous membranes.

* * *

EUROPEAN PARLIAMENT

Rey Suggests Package Deal

The EEC president, M. Jean Rey, last week assessed the current situation of the Community in a speech to the members of the European Parliament meeting in Strasbourg. In his view the problems now facing the Community can be solved, if the governments and the Community's institutions show that they have the political will to progress on both the internal and external construction of the European Community.

M. Rey said that there are now major arguments over what are after all limited problems,that one could wonder whether the Six would still be capable of negotiating and signing the Treaties of Rome, which he described as "monuments of political courage and imagination".

The president of the Commission then dealt with three of the major problems facing the EEC. He stressed that the Commission considered that questions of monetary policy were of the utmost importance. If there was not a complete harmony between the monetary policy followed by the Community and the CAP, the latter should not suffer but rather a greater effort should be made to improve monetary cooperation. M. Rey was here referring to the situation created in the common cereals market by the weak position of the franc, which had led some experts to consider that it might be necessary to re-introduce intra-Community taxes, even though this solution would be catastrophic from the point of view of the CAP.

He then discussed the common industrial policy and said that there was a much greater need for the member states to cooperate on a Community basis and not operate solely in defence of their own national interests. Turning to the problems facing the Community's social policy, M. Rey discussed recent proposals aimed at reforming the European Social Fund. In his view this should cease to be a mere financial machine, but instead become an effective instrument aimed at promoting the Community's social and economic policies.

In the latter part of his speech, M. Rey dealt with the problems which the Community has to face before the end of the year. Since the Rome Treaty's transitional period is due to expire on December 31st, M. Rey stressed the need for the adoption of the new measures to finance the CAP, as well as the formation of "own resources" for the Community and the strengthening of the European Parliament's budgetary powers. He also said that these problems were linked in practice, although not formally, with other problems such as the possible enlargement of the Community. He recalled that the 1963 crisis had only been overcome by a general agreement which from the point of view of the Community's internal development involved the CAP while with regard to external relations it was agreed to take part in the Kennedy Round, and at the same time strengthen contacts with the British government within the Western European Union. In M. Rey's view the position today was broadly the same, and by agreeing on a similar formula, the Community could overcome most of its problems by the end of the year.

This suggestion by the Commission's president for a package deal based on the renewal of the CAP financing measures and the enlargement of the Community has been going the rounds for some time. The previous French Government refused to have anything to do with this suggestion, and it is doubtful whether President Pompidou's new administration will accept such an obvious deal.

* * *

TRADE

Israel: Commission's Proposals for Trade Pact

According to reports from Brussels, Israel's long drawn out attempt to become a full associate member of the EEC is unlikely to make any progress within the next few years. Association with the Community has been the object of the Israeli Government since their trading arrangement with the EEC terminated in July 1967. The main obstacle to progress was the attitude taken by the former French Government, which refused to alter its decision despite considerable pressure from the Netherlands, West Germany and the Commission. As a palliative, the Commission is therefore proposing a two-stage commercial agreement with Israel. The first will last for five years, during which both sides will make major cuts in tariff rates (45 - 60%). The second stage has as its objective the complete freedom of movement for goods between both sides.

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Japanese Cotton Exports to the EEC

After a series of meetings lasting since March of this year, the Commission and Japanese representatives have reached an agreement under the long-term pact on cotton textiles. Under the new agreement, Japanese exports of cotton products to the Community have been fixed at 11,450 tons for the year beginning July 1, 1969. At present Japanese cotton exports to the Common Market countries amount to some 8,000 tons annually.

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Austria: Bid for EEC Concessions

In order to obtain similar concessions for her beef cattle exports into the Common Market as Denmark obtained under the Kennedy Round, Austria threatened to curtail imports of EEC potatoes, wine and malting barley as from July 1. However thanks to prompt action on the part of the Commission, who within four days of receipt of the Austrian note asked the Council for a mandate to prepare an agreement containing terms similar to those included in the agreement with Denmark, this threat was averted. In return for concessions for her beef cattle exports, Denmark agreed to regulate deliveries to the EEC so that they would not disrupt the market at the expense of a complete stop on exports. Austria is also reported to be seeking a reduction in the minimum price for Emmentaler cheese.

* * *

EDUCATION

Recognition of Diplomas

During its last meeting the Political Commission of the European Parliament adopted a resolution dealing with the mutual recognition of diplomas, certificates and degrees. In its proposals which will be laid before the next meeting of the European Parliament, the political commission states that the mutual recognition of diplomas for non-salaried work is a basic condition for the fulfilment of the right to free establishment as well as being an important element in any common cultural policy.

The parliamentary commission has therefore asked the Commission to lay draft directives for non-salaried activities as well as directives which would cover the automatic recognition of diplomas for salaried work. It has asked the Commission to draw up a harmonisation programme dealing with diplomas and teaching programmes so as to encourage the mobility of students, teachers and research staff in higher education. This programme should also aim at preventing present reforms from increasing the difficulties which exist between different national educational systems. The most urgent field for the harmonisation of diplomas and teaching programmes, in the Commission's view, is that which involves new technologies such as nuclear physics, data-processing, cybernetics and aerospace techniques.

* * *

EUROPEAN INVESTMENT BANK

Loan for a Hoesch subsidiary

At the end of June the EIB signed a 12-year loan agreement valued at $ 2.25 million (Dm 9 m) with Trierer Walzwerk AG, Wuppertal, a subsidiary of Hoesch AG. The loan bears interest at 6½% p.a. and will help to finance the extension and modernisation of a cold rolling mill and sheet processing facilities at Trier.

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INTEGRATION

Italian Crisis Increases Problems

Although little attention has been given to the Italian governmental crisis in the context of the Community's external and internal developments, events in Rome and elsewhere in Italy may have a profound effect on the Common Market. The split in the Socialists has resulted in the resignation of Signor Pietro Nenni - one of the strongest of Britain's backers - and the decision by the government to quit this means the country is facing what some observers have described as its most serious crisis since the war, in addition to the general economic and political unrest which has been widespread throughout Italy since last year. Furthermore there are a number of outstanding legislative problems which need to be tackled, and the pressure of time is creating further stresses. For the present, however it is still uncertain whether there will be a general election with a caretaker government installed to deal with current affairs, or whether a new government, based perhaps on the Christian Democrats, can be formed.

The Italian crisis is an additional factor complicating the life of the Community, especially for those decisions which have to be taken before the summer break. These include farm prices and the meetings of the Council to discuss the Barre Plan and the proposed "declaration of intent" on enlargement. This declaration is expected to be put to the Council by its president for the next six months, the Dutch Foreign Minister, Dr. Joseph Luns, even though there are strong indications that it will not be accepted by his colleagues.

Dr. Luns has been meeting his Belgian and West German colleagues to discuss European problems. It seems likely that the Six will hold a summit conference amongst themselves during the autumn and after the West German elections. This will be prepared by the Foreign Ministers and fits in with statements made by the new French government. Although there sometimes appear to be differences between the Dutch and West Germans as to the aims of the Common Market, the two Ministers maintained that these differences did not exist. Before arriving in The Hague on Tuesday, Herr Willy Brandt had been in Sweden to meet members of the Scandinavian Socialist parties and the British Prime Minister. Mr. Wilson has just been on a four-day official visit to Sweden during which the question of EFTA links with the EEC and allied problems were tackled. Herr Brandt had been in Paris on Friday July 4 visiting M. Maurice Schumann, the new Foreign Minister, M. Chaban-Delmas and President Pompidou. He was thus able to inform his colleagues of the mood prevalent in the new French government and he considers that there is now a real possibility of progress being made. In fact Herr Brandt went so far as to maintain that talks between the candidate countries and the Six could start before the end of 1969, following a summit between the Six. The talks would first involve all the countries together and then there could be separate sessions to deal with special problems, such as agriculture and the position of sterling.

There is however a feeling that Herr Brandt is being too optimistic, and

British sources have indicated that they feel early 1970 might be a more reasonable date, although of course this does not exclude formal contacts at an earlier date. An indication of the way things may move could emerge from the press conference which the new French President will give on Thursday July 10. It was made clear to Herr Brandt during his Paris visit that France intended to press ahead with the negotiations for financing the common agricultural policy before talks are opened with Britain. In any case, it is unlikely the Six would welcome British participation in the talks, even if the possibility of the Community being enlarged will be borne in mind.

Although it is now felt that the problems connected with British entry are not insuperable, there is also a view prevalent in Brussels that the British government may still be underestimating the problems it will have to face if membership is to be achieved. However, Mr. Wilson in several recent statements has made it clear that he does not think it will be an easy matter to resolve all the problems, but that one of the major obstacles to entry, General de Gaulle, had now left the political scene. British policy at present is to stress that the next move depends upon agreement between the Six, which means that little progress is likely before the autumn. With regard to the renewed pressure from anti-marketeers over the cost of entry, the Prime Minister continues to maintain that it is impossible to calculate the cost, especially in the agricultural sector, since the Six still have to make their own new arrangements. Furthermore the cost would also depend "on the progress of our negotiations on agricultural financing, as opposed to agricultural policy".

VIEWPOINT

The New Wave of Protectionism

by Mr. G. O'Brien

Vice-President of the American Importers Association

Since the end of the Kennedy Round in June 1967, many people throughout the world have wondered what would be the future shape of American trading policy. It seems that many of those who asked themselves this question - and who no doubt still do - have not clearly understood the changes in world trade during the course of the past decade. The rules governing world trade have undergone major modifications so that international trading patterns can no longer be understood on the basis of formerly-held views.

According to these views, imports were nothing more than goods from another country and sold on the national market, while exports were no more than nationally-manufactured products sold to foreign markets on the basis of the quality. Today both of these definitions appear as somewhat over-simple, and furthermore neither the terms used to describe external trade, nor the concepts used to organise the statistical basis of external trade have kept up with reality in the same way.

In 1968, United States exports - in the traditional meaning of the term - were valued at some $34,000 million, although goods produced in foreign countries as the result of American investments were estimated to be worth somewhere between $150,000 million and $180,000 million. At the same time goods manufactured in the United States as the result of foreign investments there amounted to some $65,000 million. Another example helps to clarify the situation even further: out of total Japanese exports in 1968, some 28% - in the traditional meaning - came from the United States. But another 12% was the result of American investment in other countries and the difficulty arises in classifying these. This case illustrates the problems faced when trying to arrive at a correct definition of imports and exports.

Only recently, Roland Erikson, the vice-president of General Foods, stressed the immense changes being brought to world trade by American foreign investments. "this trend has created an international approach to business, with the gradual disappearance, in practice - if not in law - of national economic frontiers and the golden rule of competition, the movement of goods and services within an almost unified market". Shortly before, Robert V. Roosa, of Brown Brothers Harriman, had drawn attention to what he considered to be a major modification in the United States' economic relationship with the rest of the world: the relative decline of the role of the United States, despite an overall increase in the turnover of American trade, while for the first time in 1968, American capital imports (estimated at $36,000 million) exceeded the revenue obtained from exports.

Unfortunately there are still too many persons who are unable to differentiate between "balance of payments" and "balance of trade". And amongst those who realise there is a difference, there are too many who believe that their own industry must always produce a favourable balance. But if this argument was taken to its logical conclusion, every industrial sector would feel compelled each year to insist on exports exceeding imports, which would rid the term "balance of trade" of any meaning. For from the national point of view what counts is not the specific balance achieved by such and such an industry, even if it is as important as the steel, chemical or textile industries, but rather the overall balance of foreign trade with the surpluses and deficits recorded for each particular sector.

Obviously when one backs efforts to increase exports, this entails being opposed to attempts to limit imports. But again this is an outdated way of looking at the problem, for today it is no longer possible to consider the balance of trade in isolation from the balance of payments. Secondly, times have changed since 1930 when trade was an end in itself, and when there was no need to consider the effects that it might have on foreign countries. In 1969 the various economies and currencies are so interdependent that it is now impossible for a major trading country to alter its import or export policies without running the risk of creating serious problems. The same applies to the virtual impossibility of unilateral modifications to parity rates, because of the enormous upheavals this would cause for international trade. In fact such measures can upset stability and even governments.

Most Americans tend to think of imports and exports in the accepted meaning of the term. The pressure put upon Congress to pass protectionist legislation for particular industries is due largely to the defeatist attitude which over the centuries has made protectionism an accepted way of life. And this despite the fact that the United States, like all other countries, is going to have to cope with increased and freer world trade rather than a return to restrictive practices.

It has been said that those who are unable to learn from the errors of the past are condemned to commit the same mistakes. With regard to protectionism this is especially true: even today some national industries want the introduction of quotas in addition to high tariff barriers. During the lifetime of the previous Congress some 1,000 draft bills aimed at limiting imports were proposed and covered over twenty categories of products. If all of these bills had become legislation, they would have affected $12,000 million worth of imports, or nearly 50% of all American imports during 1967. The new Congress is already faced with some 200 bills to cut imports, all aimed at fixing imports at a level equivalent to a given percentage of the national market.

Even before the Kennedy Round, there had been a wave of protectionist movements, which in many ways recalled those of 1929 - 30. But today as then, the supporters of this approach are unable to come up with arguments which could provide the basis for an alternative and viable economic policy. When one bears in mind that the protectionist case results in compromises and concessions, instead of economic analysis and an understanding of a country's national interest, this is not surprising. The Journal of Commerce recently wrote "Since the famous political alliance which resulted in the Hawley-Smoot tariffs of 1930, no coherent protectionist policy has ever been established".

In practice none of the major industries who continually complain about the need for quotas has ever been able to prove that the so-called damage it has suffered is the result of foreign imports. The textile industry is the best example. For years now, the textile industry has been harrying Congress for action. But in 1967 a study ordered by President Johnson and carried out by the Tariff Commission with the aim of establishing the theoretical damage inflicted by foreign competition was unable to discover any factors to justify the industry's allegations. On the contrary the study stated that the textile undustry "had been going through an unprecedented period of expansion since the start of the sixties". An in-depth study of the main arguments put forward by the textile industry proved that there was little truth, although until then the whole of American opinion was worried about the influx of cheap foreign goods produced under conditions similar to slavery.

Imports are increasing in all sectors of the economy, but the main reason for this trend is the rapid growth of the American economy, the war in Vietnam, inflationary pressures and strikes, such as those as in the copper and steel industries. To these should be added the fact that a number of American manufacturers are unable or unwilling to take account of consumer demand. A survey carried out by the Wall Street Journal shows for example, that a considerable number of American manufacturers refuse to accept small orders. In turn this means that some retailers, and even wholesalers turn to foreign suppliers in order to fulfill their requirements. This fact alone helps to explain the sudden increase in imports of certain toys, machinery, or even electronic components.

Such imports obviously provide competition for national production in the same sector. But is this a sufficient reason for ignoring traditional trading practice, and instead shouting for government action. The least one can say is that such an approach is hardly compatible with the principles of free competition.

The leading economist, Milton Friedman, explained this most clearly in Newsweek. In a reference to the steel industry he wrote "This industry claims to be a supporter of free competition. In their arguments its leaders maintain the superiority of capitalism over socialism. They stress the virtues of private initiative, free competition and of profits. But as soon as these start to affect their own position, they rush to Washington to seek help".

- To Be Continued -

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ADVERTISING

** The Frankfurt public relations agency INFOPLAN GESELLSCHAFT FUER OEFFENTLICHKEITSARBEIT mbH (see No 507), already with branches in Hambourg and Cologne, has now opened a third in Berlin.

This firm is a member of the New York INTERPUBLIC GROUP OF COMPANIES INC (see No 512), which has just decided to merge its American subsidiaries Infoplan International and Meyers-Fischer Infoplan International. The latter in particular sees to the activities coordination of eleven European offices belonging to the group, it has also five accredited correspondents, and with these its coverage extends to twelve European countries.

** The New York agency DOYLE DANE BERNBACH INC (see No 514) is soon to have its overseas division D.D.B. INTERNATIONAL, headed by Mr. E. Russel, establish subsidiaries in Italy and Japan. The group (president Mr. John Pringle) is already well entrenched in the European market, with subsidiaries in Düsseldorf and London. (see No 456).

** The British agency KENYON WILES EUROPE LTD, South Harrow, London, has decided to extend its interests to West Germany and these will be based upon a subsidiary now being formed, KENYON WILES GERMANY GmbH, Essen. Since 1967 the British company has had a wholly-owned Dutch subsidiary, Reclameadviesbureau Kenyon Wiles Holland NV, Hilversum (see No 428).

AUTOMOBILES

** LA VOITURE ELECTRIQUE SA, Paris (formerly Cie Europeenne d'Etude, de Developpement & d'Exploitation de Vehicules Electroniques SA - see No 506), a research and development company for electronically-guided materials-handling and mini-transport systems, has raised its capital from F 200,000 to F 7 million, thus acquiring four new backers, and enabling the C.G.E. group to raise its stake also.

The four new shareholders are: 1) the SOFIREM investment company - STE FINANCIERE POUR FAVORISER L'INDUSTRIALISATION DES REGIONS MINIERES SA, Paris (subsidiary of the C.d.F. group - CHARBONNAGES DE FRANCE - see No 518); 2) the small electronics components and precision products concern CROUZET SA, Paris (see No 438); 3) CIE INDUSTRIELLE & FINANCIERE DES ATELIERS & CHANTIERS DE LA LOIRE SA, Paris (see No 484), and 4) STE DE PROMOTION ECONOMIQUE - SOPROMEC SA, Paris, formed in 1963 at the behest of Caisse Generale des Banques Populaires (see No 492).

As far as C.G.E. is concerned, two members of the group now have large holdings in Voiture Electrique: M.A.O.M. - MANUFACTURE D'ACCUMULATEURS & D'OBJETS MOULES SA, Paris (see No 494), which a few months ago took over General d'Electricite's "Tudor" batteries division, and also LEROY-SOMMER SA, Angouleme, Charente (see No 506).

BUILDING AND CIVIL ENGINEERING

** CIMENTS LAMBERT-LAFARGE SA (see No 443), joint subsidiary of the cement groups LAMBERT FRERES & CIE Scs, Cormeilles-en-Parisis, Val d'Oise (see No 428) and CIMENTS LAFARGE SA, Paris (see No 514), is to receive from the former certain cement distribution interests in the metropolitan area, plus the ready-mixed concrete concern S.A.B.T.P. - STE D'APPROVISIONNEMENT DU BATIMENT & DES TRAVAUX PUBLICS SA, Vitry, Val-de-Marne (see No 412).

This transfer of assets will entail the admission to Ciments Lambert-Lafarge of two new shareholders, the founders having agreed to keep their interests on a par, namely BETON SERVICE DE FRANCE SA, 71% subsidiary of the Arlington group TEXAS INDUSTRIES INC (see No 412), and the ROTHSCHILD SA group, which has both direct and indirect holdings in the former.

** A rationalisation within the Paris cement group, CIMENTS D'ORIGNY SA (1968 pre-tax turnover F 63.91 m - see No 499) will involve its subsidiary SA DE CIMENTS & MATERIAUX - SOCIMAT, Paris taking over its subsidiary ANC. ETS. MOUQUIN SA, Elbeuf, Seine-Maritime (capital F 800,000). The latter concern was formed in 1964 when Anc. Ets. L. Mouquin Sarl was reshaped, and two other companies were also established at that time, Comptoir Elbeuvien Des Bois, Caudebec-les-Elbeuf, Seine-Maritime and Ste. Immobiliere Des A.E.L.M., Elbeuf.

As a result of the present move, Socimat will acquire assets valued at F 3.055 million (gross) and will raise its own capital to F 1.84 million. It has cement works in St. Quentin, Aisne; Lome, Togo; Cotonou, Dahomey; the Ivory Coast; and two concrete processing units.

** An agreement signed in the timber applications sector between the French civil engineering group DUMEZ SA, Nanterre, Hauts-de-Seine (see No 479) and the Canadian concern CAMPEAU CORP will result in the formation of a joint subsidiary called DUMEZ-CAMPEAU. This will manufacture partially prefabricated houses in a new factory at Montsoult, Val d'Oise, and in five years' time is expected to manufacture some 3,000 units p.a.

Dumez had a 1968 consolidated turnover of F 493 million (F 325m for the parent company alone) and apart from numerous French subsidiaries it also has interests in Brazil, Canada, Kenya, Nigeria, French Guiana, the Ivory Coast and Spain. The Canadian firm has recently formed a London subsidiary, Campeau Corp. Ltd.

CHEMICALS

** AVEBE NEDERLAND NV has now been established formally with Fl 10,000 capital and Mr. Jan H. Doomboos as director of the glucose, dextrose and starch sales company to take over from HANDELMIJ v/h BERNARD THEMANS MV, Almelo, as the commercial arm of COOPERATIVE KOOP- & PRODUCTIEVERENIGING VAN AARDAPPELMEEL & DERIVATEN -AVEBE G.A., Veendam. Themans will nevertheless continue to represent Avebe for its supplies to the paper and card making industries.

** The Dutch reproducing materials group VAN DER GRINTEN NV, Venlo (see No 507) has increased its share of the French market in this sector to some 40% as it has gained control of the family concern C.I.A.P. - CIE INDUSTRIELLE D'APPLICATIONS PHOTOGRAPHIQUES, Rueil-Malmaison, Hauts-de-Seine and Moule, Yvelines (100 employees).

The Dutch group already has a French subsidiary, Photosia SA, Montreuil, Seine-St-Denis, and during the 1967-8 financial year had a turnover of Fl 162.3 million, and as a result will raise its capital to Fl 10.8 million.

** The Belgian concern ETS. SINTOBIN FRERES Sprl, Izegem, which acts as the exclusive agent for the American company LIBERTY INDUSTRIES, has backed the formation of LIBERTY INDUSTRIES SA, St.-Josse-ten-Noode, Brussels (capital Bf 5m). This will import, export and sell materials, as well as handling patents and processes in the decontamination sector. The new company is a 66.9% interest of MM. Hugo, Edmond and Jan Sintobin, partners in the founder, with the remainder held by American interests which are represented by Messrs Nappi and Ericson.

** The West German chemical and rubber group CHEMISCHE WERKE HÜELS AG, Marl (see No 493) has extended its interests to Britain and formed a London sales subsidiary called HULS (U.K.) LTD.

The group had a 1968 consolidated turnover of Dm 1,170 million and it is also represented in France, Belgium, the Netherlands, Switzerland, Austria and Sweden. With a capital of Dm 260 million, its shareholders are Chemie-Verwaltungs AG, Frankfurt (50% - a member of the FARBWERKE HOECHST AG, Frankfurt group with a minority stake held by Farbenfabriken Bayer AG, Leverkusen), HIBERNIA AG, Herne (25% - a member of the Veba - Vereinigte Elektrizitäts- & Bergwerks AG, Bonn and Berlin group - see No 516) and the BAYER group (25% - through the Leverkusen holding companies Verwaltungsgesellschaft für Chemiebeteiligungen mbH and Bayer Verwaltungsgesellschaft für Beteiligungen mbH).

** The group AUGUST-THYSSEN-HUETTE AG, Duisburg-Hamborn (see No 506), MANNESMANN AG, Düsseldorf (see No 517) and GELSENKIRCHENER BERGWERKS AG, Essen (42.5% affiliate of R.W.E. - Rheinisch-Westfälisches Elektrizitaets Werk AG, Essen - see No 518), have joined in purchasing a 25% holding in the Frankfurt tar-distilling concern RUETGERSWERKE AG (see No 517). The main shareholder in this concern, however, continues to be the Duisburg KLOECKNER & CO KG group.

** An agreement has been signed whereby I.V.I. - INDUSTRIA VERNICI ITALIANA SpA, Milan (see No 360), will receive a licence to produce enamels and paint and varnish bases from the American CELANESE COATINGS CO, Louisville, Kentucky. The latter was formerly called Devoe & Reynolds Co (see No 258), but in 1964 came under the control of the New York CELANESE CORP (see No 501).

The Milan concern is a subsidiary of the Turin FIAT SpA group, to which it is chief supplier of paints and finishes for car bodies, and it employs some 1,000 people for an annual turnover of about Lire 20,000 million.

** The French chemical and electro-metallurgical company NOBEL BOZEL SA, Puteaux, Hauts-de-Seine (see No 514) - a member of the STE CENTRALE DE DYNAMITE SA group, Puteaux - has sold its 50% stake in the Marseilles firm, STE SCHLOESING SA (insecticides) to CIBA AG, Basle (see No 510). The Swiss group now has complete control as it has also acquired the 50% stake held by STE FRANCAISE DES PETROLES BP SA, Courbevoie (a member of the British Petroleum Co Ltd, London - see No 510).

Schloesing (capital F 12m since 1967) exports around one-third of its production, mainly to African countries, through its subsidiary, Agrimeta SA (capital F 5.5m). The Marseilles firm was formed in 1964 to take over the manufacturing interests of Usines Schloeing Freres & Cie SA, Marseilles, when this was taken over by Nobel Bozel (see No 270).

** The Rotterdam UNILEVER NV group (see No 519) has taken over the Milan concern STABILITAL SpA (factory at Caronno, Pertusella), which makes stabilisers and chemical compounds for varnishes and plastics, and additives for synthetic resins. This is headed by Sig Armando Giuliani (director of U.R.A.I. Srl, Milan - agency for constituents for paper, plastics, rubber, varnish etc), and is a licensee of the New York, National Lead Co; Rohm & Haas Co, Philadelphia, and Textron Inc (Spencer Kellog division in Buffalo) etc.

The Dutch group's main Milan subsidiary, UNIL-IT SpA (see No 495), recently took over the Rome-based fisheries concern GENEPESCA SpA (see No 482), and raised its own capital to Lire 5,080 million by absorbing the printing and packaging concern Cartitalia SpA, Ospiate di Bollate.

** Negotiations are taking place in France between the NUODEX Division (chemical products for paints - factories at Elizabeth, New Jersey; Chestertown, Maryland and Long Beach, California) of the TENNECO CORP, Wilmington, Delaware (see No 505) and the French group STE CENTRALE DE DYNAMITE SA, Puteaux, Hauts-de-Seine (see No 517). These negotiations are expected to result in Centrale de Dynamite making over its 60% controlling stake in STE CHIMIQUE POUR INDUSTRIES DIVERSES - S.C.I.D. Sarl, Puteaux to NUODEX FRANCE Sarl, the subsidiary of the American concern through TENNECO CHEMICAL INC (refineries in Denver and New Orleans).

Nuodex France was a former subsidiary of Heyden Newport Chemicals Corp, Garfields and Fords, New Jersey which was taken over during 1963 by Tenneco, and is now a division. Nuodex has a 40% stake in S.C.I.D. with which it has an exclusive sales division covering drying agents for the paint industry. This agreement expires in the spring of 1970 and the American firm does not intend to renew it.

** SYSTEMS ENGINEERING LTD, Stroud, Gloucestershire has just been formed to market chemical, food and pharmaceutical processes in Britain. It is the joint subsidiary of the West German firm HAAGEN & RINAU GmbH, Bremen and the British firms, T.H. & J. DANIELS LTD, Stroud and INDUSTRIAL TECHNICAL CONSULTANTS LTD, Banstead, Surrey.

In March 1967, the latter formed a subsidiary in Basle under its own name. This has a capital of Sf 50,000.

** CILLICHEMIE ERNST VOGELMANN, Heilbronn-Sontheim (see No 378), which produces special chemicals and equipment for the water purification industry, has formed a sales company in the Netherlands named CILLICHEMIE NV, Assen, with 20% paid-up capital of Fl 500,000. The parent company is under the 66% control of Mr. Vogelmann, and the remainder of its capital is held by Dutch interests in the person of Mr. Albert Kalsbeek of Assen.

The German concern is already represented in France by Cillichemie-France, E. Vogelmann & Co Sarl of Strasbourg, and in Italy by Cillichemie Italia Srl, Milan.

** The New York group GREAT LAKES CARBON CO (see No 485) which provides synthetic graphite and carbons for the chemical, electrical, electro-metallurgical, electronic and nuclear industries intends to build a synthetic carbon products plant in Italy. This will be sited between Salerno and Battipaglia and costing some Lire 9,000 million is expected to start operations in 1971. It will employ 350 persons and be the group's second European facility in this sector, coming after a Swedish plant due to start operations this year. It is expected that around 70% of the new plant's production will be exported to Central and Southern Europe, the Middle East and Africa.

The American group has been represented in Milan since 1964 by a sales subsidiary called Great Lakes Italia SpA. Its Canadian affiliate, Great Lakes Carbon International Ltd, Charlottetown was represented until 1966 at Corsico, Milan by Dilicate Europe Sud SpA (chemical additives for filtration). Since then the latter has been taken over by Grefeco Inc, Palos Verdes, California, the subsidiary of the Philadelphia group, General Refractories Co.

** The Ludwigshafen group B.A.S.F. - BADISCHE ANILIN- & SODA FABRIK AG has strengthened its position on the North American market by taking over the Canadian KEINER & CO LTD, Toronto, which makes chemical products for the tanning industry.

In Canada, the group already has one manufacturing subsidiary, B.A.S.F. Canada Ltd, Montreal. In February of this year, this company decided to invest the equivalent of Dm 50 million in a keto-alcohol plant, to come on stream in 1971.

CONSUMER GOODS

** The negotiations which began some time ago (see No 560) between the American group GENESCO INC, Nashville, Tennessee and the French manufacturer of high-quality ladies' shoes, STE DES CHAUSSURES CHARLES JOURDAN & FILS SA, Romans, Drome have resulted in the American group gaining 75% control.

Jourdan has two French factories and four shops, as well as being a leading exporter in the sector. Its foreign interests include Charles Jourdan GmbH, Munich and Paris-Shoes Ltd, London.

COSMETICS

** The Swiss company THE PETEAN COSMETIC RESEARCH CO SA, Zug (patent acquisition and exploitation in the cosmetic and bio-chemical sectors) has formed a 64.6% Brussels subsidiary called MAN-TOP SA (capital Bf 500,000). This will carry out research, trade in and market all types of products and processes dealing with natural and artificial hair and hair styles. The first directors are M. Salomon Britton, Paris (32.8%), Mr. Norman Gerard, London (1%), and M. Michel L. Harris, Zurich (1%).

ELECTRICAL ENGINEERING

** The French SAUNIER-DUVAL SA, Paris and Nantes, Loire-Atlantique (see No 484 - gas water-heaters and boilers - capital F 23.39m) is to diversify its interests in control and regulation equipment for oil refineries, chemical and petrochemicals plants and paper mills through the acquisition of assets belonging to CONTROLE & APPLICATIONS SA, Paris (see No 516). Saunier-Duval is a 26.65% affiliate of the Nancy group CIE DE PONT-A-MOUSSON SA (see No 517) with 2.88% held directly and the remainder through Cie Financiere de Bayard SA (13.68%) and Ste d'Etudes, de Participations & d'Entreprises Industrielles (10.09%), since the latter made over its 90.11% stake in Ets Collet & Cie SA, Paris and its 38.83% in Chaffoteaux & Maury SA, Paris.

The acquisition of Controle & Applications' assets will result in the Nancy group taking a larger stake in Saunier-Duval, as Pont-a-Mousson already has a considerable interest in Controle & Applications. Other shareholders in the latter will now become shareholders in Saunier-Duval and these include the Cie Financiere de Suez & de l'Union Parisienne SA and Ste d'Etudes & de Developpement SA (a member of the F.I.M.T.M. - Federation des Industries Mecaniques & Transformatrices des Metaux group, Paris - see No 471).

Controle & Applications had a consolidated turnover during the last financial year of F 115 million and has some 2,400 employees. It makes control equipment at Gonfreville-l'Orcher, Seine-Maritime. Foreign interests include Regelmatic GmbH, Frankfurt; Regelmatic Ges. Für. Regel & Messtechnische Anlagen mbH, Vienna; Controle & Applications Belgique SA, Brussels; Controle & Applications Espanola SA, Barcelona; Controle & Applications Ltd, London, and Controle & Applications-Sterwech NV, Zaandem.

** METRAWATT AG, Nuremberg (electronic control, measuring and recording equipment - see No 502) has made an agreement covering its technical and sales representation in Italy with VOLTA AG, Bolzano, Milan. A joint subsidiary will be established called METRAWATT ITALIANA SpA, Bolzano, in which the founder's Austrian subsidiary, Goerz Elektro GmbH, Vienna (see No 455) which will also take a stake.

In 1968, Metrawatt became an 80% interest of BROWN BOVERI & CO AG, Mannheim (see No 517) itself the subsidiary of the Swiss group Brown Boveri & Co AG, Baden.

** The British group JAMES SCOTT (ELECTRICAL HOLDINGS) LTD, Dunfermline, Fife (see No 444) in a move through its subsidiary MASSOT & DISDIER SA, Grenoble (transformers, control systems, high and low-tension electrical equipment) has gained 51.5% control of CH. MILDE FILS & CIE SA, Paris (electrical installations and telephone equipment).

The latter (capital F 3.2 m) has some 700 employees in its facilities at head office, Aubervillers, Seine-St-Denis, and Baule, Loiret. Its main shareholders up till now included Ste Financiere de l'Artois SA (a member of the Rivaud group - see No 380), the Paris insurance group, L'Abeille SA (see No 509) as well as Credico-Banque Pour Le Developpement du Credit a La Consommation & a l'Equipement SA, Paris (see No 462). The latter is a subsidiary of Sogenin - Ste de Gestion & de Participation de La Henin SA, which is affiliated to both the Cie Financiere de Suez et de l'Union Parisienne SA and to the Union Financiere & Miniere SA.

** RANCO CONTROLS LTD, Plymouth, Devon, a subsidiary of the American control equipment group RANCO INC, Colombus, Ohio (see No 449) has made a licensing agreement with the French firm ETS DEMOLY FRERES SA, Beauvais, Oise. This covers the exchange of knowhow and technical information for thermostats for electric and gas cooking and heating systems.

ELECTRONICS

** The Dutch PHILIPS' GLOEILAMPENFABRIEKEN NV, Eindhoven (see this issue and No 515) is to reorganise its French medical equipment interests and thus strengthen the position of its subsidiary MASSIOT-PHILIPS SA, Carrieres-sur-Seine, Yvelines. This will take over part of S.E.I.M. - STE D'ELECTRONIQUE INDUSTRIELLE & MEDICALE Sarl, Strasbourg (net assets F 1.077 m - capital F 120,000) and will also acquire the "Audiometry" interests of PHILIPS ECLAIRAGE, RADIO, MENAGER SA, Paris (capital F 100 m). As a result of these two moves, Massiot-Philips will raise its capital in two operations to F 16.25 million.

** The West German company, RHEINMETALL BERLIN AG, Berlin (see No 490) has gained a sizeable stake in ELAN SCHALTELEMENTE KURT MAECKER GmbH, Düsseldorf (electronic components and control equipment accessories). The latter has a capital of Dm 1.2 million and some 100 employees.

** The Vermicate, Milan TELETTRA SpA group (see No 508) having failed to take up its option on boosting its one-third interest (see No 481) in the semiconductors and electronic components concern S.G.S. - STA GENERALE SEMICONDUTTORI SpA, Agrate Brianza, the ING. C. OLIVETTI & CO group of Ivrea has now bought up the shares that this concern held in S.G.S., and so has outright control.

Olivetti raised its interest in the firm concerned to 66.6% in 1968, by buying up the one-third interest held therein by the British FAIRCHILD SEMICONDUCTORS LTD (of the group, Fairchild Camera & Instrument Corp, Syosset, New York - see No 515). Fairchild nevertheless remains linked with S.G.S. through technical assistance agreements (see No 481).

** The reorganisation of the Australian interests of PHILIPS' GLOEILAMPENFABRIEKEN NV, Eindhoven (see No 516) has been completed with the formation of the holding company ASSOCIATED TELECOMMUNICATIONS AUSTRALIA (PTY) LTD (capital A $ 4.6 m). This is directly controlled by ELECTRONIC INDUSTRIES OF AUSTRALIA (PTY) LTD (51.27%) and PHILIPS INDUSTRIES (PTY) LTD, Sydney (22%)as well as by the British PYE OF CAMBRIDGE LTD. The chairman is Mr. G.A. Warner and it heads the factories (1,800 employees) operated by PHILIPS TELECOMMUNICATIONS OF AUSTRALIA (PTY) LTD, TELEPHONE MANUFACTURING CO (AUSTRALIA) PTY LTD and PYE (PTY) LTD which are now its wholly-owned direct subsidiaries.

** MEMOREX CORP, Santa Clara, California (magnetic tape memories for systems and administration computers - see No 434) has boosted the capital of its 1968 affiliate PRODUITS DE PRECISION Sarl, Puteaux, Hauts-de-Seine to F 100,000 to promote expansion, and at the same time has changed its name to Memorex Sarl.

The American firm recently opened its first industrial establishment in the Common Market at Herstal, Liege, to the end of supplying Memorex subsidiaries in Milan, Munich (formerly Cologne), Zurich, Brussels and Rotterdam. Its first bridgehead on the European market was in Maidenhead, Berks.

** The planned subsidiary of the American GEMINI COMPUTER SYSTEMS INC (see No 502) in West Germany has been established in Frankfurt. Called GEMINI COMPUTER SYSTEMS (DEUTSCHLAND) GmbH, it has M. Marc Chargueraud, Paris, as manager and a capital of Dm 620,000.

The founder specialises in data processing and it is linked to THE DIEBOLD GROUP INC, New York (see No 506) which already has a subsidiary in Frankfurt, Diebold Deutschland GmbH.

** The leading American telephone group A.T. & T. - AMERICAN TELEPHONE & TELEGRAPH CO, New York (around 80% of all installations) has taken a 10% stake in the Italian satellite transmission and reception ground station at Fucino, which is run by the Rome company TELESPAZIO SpA, Rome (see No 306).

The latter belongs to the State group I.R.I. - Istituto Per La Ricostruzione Industriale SpA, Rome through subsidiaries or affiliates who each have a one-third stake: the holding company S.T.E.T. - Sta Finanziaria Telefonica Per Az., Turin and Rome (see No 514), its 60% Rome subsidiary Italcable SpA (see No 309) and the Italian state television and radio, R.A.I. - Radiotelevisione Italiana SpA.

ENGINEERING & METAL

** An agreement signed between the French machine tool manufacturer SPIERTZ SA, Strasbourg-Meinau, and the Paris STE FIVES-LILLE-CAIL SA group (which is controlled by Cie Industrielle & Financiere Fives-Lille-Cail SA - see No 513). The latter will make available to the Strasbourg firm some of its manufacturing facilities for machine presses.

** The French company DAVUM SA, Villeneuve-la-Garenne, Hauts-de-Seine, intends to sell its 65% subsidiary SAAR EISEN UNION GmbH, Völkingen (1968 turnover Dm 9m) to German steel groups.

Davum is an affiliate of the French groups CIE DE PONT-A-MOUSSON SA and MARITIME-FIRMINY SA (see No 517), and during 1968 had a turnover of F 1,400 million. It recently raised to 45% its stake in the Spanish company Dateu SA, Barcelona. Its other foreign interests through its 99% subsidiary Inco France SA include Bowsteel Corp, Linden, New Jersey, which has just opened a branch in Greenville, South Carolina.

** The British company ALUMASC LTD, London and Burton Latimer, Northants (aluminium castings, gutters, drainpipes, beer barrels and storage tanks) has formed a Luxembourg subsidiary calles ALUMASC (LUXEMBOURG) SA (capital Lux F 6m). With Messrs McCall, Illingworth, Inwood and Woodward as directors, this will trade in cast, stamped or shaped non-ferrous metal and alloy products, as well as beer barrels and dispensing units.

The founder is a subsidiary of the London group CONSOLIDATED GOLD FIELDS LTD through Gold Fields Industrial Holdings Ltd (see No 513).

** The Stuttgart electrical and electronics group ROBERT BOSCH GmbH (see No 510) has strengthened its interests in the air conditioning machinery sector by taking a majority stake in FR. HESSER MASCHINENFABRIK AG, Stuttgart, in which it has had a 50% interest since January 1969 (see No 496).

The group already has two wholly-owned West German subsidiaries in the same sector, Gebr. Höller Maschinenfabrik AG, Stuttgart, and Hamac Hansella GmbH, Viersen.

** The French electro-metallurgical and chemical group NOBEL BOZEL, Puteau, Hauts-de-Seine (see this issue) has strengthened its interests in the ferro-alloys sector by acquiring from the UGINE KUHLMANN SA, Paris group - through its subsidiary Ets. Charles Bertolus SA (see No 512) - its 40% stake in STE ELECTROMETALLURGIQUE D'ANGLEFORT Snc, Anglefort, Ain (capital F 4m). Nobel Bozel now has outright control of the Anglefort firm.

** The American company KOLLMORGERN CORP, Holyoke, Massachusetts, (submarine periscopes and other optical equipment, electronic and electro-mechanical materials and measuring instruments) has made an agreement which will give it a majority stake in the French firm ARTUS SA, Paris, as from the start of 1970. The Paris firm makes motors, tachometers, electrical equipment and generators, and it is possible that the American group may gain outright control at a later date.

** The Dutch vehicle bodywork concern VERMEULEN-HOLLANDIA NV ("Hollandia" sun roofs and "Sunway" sliding doors) has formed an Antwerp sales subsidiary called HOLLANDIA-SCHUIFDAKEN NV (capital Bf 1m) under Mr. J. de Bruijn. The founder already has branches in Kampen and Oudenbosch.

** A link-up in the Netherlands between the American group KELLEY CO INC, Milwaukee, Wisconsin, and the Rotterdam group R.S. STOKVIS & ZONEN NV (see No 490) has resulted in the formation of a 33.3/66.7 subsidiary called STOKVIS-KELLEY NV, Rotterdam. With an authorised capital of Fl 300,000 (50% issued), this will be headed by Mr. Jan W. van Geenhuizen and will specialise in materials-handling equipment, especially loading platforms.

** The French sales network for "Camping Gaz International" (butane gas stoves, lamps, radiators, welding equipment) has been extended from 30,000 to 40,000 sales outlets as a result of the distribution agreement signed between A.D.G. - APPLICATION DES GAZ SA, Paris (see No 309) and PRODUITS CHIMIQUES & RAFFINERIES DE BERRE SA ("Berrogaz" - see No 467), a 71.5% subsidiary of the CIE DE SAINT-GOBAIN SA, Neuilly, Hauts-de-Seine group (see No 517).

A.D.G. is the 55.6% subsidiary of Cie Industrielle & Financiere d'Alais SA, whose president is Baron Ludovic Reille (see No 490) and it is already linked by a similar agreement to U.R.G. - Utilisation Rationnelle de Gaz SA, Paris ("Butagaz" - see No 437), a member of the Royal Dutch-Shell group (see No 516). In 1968 it had a consolidated turnover exceeding F 100 million from its 1,000 sales outlets in some 97 countries. Its main European affiliates or partners are Camping Gaz International (Deutschland) GmbH, Hattersheim (which is controlled directly by Financiere de l'Alais); Camping Gaz (Suisse) Sarl, Lausanne, Vaud; Camping Gaz Great Britain Ltd, Dorking, Surrey; and Camping Gaz Espanola SA.

** The recent negotiations (see No 506) between the French company MANURHIN - MANUFACTURE DES MACHINES DU HAUT-RHIN SA, Mulhouse-Bourtzwiller, and the Swiss SA DES CABLERIES & TREFILERIES DE COSSONAY, Cossonay, Vaud, with the aim of cooperation in the machine tools sector will result in two companies sharing their interests. The first move is that the Swiss concern will make over a 50% stake in its subsidiary FABRIQUE DE MACHINES TAREX SA, Geneva to Manurhin. With a capital of F 29.65 million, Manurhin is an affiliate of the London group English Electric Co Ltd (see No 512) of the GEC-AEI combine, through Elliott Automation Continental SA, Luxembourg, and is also linked to Sade - Ste Alsacienne de Developpement & d'Expansion SA, Strasbourg.

** The Munich company LEACH RELAIS & ELEKTRONIK GmbH (a member of the Californian LEACH CORP, South Pasadena) has gained a majority stake with an option on the remainder in the West German precision engineering and optics firm DACORA KAMERAWERK GmbH, Reutlingen. Until now the latter was owned by Herr Bernhard Angelmeyer and employs some 250 persons. With a 1968 turnover of Dm 10 million, it is represented in France by the Paris, Central Photo.

The American company, which has around 1,000 employees, also has a Zurich subsidiary, Leach International SA, which in January 1963 gained control of Production Electromecanique SA, Carouge, Geneva, since renamed Leach Electronique SA.

** The London company VICKERYS LTD has formed a West German subsidiary, VICKERYS GmbH, Birgel. With Messrs Peter Scherman, Tom Steele and Adolf Schmidt as managers, and a capital of Dm 20,000, this will carry out all operations in the engineering sector.

FINANCE

** INVESTERINGSINSTITUUT NEDERLAND-ISRAEL NV, Amsterdam (authorised capital Fl 250,000 - 20% issued) has just been formed to stimulate trade between the Netherlands and Israel, and especially Dutch investments in Israel. Its founders are: 1) the investment company NV BELEGGINGSMIJ. "ES & EM", Groningen (20%); 2) BIJENKORF BEHEER NV, Amsterdam (10% - see No 483); 3) D. DRUKKER & ZOON NV, Amsterdam (10%); 4) IS. FRANCO MENDES C.V., Amsterdam (10%); 5) J.G. DE ZEEUW NV, Dordrecht (10%); 6) PERLSTEIN & ROEPER BOSCH NV, Amsterdam (10%); 7) the Amsterdam bank PIERSON, HELDRING & PIERSON (10% - see No 514) and 8) HOLLANDSCHE KOOPMANSBANK LIPPMAN ROSENTHAL NV, Amsterdam (10%).

The last mentioned company was formed by the merger of the Amsterdam banks Lippmann, Rosenthal & Co NV, (see No 301) and was formerly called Hollandse Koopmansbank NV, Rotterdam (see No 476). The main shareholder at that time with 50% was the West German trade unions bank BfG-Bank für Gemeinwirtschaft AG, Frankfurt (see No 519).

** The Rotterdam SLAVENBURG'S BANK NV (11% affiliate of FIRST NATIONAL BANK OF CHICAGO) has extended its interests by acquiring NV BOAZ-BANK, Sneek (balance sheet total Fl 12m - capital Fl 450,000). As a result of this move Slavenburg's Bank, which recently gained control of another finance concern, J. A. Meijs Effectenkantoor NV (see No 511) has raised its capital to Fl 32.5 million and it now has 58 branches throughout the Netherlands.

** The Düsseldorf COMMERZBANK AG (see No 519) has now formed a subsidiary to finance international operations in Luxembourg. Called COMMERZ BANK INTERNATIONAL SA, this has a capital of Lux F 100 million and its president is Herr Robert Dohm, a member of the founder's board.

** The Amsterdam company SHIP MORTGAGE INTERNATIONAL (NORWAY) NV (authorised capital Fl 50m - 20% issued) has now been formally established (see No 500). It is the 45% subsidiary of the investment company HAMBRO INTERNATIONAL NV, Amsterdam (which is controlled by an international group under Hambros Bank Ltd, London and which is also affiliated to Bank Mees & Hope NV). Its other founders are Den Norske Creditbank A/S, Oslo (40%) and with 5% each Bank Mees & Hope NV, Amsterdam and Rotterdam (a member of the Bank & Assurantie Associatie NV group - see No 515), Christiana Bank & Kreditkasse A/S, Oslo, and Norsk Skibs Hypothekbank A/S, Oslo.

** The marketing in West Germany of investment certificates issued by FRONTIER MANAGEMENT LTD, Nassau, Bahamas, will be the responsibility of FRONTIER MANAGEMENT GmbH, just formed in Frankfurt. With a capital of Dm 200,000, Herr Günter Lott is manager of the new concern.

** A cooperation agreement in Amsterdam between ARNOLD GILISSEN'S BANK NV (see No 401) and EFFECTENKANTOOR JONKER & ZN. NV, will involve Mr. W.H. Berghuis joining the latter's board whilst Mr. C.W. Jonker will join Gilissen's Bank's board. Gilissen's Bank is the subsidiary of the London group Lloyds Bank Ltd (see No 500) and has a sister company in The Hague, Bax' Bank NV, as well as a branch in Rotterdam.

** The London group NATIONAL & GRINDLAYS' BANK LTD (see No 503), which has been a 40% affiliate since April of this year of FIRST NATIONAL CITY BANK, New York (see No 519) has acquired from BANQUE OTTOMANE SA - OTTOMAN BANK, Paris and London (see No 492) a 30% stake in STE NOUVELLE DE LA BANQUE DE SYRIE & DU LIBAN SA, Beirut. The French bank will maintain a 20% interest.

The Beirut bank (capital £ Leb 10.38 m) has some 17 branches in the Lebanon and was formed in 1963 on a 50-50 basis with Banque Ottomane and the Banque de Paris & des Pays-Bas SA group (through its wholly-owned Paris subsidiary, Banque de Syrie & du Liban SA - capital F 3 m), which will keep its 50% stake. The London group is 60% controlled by National & Grindlays' Holding Ltd (itself a 41% affiliate of Lloyds Bank Ltd, London - see No 500) and a few months ago it paid £ 5.5 million (see No 485) to Banque Ottomane for its agencies and branches in London, Jersey, Cyprus and several other countries in the Near East and Africa.

** The Tokyo MITSUBISHI BANK LTD has now opened a Paris office (see No 487), a move which it has had under consideration for some time. Mitsubishi Bank is the second-ranking Japanese bank after The Fuji Bank Ltd, Tokyo (see No 499) and belongs to the Mitsubishi group (see No 518).

** The Chicago CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO (see No 514) has taken a 5% stake in the leading French bank in the private sector, C.C.F. - CREDIT COMMERCIAL DE FRANCE SA (see No 503), whilst Banque de l'Indochine SA, Paris (see No 519) has raised its stake to 3.75%. C.C.F. (capital recently raised to F 140 m) has been linked for the past two years (see No 397) to the Chicago bank within a joint subsidiary, Banque Americano-Franco-Suisse pour le Maroc SA, Casablanca (see No 454). It is a 3% shareholder in Kredietbank SA Luxembourgeoise, Luxembourg (a subsidiary of the company with the same name in Antwerp and Brussels - see No 509) and has recently gained control in Geneva of Banque de Change & d'Investissements SA, and not C.I.C. - Credit Industriel & Commercial SA, Paris, as we previously wrote in error (see Correction and No 518).

The Chicago bank has had a Paris branch since 1968 (see No 489) and recently opened another in Amsterdam in addition to those in Frankfurt and London, and offices in Brussels, Geneva, Milan and Madrid.

** The London BARCLAYS BANK LTD group (see No 487) has opened an office in Frankfurt under Mr. C.E. Wilkinson. Similar offices already exist in Brussels, Zurich, Beirut, New York, San Francisco and Tokyo.

** The negotiations which have been under way for some months now for the re-organisation of the assets of STE CENTRALE DE BANQUE SA, Paris (see No 515) have now produced a result. These were first started with C.C.F. - CREDIT COMMERCIAL DE FRANCE SA, Paris, and were then taken over by STE GENERALE SA, Paris (see No 509). Ste Centrale de Banque's (1968 balance sheet total F 1,515.8 m) foreign interests (offices in London, Gibraltar, Madrid, Beirut, as well as subsidiaries and affiliated in Tunis, Geneva, Casablanca, Tripoli, Istambul and Monaco) will be made over to a new company yet to be established. Its French agencies and investments will be taken over and run under the control of Ste Generale, which will replace the bank's chief shareholders (see No 436). These are Banque de l'Indochine SA (25.7%), its 78.6% subsidiary Banque Francaise pour le Commerce SA (10%) and Credit Foncier de France SA (10%), who will become shareholders in the new company, to be established.

** Three groups BANKERS TRUST CO, New York (see No 515) BANQUE DE SUEZ & DE L'UNION DES MINES SA, Paris (see No 510) and G. & G. KREGLINGER SA, Antwerp (see No 499) have raised to more than Bf 250 million the funds of their joint Antwerp subsidiary BANQUE DE BENELUX SA (capital tripled to Bf 240m - see No 466) with the aim of backing its expansion. The latter's balance sheet total rose three-fold between 1967 and 1968, when it stood at Bf 2,650 million.

The American shareholding is held by a subsidiary, Bankers International (Luxembourg), SA de Participations Financieres (see No 466) and the French stake by the Amsterdam companies Intercontinentale Mij. voor Administratie & Belegging-Imabel NV (see No 413) and Rembours- & Industriebank NV (see No 428), themselves controlled by Banque de Suez. The latter is a joint subsidiary (capital F 39.4m - turnover F 2,284m) of the Paris groups Cie Financiere de Suez & de l'Union Parisienne SA (see No 518) and Union Financiere & Miniere SA (see No 512).

** ORBIS BANK GmbH, Munich (see No 447) is opening around 12 branches in the main cities of West Germany. After the establishment of two branches in Düsseldorf and Frankfurt, two are now in the course of being opened in Hamburg and Cologne. The Munich bank (capital Dm 4m) is a 40% interest of I.O.S. INVESTORS OVERSEAS SERVICES LTD, Panama (see No 514) through O.I.S.FINANCIAL HOLDINGS LTD, London, with the remainder held by BANKHAUS PREUSKER & THELEN, Bonn (see No 518).

FOOD AND DRINK

** The Belgian animal feeding stuffs company NV HENS VOEDERS, Schoten, Antwerp (see No 504 - a 50% affiliate of the American group CARGILL INC, Minneapolis, Minnesota) has rationalised its interests by taking over its subsidiary INTERNATIONAL

AGRICULTURAL EQUIPMENT CO- INTAGEC NV, Schoten, Antwerp. This has assets of Bf 1.37 million and as a result Hens Voeders has raised its capital to Bf 8.262 million. Hens Voeders recently formed another subsidiary called Centre de Conditionnement d'Oeufs Desmedt - C.E.C. Desmedt SA, Zedelgem (capital Bf 5m).

** Three Belgian members of the British brewing group WATNEY MANN LTD (see No 502), WATNEYS SA, Chatelet, Charleroi, ANC. BRASSERIES VANDENHEUVEL & CIE BRASSERIE SAINT-MICHEL SA, Molenbeek-St-Jean, and OMNIUM COMMERCIAL SA, Molenbeek-St-Jean, have respectively given 40%, 40% and 20% in doubling to Bf 2 million the capital of the Belgian pub firm RED LION SA, Brussels. This was formed in May 1968 by Mr. John Burgess, London (50%), M. Rold Mater, Zurich (25%) and Mr. Leslie Webb-Wilson, a British national living at St-Gilles Brussels (25%).

** The American CONSOLIDATED FOODS CORP, Chicago, Illinois (see No 445) through its Dutch subsidiary VAN WAGENBERG-FESTEN'S CONSERVENFABRIEK NV, Heusden, has gained outright control of the leading Dutch canned mushroom firm, COENEN'S CONSERVEN NV, Venlo. This employs some 50 persons and will remain under Mr. F.E.M. Coenen, until now the owner of the company. The American group, whose brands include "Monarch", "Sara Lee" and "Royal Blue", has an annual turnover exceeding $1,000 million. Its other Common Market include Booth Fischeries Europe Sarl, Paris, and Ocoma Foods GmbH, Lübbecke.

** The American chemical and pharmaceuticals group ABBOTT LABORATORIES, North Chicago, Illinois (see No 382) has backed and taken a direct 50% stake in the formation of ANCIAUZ SA, St-Gilles, Brussels (capital Bf 250,000). This will manufacture and sell food products, especially raw materials used in the patisserie, ice cream and meat products sectors, as well as making machinery used therein.

The new company is headed by Messrs Hans Voorn and Walter A. Brans and the other founders are all subsidiaries of Abbott Laboratories. These include Abbott Universal Ltd (40%) and with 2% each Abbott Laboratories, Pacific Ltd, Abbott Laboratories International Co, Abbott Laboratories Services Corp, Tobal Products Inc, and Abbott Laboratories Utilities Corp, all of which are based in Chicago. The group's other Common Market interests include Iphabel-Industrie Pharmaceutique Belge SA, Molenbeek-St-Jean (capital raised in April 1969 to Bf 15m), Abbott SA and Ste Francaise des Laboratoires Abbott Sarl, both at St-Remy-sur-Avre, Eure-et-Loir, as well as Deutsche Abbott GmbH, Ingelheim, Rhineland.

** The Swiss group NESTLE ALIMENTANA SA, Vevey (see No 512) intends to strengthen its stake in the Netherlands by acquiring outright control of the company in which it at present has an 81.1% interest, SAROTTI AG, Hattersheim, Main (see No 434). The latter (capital Dm 40m) specialises in chocolates, coated almonds and marzipan, and during 1968 had a turnover of Dm 167 million. With some 3,000 employees it has two wholly-owned Berlin subsidiaries, Karl Bethge GmbH and "Schoko" - Schokoladen- & Süsswaren GmbH, as well as a 25% stake in Nestle Service GmbH, Lindau.

** The London hotel and foods group J.LYONS & CO LTD (see No 515) has linked with the Rotterdam milling group MENEBA - MEELFABRIEKEN DER NED BAKKERIJ. NV (see No 498) in the pre-packaged cakes sector. This move will be backed by ULRICH NV, The Hague, a subsidiary of Meneba (see No 462), which controls its interests directly through the holding company Sitos NV, Rijswijk. The British company has acquired an interest of 51% in Ulrich's capital, which has been increased, at a cost of Fl 2 million.

Ulrich will increase its production capacity and also import certain products from Britain. It controls a West German company Ulrich Backwaren GmbH, Düsseldorf. For its part Lyons, which has an annual turnover of £ 129 million, has the majority of its interests in the food sector (70%) with another 20% in the hotel and catering sector.

** The French group SOURCE PERRIER SA, Vergeze, Gard (see No 505) and the British CAVENHAM FOODS LTD, Slough, Bucks (see No 481) have decided jointly to terminate the agreement linking them since 1967 within their joint subsidiaries CAVENHAM CONFECTIONERY LTD, Colnbrook, Slough, and CONSORTIUM FRANCAIS DE CONFISERIE SA, Paris (formerly CIE FRANCAISE DE CONFISERIE SA - see No 415).

Source Perrier has therefore sold to the British firm its 50% stake, held directly by its subsidiary Ste Generale des Grandes Sources d'Eaux Minerales Francaises SA, in Cavenham Confectionery and has acquired from the latter its 49% interest in Consortium Francais de Confiserie. At the same time the French group has agreed to pay Cavenham Foods royalties of £ 700,000 a year for three years. Following this move, Source Perrier has strengthened its cooperation with the aim of increasing its stake in the American market with the American group CONWOOD CORP, Flemington, New Jersey (see No 445). This has been carried out by making over to its joint Swiss subsidiary with the New Jersey group, Conwood SA, Glarus, a 50% stake in Cavenham Confectionary, which will thus increase its interests in the United States. At the same time it will make available some £ 700,000 to Conwood.

** NEDERLANDSE MELK-UNIE (N.M.U.) NV, a subsidiary of COOPERATIEVE VERENIGING TOT HET VERWERKEN & VERHANDELEN VAN MELK "COOPERATIEVE MELK CENTRALE" C.A. (C.M.C.), The Hague (see No 516), has acquired control of the dairy products concern VEENENDAALSE MELKINRICHTING & ZUIVELFABRIEK (VEMIEZ) NV, Veenendaal (50 employees).

** A merger within the Rome group FINANZIARIA BUITONI SpA (see No 420) will involve PERUGINA CIOCCOLATO & CONFETTURE SpA, Perugia, taking over its sister company GIO & F. LLI BUITONI-SANSEPOLCRO (see No 403). As a result, Perugina Cioccolato & Confetture will raise its capital in two separate moves to Lire 9,000 million. In 1968 it had a turnover of Lire 40,280 million, mainly from the sale of confectionery products. For its part Buitoni (pasta, prepared meals etc) had a 1968 turnover of Lire 30,800 million.

** The New York NATIONAL BISCUIT CO (see No 517) has re-organised its French sales interests and thus strengthened the position of its subsidiary BISCUITS BELIN SA, Chateau-Thierry, Aisne (see No 462). This will take over four regional subsidiaries with total assets of F 23.56 million and will raise its own capital to F 16.02 million. The companies involved are SODICO Sarl, SODIBEL SUD-OUEST SA, Pons, Charente-Maritime; SODIBEL NORD Sarl, Halluin, and SODIBEL CENTRE SA, Sorbiers, Loire.

** The New York group W.R. GRACE & CO (see No 511) intends to take a stake in the French SALADOR SA, Vincennes, Val-de-Marne and Marseilles (see No 370). With a capital of F 17.21 million, this had a 1968 per-tax turnover of F 134.64 million from its interests in the oil, animal feeding stuffs, soaps and detergents sectors. It also has a 20% stake in the potato crisps concern Flodor, Feculerie du Rhin SA, Arches, Vosges (see No 364 - which has a Brussels sales subsidiary Flodor-Belgique SA) and also has a stake in Corali - Ste pour le Conditionnement Rationnel des Liquides SA, Marseilles. Other shareholders in the latter are B.S.N. - Boussois-Souchon-Neuvesel SA and Solvay & Cie Scs, Brussels, through Ste Bourguignonne d'Applications Plastiques Sarl.

In 1968 the American group gained control of Cie des Restaurants Jacques Borel SA (see No 465), whose capital has recently been raised to F 30.166 million. During the last financial year this had a consolidated turnover of F 83.8 million and its many subsidiaries include Ste Cafe Biard SA, Paris (capital F 7.5 m), Ste Centrale d'Achats de Produits Alimentaires (S.C.A.P.A.) SA, Paris, and Ste d'Etude & d'Organisation de Restaurants - S.E.O.R. Grace's other French interests include Grace Sarl, Eperon, Eure-et-Loir (building and packaging materials) as well as S.A. Rene Weil, Paris, which was acquired in 1967 and handles metals, minerals, chemical products and metallurgical waste.

** The Paris company SOPEXA SA, whichwas established to promote exports of French food products by foreign sales and advertising campaigns, exhibitions etc (see No 368), is to replace its permanent office in Britain, which was formed in 1965 (see No 292) by a subsidiary. This will be run by Mr. B. Sterlin and is called FOOD FROM FRANCE LTD. The new company has an initial working capital of £ 200,000, of which 25% will be used to promote sales of wines and cheeses.

GLASS

** The Brussels company PITTSBURGH CORNING DE BELGIQUE SA, (see No 513 - a member of the American chemical and glass group P.P.G. INDUSTRIES INC, Pittsburgh, Pennsylvania - see No 517) has formed a London subsidiary. Called PITTSBURGH CORNING (U.K.) LTD (capital £ 1,000), this will distribute its "Foamglas" cellular glass insulators, although these will still be marketed and sold by the British company NEWALLS INSULATION & CHEMICAL CO LTD, Washington, Durham.

** The recent link-up in the glass insulator sector between the Paris company SEDIVER SA (an affiliate of Cie de Saint-Gobain SA, Neuilly-sur-Seine - see No 503) and the British glass group PILKINGTON BROTHERS LTD, St-Helens, Lancs, with the aim of coordinating production and exports, has now resulted in the latter taking a 35% stake in SEDIVER INTERNATIONAL - STE POUR L'EXPORTATION DES ISOLATEURS EN VERRE SA, Paris (capital F 100,000).

This has been re-named SEDIVER PILKINGTON INTERNATIONAL SA and its new directors include M. F. Boudin and Sig V. Squatriti, who represents Vetreria Italiana Balzaretti Modigliani SpA, Milan, a subsidiary of Saint-Gobain. It is 65% controlled by Sediver (capital F 4.51 m - 1968 sales F 54 m - factory at St-Yorre, Allier), a joint subsidiary of Saint-Gobain and the C.G.E. - Cie Generale d'Electricite SA, Paris group. The latter acquired its shareholding during 1968 (see No 503) from the B.S.N. - Boussois-Souchon-Neuvesel SA group (see No 515).

** The Paris investment company, PRICEL SA, Paris, a member of the "GILLET", Lyons group (see No 511) has sold the remainder of its shareholding (25%) in LE VERRE TEXTILE SA (capital F 25 m - 1968 sales F 78.63 m) to the RHONE-POULENC SA group (see No 518), whose shareholding now stands at 45%.

Le Verre Textile (factory at Chambery - see No 470) is a 49.9% interest of the Cie de Saint-Gobain group which has a number of French and foreign affiliates in the fibre-glass textile sector, whose products are used to strengthen plastics, rubber transmission systems in tyres and vehicle accessories. These companies include Elastover SA, Paris (see No 470), Sodefive SA, Neuilly-sur-Seine and Sotiver Sarl, Lyons; Gevetex GmbH, Aachen, Isoverbel SA, Brussels, Fibras Minerales SA, Azuqueca de Henares, Fibres de Verre SA, Lucens, Vaud, and Vetreria Italiana Balzaretti Modigliani, Milan (factory at Besana in Brianza - see this issue). With the aim of coordinating and increasing the export sales of its five European countries producing fibre-glass textiles, the French group recently formed a Gevena company called Vertextil SA (capital Sf 250,000), which is the leading world exporter of these products.

** A re-organisation within the Paris group CIE GENERALE DES EAUX SA (see No 499) will involve its affiliated company STE POUR LA FABRICATION DE TUBES EN MATIERE PLASTIQUE (T.M.P.) Sarl, Villeurbanne, Rhone (gross assets F 8.58 m - capital F 700,000) being taken over by STE D'ETUDES POUR L'EQUIPEMENT DES RESEAUX D'ECOULEMENT DES FLUIDES (SEPEREF) SA, Paris, which as a result will raise its own capital from F 1.6 million to F 4.167 million.

Seperef specialises in glass laminates and is the joint subsidiary of Generale des Eaux and Tissarex SA, Paris (capital F 16.64 m). Formerly called T.S.R. - Tissages de Soieries Reunis SA, Lyons (see No 398), the latter became a holding company after making over its manufacturing and sales interests to T.S.R. - Tissages de Soieries Reunis SA (second company to have this name), which was formed from the subsidiary T.S.R.P. - Tissages de Soieries Reunis de Paris SA.

INSURANCE

** The Amsterdam insurance group NV ALGEMENE MIJ. TOT EXPLOITATIE VAN VERZEKERINGSMIJEN - A.M.E.V. (see No 506) has strengthened its Belgian interests by forming a property subsidiary, AMEV-IMO SA (capital Bf 10m). Under the direct control of NV BELEGGINGSMIJ. BRABANT (see No 475), this will be run by Mr. J.J.M. Van Zinnicq Bermann. The group's other interests in Belgium include Cie Belge d'Assurances "Utrecht Risques Divers" SA, Brussels and - directly controlled by NV Praktijkvoorziening Amev, Utrecht with a token shareholding held by several of the group's subsidiaries - Caisse de Credit "Utrecht" SA, Brussels. In the Netherlands it has recently gained control of NV Mij. Van Brandverzekering Voor Het Koninkrijk de Nederlanden "de Groote Bossche Van 1838", as well as the latter's data processing services subsidiary, Erac NV.

** The Zurich insurance group "ZURICH" - VERSICHERUNGS-GESELLSCHAFT (see No 447) has gained a large majority in its Cologne counterpart AGRIPPINA VERSICHERUNG AG (see No 455), and now holds a 75% interest along with the Cologne bank DELBRÜCK & CO KG (see No 498). It has also made a bid to the shareholders for the remaining 25% needed for outright control. With a capital of Dm 11.2 million, the West German company, which employs some 2,800 persons, includes amongst its main interests Agrippina Rückversicherungs AG (39.8%), Agrippina Levensversicherung AG (40%), Patria Versicherung AG (95.7%), Central Krankenversicherung AG (47.1%) and Rechtsschutz Union Versicherungs AG (25%), all of which are based in Cologne. The Swiss group is the leading continental insurance concern in the civil damages and accident sector and already has two West German subsidiaries, Deutsche Allgemeine Versicherungs AG and Zurich Kautionsversicherungs AG, both based in Frankfurt (see No 420). Its "life" division, run by "Vita" - Levensversicherungs AG, also has a branch in Frankfurt, established in 1926.

** The merger of five Dutch insurance companies which was decided upon in December 1968 (see No 487) will involve the formation of a joint holding company called INTERPOLIS NV, ranking seventh in the fire, accident and divers risks sector in the Netherlands. The holding company will head NV Levensverzekeringsmij. BTL, The Hague, as well as four mutual fund concerns closely linked with Cooperatieve Centrale Boerenleenbank, Eindhoven: Onderlinge Verzekering Mij. van de ABTB, Arnhem; Verzekeringen van de LTD, Leyden; Limburgse Onderlinge Verzekeringsmij, Roermond, and Verzekeringen NCB, Tilburg.

** A merger has been agreed in principle between the Amsterdam insurance groups DELTA VERZEKERINGSGROEP NV (see No 518) and NV NEDERLANDSCHE LLOYD (see No 519) and will result in the former being re-named DELTA-LLOYD VERZEKERINGS-GROEP NV. This new group will have a capital of Fl 37.6 million, employ some 3,800 persons and rank second in the fire, accident and divers risks sector (premiums Fl 240m) and third in the life sector (premiums Fl 234m).

Delta Verzekeringsgroep (life premiums Fl 210m) was itself formed by the 1968 merger (see No 456) of the insurance companies Amstleven-Amsterdamsche Mij. Van

Levensverzekering NV and Hollandsche Societeit Van Levensverzekeringen NV. Nederlandsche Lloyd (fire, accident and divers risks premiums Fl 159m) has as its main subsidiaries Schadeverzekeringsgroep Nedlloyd NV and Levensverzekeringsgroep Nedlloyd NV.

OIL, GAS AND PETROCHEMICALS

** The New York oil group TEXACO INC (see No 505) has closed down its Brussels subsidiary REGENT OIL SA and appointed M. Victor M. Vanderlinden to carry out this operation. The move will form part of the group's steps to rationalise its interests in the Benelux countries following the overhaul of CALTEX - CALIFORNIA TEXAS OIL CORP, New York (see Nos 416 and 448). This has already led to Texas Petroleum NV, Brussels, acquiring some of the assets (valued at Bf 45.7m) of Chevron Petroleum Co NV, Brussels, itself the almost wholly-owned subsidiary of Standard Oil Co of California, through Chevron Oil Europe Inc, New York.

** The London group THE BRITISH PETROLEUM CO LTD (see this issue) has strengthened its Dutch interests by forming a subsidiary called BRITISH PETROLEUM NV, Amsterdam (authorised capital Fl 50m - 20% issued). Directly controlled by BP TRADING LTD, London, with a token shareholding held by KENILWORTH OIL CO LTD, London, the new concern will search for, produce, transport and refine petroleum gases.

The group's existing interests in the Netherlands include British Petroleum Mij. Nederland NV, British Petroleum Exploratie Mij. Nederland NV, Benzine & Petroleum Handel Mij. NV and British Petroleum Raffinaderij Nederland NV.

** C.F.R. - CIE FRANCAISE DE RAFFINAGE SA, Paris (see No 516 - a member of the C.F.P. - CIE FRANCAISE DES PETROLES SA group) recently extended its Belgian sales interests (see No 396) when TOTAL BELGIQUE SA, Brussels, gained control of the distribution company SMETO SA, St-Josse-ten-Noode, Brussels. The latter's name was then changed to SETO SA and with MM J. Bouillier and P. de Bourgoing in charge, its head office was moved to Brussels.

PHARMACEUTICALS

** The West German chemical group SCHERING AG, Berlin and Bergkamen (see No 518), which acquired a 94% majority interest during June 1969 (see No 517) in the Hamburg pharmaceutical company C.F. ASCHE & CO AG (capital Dm 1.6m), has made an offer to the remaining independent shareholders for their shares in order to gain outright control. The group's stake in Asche has been raised from 25% in 1966 to 49% in 1967.

PLASTICS

** POLVA-NEDERLAND NV, Enkhuizen (see No 481 - a member of the NV NEDERLANDSCHE KABELFABRIEKEN, Delft), which makes plastic conduits and sheeting, has signed a 50-50 agreement with VERENIGDE OLIEHANDEL MIJ. NV, Rotterdam. A joint subsidiary trading in plastic products called POLVOM NV, Rotterdam, has been formed, with an authorised capital of Fl 250,000 (20% issued). The first director of the new company is Mr. Johan A. de Graaff.

Ver. Oliehandel is the joint subsidiary of "Hanijd" Mij. Voor Handels- & Nijverheidsondernemingen NV, Rotterdam, and Vereenigde Ertshandel Mij. NV, The Hague, itself a subsidiary of the Rotterdam group Wm. H. Müller & Co NV.

** An agreement has been made between the Brussels group SOLVAY & CIE SA (see No 518) and the London group I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD (see No 516) through their joint (75/25) subsidiary SOLVIC - SA POUR L'INDUSTRIE DES MATIERES PLASTIQUES, Ixelles, Brussels (see No 500) and the Finnish company PEKEMA OY. As a result the latter has received a manufacturing licence for PVC and monomervinyl chloride.

The Finnish firm has recently been established as a joint subsidiary of State and private concerns, and it will build a plant at Porvoo, Finland, with an annual capacity of some 50,000 t.p.a. to make use of its new licence. Plant construction work for the new project will be the responsibility of C.T.I.P. - Cia Tecnica Industria Petroli SpA, Rome (see No 500).

** A reciprocal technical cooperation agreement, which includes an exclusive exchange of licences, has been signed between the Italian plastic materials processing concern PLASTICA CALEPPIO SpA, Settala, Milan (see No 470) and the Japanese company TOYO CHEMICAL CO LTD, Tokyo. The former will manufacture and distribute on the European market the "Mirawood" plastics developed by the Tokyo firm, which in return will manufacture and sell throughout the Far East the "Robex" panels used in furnishing and developed by the Italian concern.

SHIPBUILDING

** A merger between two Dutch shipyards will involve HOLLANDSE SCHEEPSBOUW MIJ. NV, Groot Ammers (60 employees), which makes inland waterway tankers and barges, excavation and handling equipment, and NV SCHEEPSBOUWWERF v/h GROOT & VAN VLIET, Slikkerveer. The latter employs some 350 persons in the manufacture of container ships and custom-built vessels for refrigerated and chemical goods.

TEXTILES

** The Belgian company TEFZET BELGE SA, St-Nicolas-Waas (furnishings and textile-based coverings) has increased its capital from Bf 320,000 to 480,000. As a result the West German company TEFZET GmbH, Munich, which already has a 50% stake through its owners, the Dürrschmidt family, has been able to take a direct interest. The remaining 50% is held by the Belgian families Vermeulen and Huyghe.

** The British mens' ready-made clothing firm MONTAGUE BURTON LTD, Leeds (see No 322) has strengthened its Common Market interests by forming a Brussels subsidiary called MONTAGUE BURTON BELGIUM SA (capital Bf 2.5m) under Mr. James Whitehouse. The Leeds group is already well established in France, as well as in West Germany.

** The Paris cotton group DOLLFUS-MIEG & CIE - whose principle shareholder is ETS. THIRIEZ & CARTIER-BRESSON SA, Lille (formerly Anc. J. Thiriez Pere & Fils - see No 500) - has signed an agreement with the Glasgow group J. & P. COATS LTD (a member of the Coats Patons Ltd group - see No 497), which will lead to the merger of their Argentine interests. This move is intended to rationalise production and thereby reduce costs in the Argentine. The British group is represented by Hilos Cadena C.A.C.I., while the Paris group has a subsidiary in Buenos-Aires, La Textile de Boulogne C.A.

Dollfus-Mieg has two other direct American subsidiaries, The D.M.C. Corp, Elizabeth, New Jersey, and Plata Hilos C.A., Montevideo, as well as other interests in Mexico, Peru, Colombia, Salvador, Venezuela and Panama, which will be headed by the Panamanian holding company Soparcol Inc.

** The West German textile group H. LORENZ KOMMANDITE, Aachen (see No 349) has gained a large shareholding in the woollen clothing firm DAMENKLEIDERSTOFF - FABRIK RUDOLF NICKERL & SOHN WEBEREI-FAERBEREI-AUSRUSTUNG oHG, Odenheim, Bruchsal and changed its legal status to a limited partnership (KG) - Dm 1.7 million in funds.

The Lorenz group already heads several other concerns in the textile sector, Bedburger Wollindustrie AG, Bedburg, Cologne; Hans Lorenz GmbH, Aachen; Lorenit Stoffe GmbH & Co KG and B. Th/Vonachten Nachf (both in Berlin); and Peter Irmen Tuchfabrik KG, Korschenbroich, Düsseldorf.

** FILATURE DE LA MOSELLE SA, Remiremont, Vosges (capital F 1.8m) and TISSAGE DE SAULX SA, Saulx, Moselle (capital F 180,000) have become shareholders in the manufacture of lingerie and mens' shirts, QUEVAL & CIE SA, Rouen (branch at Marseilles), which has raised its capital from F 12.24 million to F 17.6 million in two separate operations.

Queval, which has production facilities at head office, at La Rochelle, Charente Maritime, Remiremont and Val d'Ajol, Vosges, has recently established a Düsseldorf sales subsidiary, Queval GmbH (capital Dm 400,000).

** The French knitwear group VITOS - ETS VITOUX SA, Troyes, Aube (see No 512) has strengthened its West German interests by acquiring a 33.3% interest held by its partner ETS PORON SA, Troyes (see No 500) in their joint Düsseldorf sales subsidiary VITOS & PORON GmbH (see No 477), and thus has complete control.

Vitos (capital now being raised to F 12.1 m - 1968 sales F 96.8 m) exports some 9% of its production. Apart from its German subsidiary, its main foreign interests are S.B.E.M., Brussels; Vitos Ltd, London; Intebis, Lisbon and Vitos de Mexico, Mexico.

** The West German knitwear concern SUSA - WERKE SCHNEIDER & SOHN GmbH, Heubach, Württemberg (capital Dm 1.4 m - 1,300 staff) has closed down the Belgian subsidiary SUSA Sprl, Jette, which was formed in 1957 with a capital of Bf 12,000.

** The French textile groups FILATURES PROUVOST-MASUREL & CIE - LA LAINIERE DE ROUBAIX SA (see No 519) and ETS. L. DEVANLAY & RECOING Sarl, Troyes, Aube (headed by MM Jean and Pierre Levy - see No 518) have agreed to re-group their joint interests in the knitwear sector within TRICOTAGE INDUSTRIEL MODERNE "TIMWEAR" SA, Paris (see No 435), which had a turnover of F 106.22 million.

The latter will thus acquire the two groups' interests in Ets. Andre Gillier SA, Troyes, Ste Coloroy SA, Paris and Troyes (formerly at Coloroy-la-Grande, Vosges - see No 506), Ste Industrielle de Bonneterie SA, Troyes, and S.A. de Teinture & d'Apprets (S.A.T.A.).

As a result its turnover will now exceed F 500 million and it will employ some 7,000 persons, as well as becoming one of the leading European knitwear concerns with its "Timwear" and "Targa" over-garments, "Jil" underclothes, and "Chesterfield" and "Exciting" stockings and lingerie.

Gillier recently renewed for 33 years the manufacturing agreement for "Lacoste" shirts which it has with the designer M. Rene Lacoste, who heads La Chemise Lacoste, and which the new Timwear group intends to promote on a world-wide scale.

TRADE

** The Essen steel group FRIED. KRUPP GmbH is continuing to rationalise its structure (see No 513) and has sold off the commercial complex it controlled there to the chain-store and mail order group GROSSVERSANDHAUS QUELLE GUSTAV SCHICKEDANZ AG, Fürth (see No 486). The complex includes a hotel, chain-store premises and car parking facilities. Grossversandhaus Quelle Gustav Schickedanz, which has recently opened a new store in Austria at Krems, has also transferred from Berne to Baden the headquarters of its Swiss holding company Quelle Finanz AG.

TRANSPORT

** The West German shipping company ERNST RUSS KG, Hamburg (see No 416) has strengthened its Belgian interests by forming a new shipping subsidiary called ALGEMENE SCHEEPVAARTMIJ. BRABANTIA NV, Antwerp (capital Bf 10 m).

The new concern will be run by M. Andre Leysen.

Token shareholdings are held by the founder's subsidiaries Algemene Scheepvaartmij. Scaldia NV, Algemene Scheepvaartmij. Pontos NV, Algemene Scheepvaartmij. Pomona NV and Algemene Scheepvaartmij. Antwerpen NV, all of which are based in Antwerp. The Hamburg concern is also closely linked to the Ahlers group, with which it shares control of Algemene Scheepvaartmij. Antwerpen and which has a token shareholding in Pontos and Pomona.

** INTERPOOL (NASSAU) LTD, Nassau, Bahamas, has formed an Amsterdam subsidiary to lease containers, materials-handling equipment and also transport containers. Called INTERPOOL (NEDERLAND) NV, this has an authorised capital of Fl 20,000 (20% issued) and is headed by Messrs Gabriel Alter, Toronto, Ontario, and Johannis J. Caron, Amsterdam.

** C.G.T.M. - CIE GENERALE TRANS-MEDITERRANEENNE SA has been established in Paris with a capital of F 100,000 as a 65/35 subsidiary of the C.G.T. - CIE GENERALE TRANSATLANTIQUE SA, Paris group and its 16.95% subsidiary CIE DE NAVIGATION MIXTE SA, Marseilles. The new concern will provide the framework for the merger of its two founders' Mediterrenean interests and C.G.T. is expected to take over those of Navigation Mixte in the near future.

C.G.T.M. has M. Yves de Joannis as president and other companies represented on the board apart from C.G.T. are Cie des Docks-Entrepots du Havre SA, Paris, and the insurance company La Fortune,Cie d'Assurances Maritimes & Terrestres SA, Le Havre (see No 503). The latter is a shareholder in Cie des Docks-Entrepots du Havre, as well as in Navigation Mixte.

VARIOUS

** The Swedish film company SVENSKA FILMINDUSTRIE A/B, Stockholm, is to be represented in France by a Paris subsidiary, which will acquire and run cinemas as well as carrying out all associated operations. Called SUEDE FILM SA (capital F 400,000), the new subsidiary will be run by M. Claude Striffling.

** The Dutch holding company VREEKEN NV, which controls the organ manufacturer NV EMINENT FABRIEK VAN ELEKTRONISCHE ORGELS, Bodegraven, intends to acquire control of KEMPES MEUBELFABRIEKEN NV, Waddinxveen.

The latter (capital Fl 2.115 m) has as its main shareholder Nederlandse Participatie Mij. NV, Amsterdam (15% - see No 512). The Waddinxveen company is the leading Dutch furnishing concern ("Formule" brand) and it also has a branch in Brussels. Since early 1967 it has had a cooperation agreement with another firm in the same sector, Zuid-Nederlandsche Club Meubelenfabriek NV, Venlo.

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