Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

AN INTERVIEW WITH PROFESSOR KARL SCHILLER

Economics Minister of the
Federal Republic of West Germany

Recent events in France have tended to eclipse a number of major issues in Europe, and current monetary problems, which were only lately the focus of general attention, are no exception. However, the slight easing of the world monetary crisis is but minimal, and at any time the situation could again flare up to danger level. The Stockholm meeting of the Group of Ten was a positive step towards the reform of the international monetary system. At the end of May, the Finance Ministers of the EEC were to have met in Luxembourg to study the situation and to intensify the coordination of the monetary policies of the Six, but no positive steps could be taken because the French, German and Italian ministers could not be present.

This does not alter the fact that a particular burden of responsibility rests on the shoulders of the Six as regards the monetary problem. Any policy they may adopt in the coming months will have widespread repercussions, and it was with particular reference to this side of the question that our correspondent France Barbey interviewed Professor Schiller in Bonn.

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Question: Discussion of international monetary problems seems at the moment to have dropped into a minor key, but nothing has occurred to modify the root causes of instability. What part do you feel the EEC should play in the quest for instilling some sort of balance into the system, and what is West Germany herself likely to suggest as remedial measures?

Answer: It was the Central Banks' decision in Washington no longer to intervene in the open gold market that averted any continuation of the monetary fever that we have suffered in recent months. But nobody would pretend that this recourse did anything to eliminate the causes of the malady. The instability of the world monetary system as it at present operates stems from the fact that it is completely vulnerable to the balance of payments problems of the reserve currency countries. Thus it is imperative that these should reduce their payments deficits, and that we should do anything reasonable to assist them in their efforts.

Moreover, my own view is that we should somehow sever all correlation between the monetary system and the payments balances of these countries, and find some more concrete and rational basis for it. Precipitate action would be foolhardy, however, and what we counsel is the fostering of monetary evolution in the right direction. This is why, after intensive discussion in April 1967, the member countries of the EEC decided to back the new Special Drawings Rights system (SDRs) for the IMF, as a means eventually of complementing the established forms of reserve, that is, gold, the dollar and the pound sterling. More recently in Stockholm ways and means of creating SDRs were formulated at the Group of Ten meetings. During all such discussions, West Germany has attempted to mediate between the diametrically opposed views of France and the USA, and to find some tenable compromise.

The EEC has secured a minority blocking vote on all major decisions relating to the new system, in addition to which the influence of the EEC countries has been enhanced by modification of the provisions made under the Bretton Woods agreement. Thus the Community will continue to shoulder much of the responsibility for the success or otherwise of the reform of the monetary system, and this will be particularly apparent when it comes to a practical decision to activate SDRs. We have been encouraged by the degree of cooperation that the Six have managed to achieve in monetary matters so far, but such far-reaching changes are now mooted that this cooperation must yet be vastly extended.

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Question: There are those who talk of the "colonisation" of Europe by American investors: what is West Germany's attitude?

Answer: The terms "colonisation" or "fear of foreign seizure" betray an ignorance of the concept of the international division of labour. If we want our economies to expand satisfactorily, this is something to be pursued, and direct investment from abroad has an important part to play in this. Such investment is a vehicle for technological advance; it stimulates competition, and demands a more sustained effort on the part of the competitors.

Foreign investments in Germany are nowhere near a level that could justify the fear of foreign seizure. A Federal Bank study has shown that of all capital behind German industry, only about 10% comes from abroad, and only 4% from the USA. True, foreign investors are better entrenched than this in certain key sectors, such as oil, cars and data processing, but we should bear in mind that direct investment should always be looked on as a reciprocal device, conducing to the mutual interdependence of capital. Again, the degree of foreign investment is always preconditioned by the balance of payments situation in the country of origin, as is well demonstrated by the case of the USA at the present time.

We should nevertheless stress that in having recourse to direct investment, foreign interests are committing themselves as fully as home companies to the economic objectives of the host country. West Germany would never allow such interests to distort, impede or preclude competition. At the same time, we do not consider the restricting of such investments to be a good way of stimulating competition between national concerns. This can only be secured by consistently progressive policies: management must be made more effective, inter-company cooperation more intensive, the size of undertakings more compatible with the widening scope of the market, and research and devellopment more ambitious. Goverment aid must be at pains to keep abreast of all this, and this is what we are attempting to do in West Germany.

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Question: How do you react to the suggestion that France plans to wage an all-out campaign against the dollar?

Answer: I do not believe that France plans to take any "decisive action" against the dollar. She expressly stated in Stockholm that she would be prepared to contribute to the stabilisation of the monetary situation, which to my way of thinking rules out any action against the dollar. She has never, of course, given her full assent to the SDR system, but she claims to be awaiting the complete texts pertaining to the creation of these rights. Be that as it may, if one is to judge from the cooperation she has shown so far, one can only conclude that, like all other principal countries involved in the monetary question, she is seeking to reform the system without recourse to methods both dangerous and unlikely to yield much fruit.

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Question: Do you believe that there is any connection between the creation of SDRs and the reform of the International Monetary Fund?

Answer: The two exercises are closely linked, if only because the original IMF agreement in 1944 will have in some measure to be modified if provisions regarding SDRs are to be included.

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Question: Do you believe in the creation of a common European currency?

Answer: A common currency presupposes a common monetary policy, and this can only come with the integration of economic and financial policies. Thus we must first make progress in cooperation over economic, financial and monetary policy. Only then may we really begin to get down to the question of creating a common European currency. Remember that the prime object of strengthening such cooperation, moreover, is to ensure economic expansion with stability.

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Question: What action can the Community take to ensure that the cramping effect of the latest measures to protect the dollar does not create disorder in the countries of Western Europe?

Answer: The U.S. balance of payments cannot be put to rights overnight, and indeed if this were to happen it would upset not only the American economy, but that of Europe also.

In fact, the reduction of demand, as required by the need to eliminate the payments deficit, will come in packages. The best way for European countries to come to terms with these developments is to concentrate on developing their own internal demand, which will guarantee them growth with stability. All members of the EEC are agreed on this, and this in itself will be an effective contribution to the restoration of the American balance of payments.

The measures to be taken over external trade are of paramount importance, and the obvious way is to press on. This is why we went for the staggered acceleration of the Kennedy Round cuts, and we believe that all parties will gain in this way. If the United States were to restrict imports, they could set in motion a mechanism that might have disastrous effects on world trade in general.

Expansionist measures have been adopted in several EEC countries, especially in West Germany, where they have proved highly successful. We shall be watching developments in the economy most closely, to see whether the forces thus set in motion will suffice to bring about stable growth. My own view is that the Six should agree to oppose any tendency for interest rates to creep up, as this may well prove to be one of the effects of the improving US balance of payments.

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Question: What now is the economic outlook for West Germany?

Answer: On April 26, the German economic studies institutions all agreed on an estimated 7% growth in GNP for 1968. They also acknowledged as a success the Federal Government's remedial economic measures, taken in 1967. These measures were contained in the economic stabilisation and expansion law which, since last year, has given us improved control over economic development. We feel, too, that with this tool we should be able to ensure optimal growth of the economy in the future and maintain stability.

THE WEEK IN THE COMMUNITY

June 17 - June 23, 1968

THE COMMON MARKET

Nominal Customs Union?

To the leaders of the Community, the calendar has now perhaps become more of an embarrassment than ever before. In the very last week before the customs union, hailed as the first great milestone in EEC integration, is due to be realised, the Community finds itself enmeshed in a complex of issues and events that only time and patience, both of which are in short supply, can resolve. It seemed, after the agricultural ministers had agreed the outline regulations for the beef and dairy markets on May 29 (see No 464), that it would be relatively plain sailing up to the July 1 deadline: only the details remained to be settled. In the meantime, a number of things have gone sadly awry. Last week's two-day meeting of the ministers saw not one of the 60 or so texts relating to the beef and dairy markets receive the common approbation of the Six, even though only 8 or 10 of the texts are in fact essential to the customs union. Moreover, the chairman of the Council declined to give the press conference that normally follows such meetings, and what took place is largely a matter of surmise.

To judge from the Commission's comments on the May 29 agreement and indeed from what observers and representatives of the beef and dairy industries of the Six are saying, it would appear that the agreement in fact betokens little more than deference to the principle of the deadline and that of the Kennedy Round cuts, with an eye also to the situation in France. Beyond this, the vested interests of the Six would appear still to be clashing, with members still seeking this and that dispensation (the Belgians, subsidies on manufacturing milk; the Dutch, subsidies on cheese etc), and it was this that prevented any real progress at the meeting. As it stands, the agreement will involve prohibitively high costs, and there is nothing for it but further revision of the scheme. In the meantime, the ministers have been compelled to split hairs and decide that the single beef and dairy market regulations shall "come into force" next Monday, but that they "will not be applied" until a later date: not the most satisfactory realisation of the customs union that could be wished for by European-minded onlookers.

In defence of the ministers, however, there are a number of other factors weighing upon the situation, not the least of which is popular pressure at home. Last week the farming community in both Germany and Italy demonstrated its dissatisfaction with the deal that July 1 promised to bring it. In the first case, Bonn had no alternative but to promise that it could demand some revision of the CAP and the arrangements for financing it. In Italy, meanwhile, the demonstrators were putting pressure on a government that was in no position to jeopardise the May 29 agreement (Signor Moro's coalition resigned on

June 4, and it was not until June 24 that a temporary government under Signor Leone was sworn in - a weak government, consisting of Christian Democrats only, and relying on the goodwill of the Socialists to maintain its majority). One might deduce from this, then, that the German and Italian delegations were not loth to let the storm pass, and to postpone the implementation of the regulations for these two sectors. After all, neither Germany nor Italy have any good reason to delay progress on the CAP unduly. The Commission itself, moreover, in view of the sheer weight of work that has to be done, has already suggested that the deadlines for these two sectors be put off, for beef until August 1, and for dairy produce until October 1.

At the close of the ministers' meeting, then, everything was left very much up in the air, with an eleventh-hour council scheduled for June 26-28, with intensive spadework planned for the special agricultural committee in the two days before this. Presumably they will give priority to such matters as levies and export refunds in trade with third countries and corrective adjustments in intra-EEC trade in butter and powdered milk. A neat tailoring of agricultural legislation by July 1, however, is now obviously a forlorn hope.

Now that we are in the final week before customs union, however, the position has become more clear, if not more promising: Bonn's undertaking to the farmers has now been taken a step further, with Herr Hoecherl, minister of agriculture, telling the Bundestag that the Federal Republic is not prepared to shoulder as large a share of the burden of the CAP as has been placed upon her for the period after January 1, 1970 (31.1% of EEC farm finance, for a return of only 11.5%). Only France and the Netherlands so far have benefitted, on balance, from their financial transactions with FEOGA: against Germany's deficit up to the end of this year of around Dm 1,600 million (£165 m. approx), France will probably show a surplus of nearly Dm 1,900 million. It is believed that Germany will seek a reduction in the proportion of her contributions from 31.1% to around 28%. Whilst this announcement will probably not affect the ministers' decision to bring in the customs union as scheduled on Monday (if but in word alone), it does mean that debate of the CAP and financing of it will now continue as hotly as before.

Meanwhile,in Brussels, a clear picture of the likely action on, and effects of French requests for safeguard clauses covering her trade in industrial goods is still not to be had, although we are now a little closer to this. Last week the Commission declined to give any ruling on the first request of this nature, when Paris asked for protection beyond July 1 for domestic appliances and plywood. The Commission then held that it would have to be apprised of all the proposed measures in detail before it could make any statement. On June 25, M. Jean Marc Boegner, French permanent representative in Brussels, as it were handed over the next tranche of the proposals, outlining protective measures for cars, textiles and certain steel products. This, of course, is not what the Commission asked for, and it was already known that these were likely sectors for such proposals. Nothing gained.

However, there seems to be a good chance that the purpose of these proposals was to sound reactions, and that in the light of these a full dossier will be handed over later in the week, the aim being probably to impose temporary import quotas as from Monday, and also to furnish certain export subsidies. It would appear that the French are hopeful of getting these measures classified as "limited safeguards", based on recent trading figures, and thus not accountable as a partial closure of her trading frontiers, i.e. a rupture ab initio of the customs union.

Unfortunately, although the extent of the proposed French safeguards is now more clear, their repercussions remain unknown. So far proposals have been submitted to the Commission, but the French have not stated under what Article of the Rome Treaty they are planning to act. If they opt for Article 226, then they are placing the matter at the discretion of the Commission, which has already shown reluctance to ratify protection for domestic appliances (notably refrigerators, against Italian competition) and plywood and kraft paper. If, on the other hand, they choose to invoke Article 109, they then leave themselves open to a majority vote from the Council of Ministers, which has the right to enforce the suspension, amendment or abolition of such measures. If France uses neither of these official courses, however, she will be in direct breach of the Treaty, which, given her avowed intention of adhering to Monday's deadline insofar as she finds it possible, would be a most regrettable turn of events. One can only hope that the official channels will be used, and that the Five will find ways and means of allowing the safeguards, rather than risk a breach of Treaty clash at the very time when customs union is being introduced. July 1 may yet go down as the red letter day it was planned to be, but any assessment of this could only be made from hour-by-hour reports from all the EEC capitals up to the very last moment.

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E.E.C. ECONOMY

Had it not been for the cloud of the French crisis hanging over Europe the European economy would have been in a remarkably stable and expanding state in recent weeks. Industrial expansion has acquired new momentum of late, and a substantial surplus on visible trade has been obtained although imports have also been increasing, and unemployment continues to decline. As yet the effects of the French crisis have not really made their mark upon the Community's records and statistics, but the impression culled from the latest monthly review of the Community's economic position published by the Commission is that the relative stability and steady economic expansion of the Community is about to receive a rude sock as the real effects of the July 1 economic union coincide with the effects of the general strike.

Production: The seasonal revival of industrial production has continued into the summer, this trend being particularly in evidence in West Germany where the propensity to invest has grown ever stronger and the demand for certain consumer durables has increased. In France too, significant increases in production were made right up to the beginning of the strike, the month of May being a notable turning point, when the effects of the strike brought about a sizeable dip in production. The Netherlands also exhibited an expanding production trend, but Italy has become less dynamic and is suffering from a thin period for fixed asset formation and stockbuilding. Belgium too is in a less strong position than before, but the increasing vitality of the export drive is likely to contribute to an enhanced domestic demand. Luxembourg benefitted little economically from the amelioration in the international steel market, overall industrial production only improving marginally since activity in all other long-established industries, such as textiles and mechanical engineering, remained weak.

Labour: Towards the beginning of the Spring the trend towards a decline in the unemployment figures tended to become more marked. Again, it is West Germany which gives the lead in this trend: at the beginning of May the number of unfilled vacancies was, for the first time since 1966, higher than the number unemployed. Italy too marked up a similar decline in unemployment, but in the Netherlands and even more so in Belgium and France unemployment rose, although in the latter two countries the tendency was beginning to decline. As evidence of this trend, the Commission points out that the number of unfilled vacancies has for several months been moving upwards.

Prices: During the March-April period the only country to suffer from any particular rise in consumer prices was the Netherlands where price increases in the clothing industry affected the retail price index. In all other countries prices remained stable or rose only marginally. The most important factors contributing to this trend are the price stability of certain key agricultural products, the stable or only slightly higher wage costs per output and the ample reserves of production capacity still available in most member countries. Costs and charges continue to rise in the service industries, although there were no notable increases in charges for public services in most member countries. In the Netherlands the unions have been putting pressure on the authorities for an improvement in working conditions. This move means a shaky future for retail prices and the possibility of an acceleration in the cost-and-price spiral, a trend which is even more likely to appear in strike-torn France.

Incomes: The most dominant factor in wage trends during the first quarter seems to have been the relatively easy situation on the labour market. In West Germany and Belgium wage rises were again small; in the Netherlands, the renewal of wage agreements running for one or several years and the increases in Civil Service salaries on January 1 and May 1 led to a distinct rise in wages, a rise which reached almost the same tempo as last year. The persistent deficit on the balance of payments, the fairly high level of unemployment and the insistent pressure from the unions for improved conditions have provoked the Dutch government into proposing a wage freeze for 1969 by automatically extending by six months the validity of all wage agreements due to expire next year. In Italy there was an increase in civil service salaries on March 1 and France is on the brink of a large scale wave of wage increases.

Trade: The Community still had a substantial surplus on visible trade at the beginning of the Spring. Imports, particularly those of raw materials, semi-manufactured and capital goods, continue to increase; deliveries of steel and exports of automobiles to the United States continue to run at a very high level and thus help to offset any increase in imports. In February-March, gross figures for Community exports to the U.S. showed a 50% rise on the figures for the similar period last year, the rise in exports from BLEU and West Germany being greater than the average. Consequently, the structural deficit on the Community's trade with the USA, which had exhibited a decline since autumn 1967, disappeared in the course of the first quarter. The March surplus was however due in part to delays in shipment of American goods following the eleven day New York dock strike.

Imports from non-member countries continued to rise during this period. Seasonally adjusted however, the value of visible imports was only 1% up on the preceding quarter, after the 8% increase from the third to the fourth quarter of 1967. Some special factors, such as the considerable increase in mineral oil imports, added considerably to the import bill towards the end of 1967. Following the good harvests of last year agricultural imports are down especially in Italy. Growth of imports in the capital goods sector of the economy as well as in the primary sector remains a dominant trend.

Following the slight deterioration at the end of last year, the terms of trade within the Community have not changed much during the first few months of this year. Import prices for raw-materials and semi-manufactures are tending to fall and this was in part due to excess supplies on the international markets, especially those for agricultural products. The overall level of import prices was influenced by the slump in the copper market occasioned by the strike in the US copper industry and the threat of a strike in the Chilean production centres. Sterling devaluation gave this currency a slight edge over Community currencies in European trade and this led to certain price alignments by competitors. The average values of the Community's exports showed little change, a reflection of the fairly quiet trend of domestic producer prices.

Sales: Following the boost in private consumption towards the end of last year, the first few months of 1968 proved to be quite quiet, followed by a period of shaky expansion and expanding spring sales. In West Germany retail sales showed little signs of expansion until April when registrations of new cars took a turn for the better, especially in comparison with the low level of the same period the previous year. Sales had slumped at the beginning of this year following the buying spree in anticipation of the introduction of TVA to Germany when it was expected that prices would rise. French sales of cars declined, whilst sales of other consumer products seemed to exhibit if anything a more lively trend.

In Italy and Belgium retail sales remained largely stable, but in the Netherlands and Luxembourg, where there had been significant wages increases, sales expanded somewhat.

* * *

TRADE

Community Trade for the First Quarter

Community trade with third countries increased significantly over the first quarter of this year. Trade within the Community itself increased by 12%, imports and exports to non-member countries by 7 and 12% respectively. The EEC's external trade balance rose to $473 million, i.e. more than a half of the total $860 million surplus of 1967 which followed the years of accumulated deficit since 1961.

Intra-community Trade: Trade within the Community increased by $6,700 million; almost all of the member countries increased both their sales and their purchases. Only Dutch sales and German purchases exceeded the average, which was 17% in both cases, the latter offsetting the low (3%) increase in Italian sales to the other members of the Community. Trade within the Common Market now accounts for 45% of all trade carried on by the Six. West Germany, which buys 28% of all goods produced was the principal customer, and also the principal supplier (32%) in front of France (23% and 20% respectively).

Trade with Third Countries: Imports went up by $8,100 million compared with the previous quarter and exports by $8,600 million. Of particular note were the 19% increase in purchases by the BLEU countries and a 16% increase in French sales compared with the same period last year. Community trade with the United States has grown vigorously, imports have gone up by 5% but exports by almost ten times this amount. Exports to Britain have increased by 51% and imports by only 5%, leaving the Community with a favourable trade balance of $62 million.

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TARIFFS

What Happens on July 1?

Despite the clouds gathering over the customs union deadline (see Common Market), with some slight danger of spiralling exceptions and safeguard clauses, once the French measures are fully tabled in Brussels, and when Germany enters the lists to secure FEOGA contribution reductions, the time has neverthless come to assess the tariff-lowering performance of the Six since the Common Market came into being. On

July 1, not only does the last remaining 15% of internal EEC tariffs (as they stood in 1957) disappear, but the first two-fifths of the Kennedy Round tariff cuts (of 35% overall) will also be pruned from the Common External Tariff of the Six, as it is brought into force (see No 457, p.7).

In the graphs on the next page are shown the external tariff reductions effected by the Six (Benelux having been aligned from the outset) on five key manufactures, by way of illustrating the pattern of alignment in the Community since 1957. The graphs include both the highest (cars in Italy) and one of the lowest (machine tools in Germany)tariff levels that existed at the outset. The arrival of the CET has of course long been anticipated, and the Six had effected 60% of their alignment moves by 1963. Clearly, with original levies in some cases literally at nil, some of the Six are in fact raising their tariffs to meet the norm: as the graphs show, Germany and Benelux are particular cases in point, and this is where third countries are undoubtedly going to find the sting in the tail of the CET.

It should be pointed out that the system of calculating the level of the CET is based for the most part on a ratio relating to the average levels of tariff imposed by the Six before the Rome Treaty came into effect, although the CET for some 70 items has been determined by negotiation in Brussels. The average level of CET for all goods is approximately 11%, as against around 14% for the average British tariff level when the CET comes into force. On top of the system for calculating the CET for the Community, however, have come both the Dillon and Kennedy Rounds of internationally negotiated tariff cuts. The first led to average reductions of around 20%, such that the CET, for instance on cars, would have been around 22% (see graph), rather than the simple average of the 1957 figures for the Six. On top of this, however, comes the first 40% of the Kennedy Round cuts, which is what in fact provides us with our final CET level for any given item: thus in the illustration we have the original level of tariffs, the degree of alignment prior to the July 1 deadline (given as 1967), the CET level (1968), and the level of the CET after the full Kennedy Round cuts have been affected (1972).

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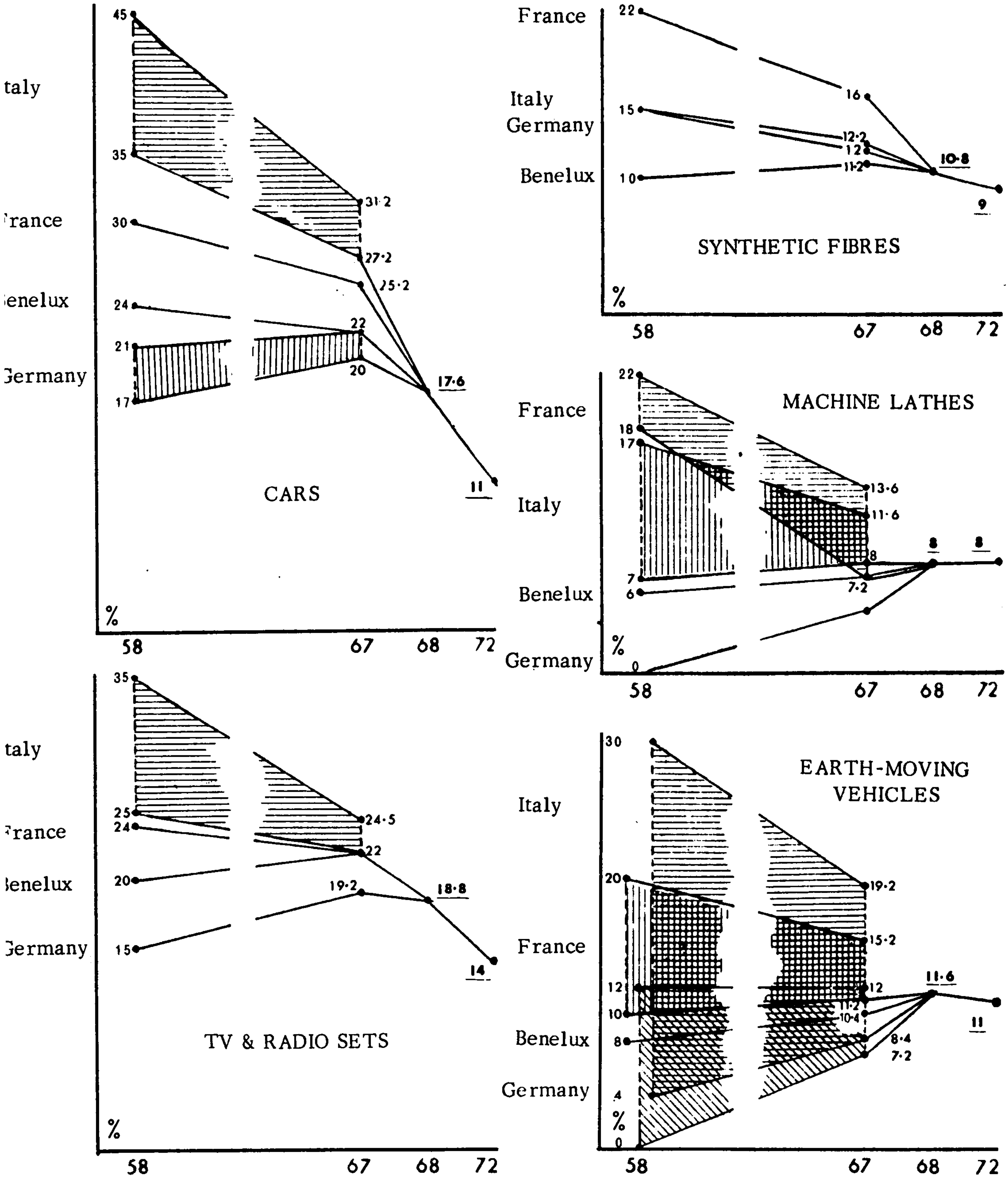
EEC Tariff Alignment in Five Key Products: 1958 - 1972



Opera Mundi - Europe No 467

E.C.S.C.

Commission Gives Go-Ahead on Steel Merger

The EEC Commission has just authorfsed two major steel mergers, one in West Germany and one in France, both of which will result in the formation of giant iron and steel concerns. The German group will result from the fusion of August-Thyssen-Hütte AG and Hüttenwerke Oberhausen AG, and control some 12% of the total Community market for crude steel, the French one from the fusion of de Wendel & Cie and L'Union Siderurgique Lorraine SA (Sidelor), Paris, which will control some 11% of total Community crude steel market.

From now on these two groups will be the most important in the Community, followed by the German-Dutch group Hoogovens-Hoesch (with 10% of the Community crude steel market) and the Italian Finsider group with a 7.9% share of the market.

The Commission was prompted to give its approval to the mergers in the knowledge that the two mergers would probably produce the most economically sized production units, any further concentrations being held to compromise the minimum level of competition as envisaged by the Treaty of Paris and its rulings on oligopolistic practices within the Common Market for iron and steel. It is, moreover, unlikely that the steel firms or groups of the Community could be induced to grow in size either relatively or absolutely, except by dint of mergers and take-overs. If the groups do in fact mark up some growth subsequent to this small wave of mergers, it will be by means of increased investments, but the ominous shadow of surplus capacity is already hanging over the sector outside the Community and this may well have the effect of deterring any further growth.

This being the case, the Commission came to the conclusion that the two groups in question would not be able to wield, within the common market for iron and steel, powers incompatible with the rulings of Article 66 para. 2 of the Paris Treaty. As a pre-condition to giving the go-ahead on the deal, the Commission has added the rider that neither of the boards of management of the two new groups may contain directors from other steel concerns. This pre-condition has become almost standard procedure when it comes to decisions under Article 66. The purpose of this is to ensure that divisions between the various giant steel groups, whose format is becoming more and more common throughout the Community, should be as clear-cut as possible and that the old system of personal links between the concerns at director level should not again become the norm.

The second condition of the mergers is that the two groups should merge the sales side of their collieries in the Ruhr Basin into one integrated sales network. This move is also designed to prevent the formation of links with other groups, the fear being that the new concerns might be tempted to affiliate themselves to various different sales agencies.

As a final condition, Hüttewerke Oberhausen AG must give an undertaking to join the Walzstahlkontor West, one of the four steel sales agencies authorised by the High Authority (see Nos 401,403), to which Thyssen is already affiliated.

De Wendel (controlled by the holding company, Les Petits Fils de Francois de Wendel et Cie) and Sidelor (controlled by the two holding companies, Pont-a-Mousson and Compagnie de la Marine, Firminy et St-Etienne) formed a new joint company two years ago, Societe des Acieries de Lorraine SA (Sacilor). This company has built a new oxygen steel plant which is already in production. In addition Sidelor and de Wendel are members of the group which controls the Societe de Laminage Continu (Sollac), a firm which produces sheet steel.

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ECSC Loans top $800 million

The European Coal and Steel Community has disbursed $822 million in loans since its lending operators began in 1952. This is one of the facts which has come out in the Community's 15th financial report for the year ending December 31, 1967, which has just been published. Shown in the table below is a break-down of these loans for 1967 and a cumulative total for the previous years.

	1967 $m	Cumulative total to end 1967	
		$m	%
Loans to the coal and steel industries	45.35	616.28	74.95
Industrial redevelopment	27.37	74.16	14.86
Workers' housing	5.84	122.22	9.02
Retraining and other loans	0.08	9.60	1.17
Total	78.64	822.26	100.00

In addition to these loans, the Community also made grants of $18,99 million for retraining workers and $11.40 million for aid to technical and economic research during the course of the year. These grants came out of the ECSC's own coffers, derived from a levy on company turnover within the coal and steel sectors, the total yield in 1967 being $30.66 million. The $78.64 million loan capital was financed by four loans which the Community authorities floated on the capital market, helped out by the balance of previous loans and the ECSC's own resources. The four loans realised a total of $58 million, thus bringing the total of loans raised by the ECSC to $720.5 million.

Although of course the High Authority of the ECSC ceased to exist as such on

July 6, 1967, the powers granted it under the Paris Treaty have not been affected. These powers including the financial powers, have been made over to the Commission, which is common to all three communities.

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ASSOCIATION

EEC Remains Firm on Greek Question

M. Jean Rey, speaking on behalf of the Commission, has made it known that EEC policy on the granting of development aid to Greece since the military coup has not changed. In October of last year (see No 432) the Commission decided to block a loan of $10 million, which the European Investment Bank had offered for the construction of a road in Crete, on political grounds. Since then the EEC - Greece Council of Association has been largely moribund.

In a letter to the International Confederation of Free Trade Unions M. Rey has said: "We do not believe that a normal functioning of the association between Greece and the Common Market can be resumed until we are convinced that Greece has engaged herself seriously and rapidly on the road to a return to normal constitutional and democratic life. Up to today, nothing has taken place which might give us this conviction". This statement was in reply to a demand made by the ICFTU and the International Christian Trade Unions that normal relations should not be resumed with Greece. These two unions had been prompted to act in the middle of May when it became known in Brussels that Greece, through its Brussels embassy, was endeavouring to persuade the Community authorities to re-instate the development aid programme.

On June 18 sources in Zurich indicated that the Governor of the Bank of Greece had been on a trip to Switzerland and Germany in an effort to obtain a large long term loan. In this he seems to have been successful: private banking houses in Zurich and Frankfurt have granted loans of $30 million, with repayment "on very easy terms" over a period of five years.

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Lebanon-EEC Agreement finally goes through

Three years and one month after the signing of the formal agreement (see No 393) on trade and technical co-operation between the Lebanon and the Community, the agreement is officially coming into force. Last week the Common Market Council of Ministers gave the final go-ahead to the agreement, following lengthy delays and the continued postponement of the ratification procedure by the Lebanese Government.

Valid for an initial period of three years with the possibility of extension for a further year with the approval of both sides, the agreement involves the application of "Most Favoured Nation" procedure to all their mutual trade, thus introducing a new set of preferences to their trade....

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EUROPEAN DEVELOPMENT FUND

Another $33 million to be paid out

On June 19, the Commission approved nine grants and loans totalling $33.697 million ($27.297 m. in grants and $6.400 in special term loans) following the endorsement of the projects in question by the EDF Committee. This brings the total commitments of the second EDF to approximately $552.457 million exclusive of supervision and administrative costs.

Amongst the most important of the projects in question is the decision to spend $ 100,000 on a feasibility study for setting-up of a joint export organisation for the associated African states. The first stage will involve a study in each associated country, in co-operation with leading figures in the public and private sectors, of prospects for expanding sales in the Community, current or future efforts to penetrate the market and the various sales promotion measures which could be taken by a joint organisation.

The second stage of the survey will be carried out within the Six and will formulate the most suitable structure for the joint export organisation: its task, legal status and the location of the joint sales promotion office or offices.

The other projects are:

CAMEROUN REPUBLIC: 1) $20 million ($5 m. special term loan) for the construction of a 327-km modern railway line between Belabo and Ngaoundere. The EDF's contribution is being used for infrastructure, the supply and laying of the track only, whilst other backing for the project is being given by the Cameroun government, France and the USA.
2) $1.4 million for the purchase of rolling stock and workshop equipment by the Cameroun Railway Board.

MALI: 1) $3.908 million to provide two new rice-growing areas covering 18,000 acres in the region of Segou and Mopti, with flood control works over a further 26,250 acres.
2) 1,054 million to improve the production of cotton, groundnuts and rice.

MARTINIQUE: $2.431 to provide a 26.3 km asphalted road from Lamentin to Marigot.

SENEGAL: An advance of $ 8,709 million to help the Senegal Groundnut Stabilization fund cope with the difficulties created by the decline in world groundnut prices.

EDUCATION & TRAINING:
1) $4.6 million for 1,600 scholarships to nationals of associated states. Another 300 scholarships will be provided by the Commission itself.
2) $54,000 to allow 20 officials to train for five months with the Commission.
3) $150,000 to cover the costs of thirty seminars attended by 1,200 persons.

EUROPEAN TECHNOLOGY

NUCLEAR ENERGY

Britain Withdraws Again

CERN: Britain has severed another of its links with Europe. In April of this year it decided to withdraw from ELDO, the European Launcher Development Organisation as from the end of 1971, thus severely reducing the future effectiveness of the organisation (see No 460). Now comes the decision that Britain is to back out of a major European nuclear project, the 300 GeV (1 GeV = 1,000 Giga electron volts) accelerator project of CERN, the European Organisation for Nuclear Research (see No 444). With Britain out of the scheme it is doubtful whether the project will ever be completed, a fact which only bears out what the British negotiating team for U.K. entry to the Community have been at pains to point out - that Europe is not a viable technological unit without British paricipation. Only with British finance and know-how could Europe hope to keep up with the two giants in the field, the USSR and the USA.

France, for one, will not be particularly sad to hear this news. With the great financial burden that she will have to bear because of the strike and its aftermath, she is anxious not to incur any further expense if this can possibly be avoided. Hints have in fact filtered out of Paris that the French government might indeed have put out an announcement to this effect had the British not obviated the need for such an announcement. Officially, of course, Paris is 'disappointed' by the withdrawal of Britain from the agreement and has even gone to the extent of admitting that Britain's move has put the future of European nuclear physics research in jeopardy. The other CERN members also voiced their disappointment at the British move, though their initial reaction was that the project could go on. When it comes to the crunch however, and the governments involved have to calculate the extra expenditure involved following Britain's departure, they may be forced to think again.

Britain's decision to withdraw was given at the CERN meeting at Geneva on June 20 by the British delegate, Professor Brian Flowers and it seems to have been blamed first and foremost on finance, i.e. on devaluation. According to his statement to the meeting the British government had been "particularly concerned at the effects which participation in this project might have on the balance of resources between high energy physics and other scientific activities, and they also had to review the implication of the devaluation of sterling". The Scientific Research Council, of which Professor Flowers is head, seems to have been unable to convince the government that, even given the possibility of withdrawing from the existing 27 GeV project at CERN, the increased expenditure on high energy physics would not distort the balance of SRC expenditure. It seems now that the field will largely be abandoned to the Russians with their latest accelerator at Serpukhov, south of Moscow (a 76 GeV model) and to the Americans who have recently started on the construction of a 200 GeV machine at Weston, near Chicago. Professor Flowers later admitted in a private statement that he and his colleagues would do all they could to try and convince the British government that Britain should rejoin the project. He felt personally that Britain could not in the long run stay out of the European atom-smasher project.

The plant, a site for which has yet to be chosen, would take some seven years to construct at a cost of £176 million. Britain's share of the cost would be spread like that of all the other countries over these seven years and would amount to 22% of the total cost, namely £39 million at post-devaluation rates. Britain will however continue to support the 28 GeV atom-smasher at CERN for which she has made contributions totalling £24 million over the past three years.

High Temperature Reactors: Hopes of another co-operation agreement between Britain and the Continent in the atomic sector have also come to nought. France and Britain have been conducting talks in an attempt to reach some agreement to collaborate on the development of high temperature reactors based on Britain's advanced gas-cooled reactor. This time it is the Central Electricity Generating Board which has come between the two sides and agreement.

The CEGB is unwilling to support research into the development of turbines utilising hot carbon dioxide gas straight from the furnace of a high-temperature reactor of the type under consideration. What it is much more interested in is the helium cooled reactor and in the dependent helium propelled turbines at present being developed by Rolls-Royce.

The prospect of Anglo-French co-operation seemed not so long ago to have been welcomed by both France and Britain. In a statement only a few months ago, M. Maurice Schumann, the French Minister of Scientific Research, held that the only way that the French and British nuclear industries could survive was by working together on a new generation of nuclear reactors. A nice turn of phrase, but when it came to the actual events, things turned out quite differently. When it came to finding a partner for building the nuclear power station at Tirhange in Belgium, the French did not choose to collaborate with the British, the British group INPG of Knutsford having put forward a very low cost tender for the contract, but chose a Belgian group which had a licensing agreement with the American Westinghouse group. On top of this disappointment to the advocates of Franco-British co-operation, it now appears that the second Belgian station (near Antwerp) in which the British had also voiced an interest has been lost to another Belgian firm - Ateliers de Constructions Electriques, Charleroi.

More recently though, towards the end of last month, there was news of a more encouraging kind. SOCIA, the French nuclear group, comprising 23 of the major firms in the nuclear sector, and the British Atomic Power Construction company signed an agreement to exploit gas reactors throughout the world. More precisely, the deal covers co-operation on such projects as gas-cooled reactors of the 1,250 MW Dungeness B type and also the higher temperature plants of the Dragon type. APC is already linked to Brown-Boveri, Mannheim, a relationship which has proved to be very fruitful and has provoked admiration if not envy throughout the sector in Europe, not least it seems in the French industry. The agreement between SOCIA and APC (a joint subsidiary of Fairey Engineering and International Combustion) does not hold any immediate prospects of contracts at this very moment, but

Brown Boveri's influence in France through its French associate, Cie Electro-Mechanique is said to be quite appreciable. For one thing, a number of the SOCIA members are involved in the Tirhange and Fessenheim, (Rhine) nuclear projects, so the British group may well gain access to the European market through this intermediary. Until the British economy is straight again though, the logic of co-operation with European enterprises in the nuclear field cannot be exploited to the full.

* * *

ELECTRONICS

Data Transmission

The changes in industrial and business management likely to occur during the seventies through the use of powerful data transmission systems are of great interest to the manufacturers of computers and communications systems. At present it also seems doubtful whether those who should be aware of the revolution likely to occur really comprehend what may happen.

Already the new attitudes brought about by the ever-increasing use of computer systems on both sides of the Atlantic have begun to transform management. Information is now available much more quickly than before, and more accurate facts and comparisons can be made. Computers can be made to reproduce given situations and thus costs can be cut by reference to models. But for all this, computers are unlikely to supplant the decision-making human element.

One of the most important developments in the near future will be data-transmission systems, whereby people and companies will be able to use computers and memory banks on a much greater scale than at present. When this new form of technology becomes commonplace, as it should during the next ten years, an increasing number of small firms who are unable to afford the cost of a computer system will be able to take part.

The problem of establishing a national data transmission network is one which is being actively studied on both sides of the Channel, and in both cases the post office organisations are playing a major role. Britain has seen the establishment of the National Data Processing Service, whilst in France the P.T.T. has also set up a specialised department to deal with the question of data transmission during the coming years. In both Britain and France a considerable amount of data-transmission at present uses private lines, and this is one of the reasons for the moves by the national authorities into this sector of communications. The expected growth rate is likely to surprise a lot of people, and if there are a great many private systems, problems are almost certain to arise. In any case a strong argument can be made for treating such systems as a national service or utility along the lines of the ordinary postal services provided by the post office, since the transmission of data is comparable to a very concentrated form of postal communication. Already some companies use the existing telephone networks for the transmission of data, but it is plain, given the expected growth rate in this sector, that massive investments will be required if the means of transmission are going to keep level with the pace of demand.

In France it has been calculated that at the end of 1967 there were fewer than 400 data-transmission units capable of operating on a national basis. The PTT has therefore decided that a more flexible and cheaper tariff system must be introduced to promote the increased use of high speed data transmission. But cheaper rates by themselves are far from sufficient, and it will require experts from the PTT, from the computer firms and government representatives taking part in the Plan Calcul to explain the advantages of this modern method of communication to firms, for a considerable number of the latter are not yet aware of the changes which will have to be made.

It is estimated that by 1975 the French market will have the following requirements (excluding those of the armed forces): 25,000 to 30,000 two-way channels, 40,000 to 50,000 terminal units and between 80,000 and 100,000 peripheral units where data can be stored, and be easily accessible. But the total size of the French telecommunications market at that date can be judged to some extent, as this is expected to represent only 6% of the total market, whose value has been estimated at F 8,350 million.

At present and in the immediate future, it is considered that data-transmission links will be largely those required by major companies and government or semi-governmental departments. In many cases they will still need specialised links because of the sheer amount of data to be handled. However this period will be followed by the small and medium-sized concerns making much more use of data-transmission links, and this brings us back again to the state of the public telephone network, a vital factor in the use of time-sharing computer operations.

One problem connected with data-transmission systems is how to present the information contained within the computer memory store. The trend is away from the use of print-out tape to presentation on a TV type screen, making it easier to employ relatively unskilled operators. Furthermore, computers are increasingly capable of reading the material given to them direct, rather than having it prepared for their consumption by human operators, another factor which can help to speed operations and reduce costs.

Although definite outlines of national data-transmission systems exist, the actual operation must wait until they are introduced. Basically it would seem that a sort of national grid will be established under which small terminals and periphals can be linked to a master computer or computers. The grid, in common with most other forms of grid communications, will require booster units at intervals. With the knowledge of difficulties created by having different standards and systems in other sectors, moves should be made to harmonize European national systems to prevent excessive incompatibility from making future work more difficult.

The scope opened up by the development of data-transmission systems - which may one day be extended to the home - for the economic life of a country - and the world - is startling.. The idea of being able to get instant information from anywhere in the world is even now being put into practice, eg. firms can organise stock control and computer-run management systems for vast geographical areas. A boost can be given to industrial and economic development and in particular the time-lag between the emergence of a new idea and its commercial development can be cut. The beneficial aspects of such systems, and their application will no doubt change many existing methods, but care must be taken to prevent abusive use of these new opportunities.

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AEROSPACE

** In a move which should strengthen the West German aerospace industry, MESSERSCHMITT AG, Augsburg, will merge with BOELKOW GmbH, Ottobrunn and form a new company called MESSERSCHMITT-BOELKOW GmbH (registered office at Munich, head office at Ottobrunn). Government pressure has played a considerable part in bringing about this step, which was agreed on in principle last year (see No 437). Messerschmitt will have a one-third interest in the new concern, with the remainder being taken by shareholders in Bölkow: Nord-Aviation SA, Paris, The Boeing Co, Seattle, Washington; the aircraft designer Ludwig Bölkow and the Land of Bavaria (through Bayerische Landesanstalt Fuer Aufbaufinzierung, Munich).

The new group will become West Germany's largest aerospace firm ahead of VFW, with around 12,500 employees and a joint turnover approaching Dm 500 million. It is reported that the SIEMENS AG group, Berlin, (see No 452) may take a stake in the new venture, by acquiring the interest at present held by the Land of Bavaria.

BUILDING & CIVIL ENGINEERING

** The Milan civil engineering firm SACIE-COSTRUZIONI & INDUSTRIA EDILIZIA SpA (president Signor Diego Tadini) a 60% subsidiary of the S.A.F.F.A. SpA group, Milan (see No 401) has taken a 25% stake in the formation of SACIE ESPANOLA SA (initial capital Pts 150,000). It already has a shareholding in the Spanish firm Sta Urbanizadora Del Norte SA.

Sacie (capital Lire 5,000 m.) has two manufacturing centres, at Milan and Bari, as well as controlling an affiliate specialising in prefabricated units, Imprese Edili Alto Bassano Milanese Spa (now being taken over). It recently began a programme which will lead to the absorption of a number of affiliates: Soc. Italiana Rinnovamento Immobili-Siri SpA, Sacapo-Camperio Porlezza SpA, Scemp-Costruzioni Edilizie Moscavo, Sceng-Sta Costruzioni Edilizie Nicolini-Giusti SpA.

** The recently formed Brussels property company INTERBLAAUW-BELGIUM SA, a 50-50 venture of the Dutch transport group, BLAAUWHOED NV, Amsterdam and the Zurich holding concern INSULA AG, has had its initial capital of Bf 5 million raised to Bf 25 million. Both founders have taken an equal share in the increase.

Since its recent merger with the Rotterdam group Pakhuismeesteren NV, the Dutch founder is headed, like the latter, by the holding company Pakhoed Holding NV (see No 455).

** PELLA NV has been established formally at Helden-Panningen in the Netherlands (Fl I m. capital, one-sixth paid-up) to made and sell panels, frames and shutters for the building and ship construction industries. Mr H.S. Kuyper is manager, and the firm is an almost wholly-owned subsidiary of the Amercian ROLSCREEN CO, Iowa (see No 457), with a token interest held by the Dutch businessman Mr Hermann R. Van Monojon of Bussum.

** INDUSTRIE - & HANDELMIJ. DRIESSEN-DE LINT-MARTIN (ANTWERPEN) - D.L.M. Pvba, Antwerp (building material sales - capital Bf 250,000) has just been formed as an 80% subsidiary of the Dutch concern "D.L.M. - Industrie & Handelmij. - Driessen-De Lint-Martin NV, The Hague, whilst the remainder is held by Belgian interests represented by M. Rene Van In, Antwerp.

The founder has a considerable number of Dutch interests: I) production and sale of building materials "D.L.M." Industrie- & Handlemij. Driessen-DeLint-Martin'Bouwstoffen NV, Arnheim (capital Fl 250,000) and D.L.M. Industrie- & Handlemij. Driessen-De Lint-Martin (Utrecht) NV, Utrecht (capital Fl 25,000); production and sale of plastics D.L.M. Industrie- & Handelmij Driessen-De-Lint-Martin (Kunststoffen) NV, Arnhem (capital Fl 10,000).

** The link established in 1967 (see No 425) between the London based REYNOLDS & YOUNG CHARTERED QUANTITY SURVEYORS - through its specialised subsidiary The Reynolds & Young Dutch Fund - and two Dutch firms RAADGEVEND BUREAU IR.B.W. BERENSCHOT NV, Hengelo and RAADGEVEND EFFICIENCY BUREAU BOSBOOM & HEGENER NV, Amsterdam, has resulted in the formation of a Rotterdam subsidiary controlled on a 40-40-20 basis. Called BERENSCHOT, OSBORNE & BOSBOOM NV (authorised capital Fl 250,000 - 35% paid-up) this will offer property consultancy.

** The Gouda holding company VERENIGDE BEDRIJVEN NEDERHORST NV, which is negotiating the acquisition of the Amsterdam engineering and plant supply concern NV MACHINE FABRIEK BRAAT (see No 465) has carried out a diversification of its interests by gaining control of the quarry and tile firm H.B.T.-HOLLANDSCHE BASALTINE-TEGELFABRIEK NV, Dordrecht (50 employees).

One of Nederhorst's most recent moves was the formation of a concern making prefabricated metal units for the building industry called Prepakt NV, Gouda, in which its interests are represented by its subsidiaries NV Tot Aanneming Van Werken v/h J.Nederhorst, Gouda (74%) and Internationale Funderings Mij. NV, The Hague (26%).

** SYDNEY GREEN & SONS (CONTRACTORS) LTD, Henley-on-Thames, Oxon, (see No 425) which has been acquired by ENGLISH CHINA CLAYS LTD, St-Austell, Cornwall (building materials, transport etc) has decided to sell out its stake in the Luxembourg property and industrial development company CENTROPHON GREEN SA. This has had its name changed to Centrophon SA and will become a joint subsidiary of its two other founders CENTROVINCIAL ESTATES LTD, London and the investment company XENOPHON TRUST SA, Luxembourg, which was formed in early 1967 by a group headed by Banque Commerciale SA, Luxembourg.

English China Clays has its own Common Market interests: English Clays (Italy) SpA, Milan (capital Lire 1,000 m.); H.D.Pochin & Cie, France and British & Continental Clays Co SA, Brussels.

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CHEMICALS

** The Dutch aromatics producer NV CHEMISCHE FABRIEK "NAARDEN", Naarden (see No 334) has gained control of LENDERBRINK & CO NV, Schiedam (50 employees) which specializes in "Hyfoama" (derived from albumin) production, with two-thirds being sold on export markets.

This move will enable the Naarden concern to increase its sales of aromatic products to the food industry. With an authorised capital of Fl 15 million, it has around 1,000 persons on its payroll and controls the glycerines and fatty acids distillery NV Jan Dekker, Wormerveer. It also has a 50% stake in NV Chemische Fabriek "Naarden-Kemi", Wormerveer, formed in 1961; the balance belongs to the Finnish company Kemi Oy.

Outside the Netherlands it recently opened a New York laboratory to its US subsidiary Naarden Flavorex Inc (factories at Baltimore and Los Angeles). The company also intends in the near future to establish a subsidiary in Italy, the only Common Market country where it has not yet got one. Existing EEC subsidiaries are SA Naarden France, Levallois-Perret, Hauts-de-Seine; Naarden S.A.B., Brussels; and Deutsche Naarden GmbH, Hamburg-Duvenstedt. Other countries in which it has interests are Britain, Austria, Norway, Sweden and Spain.

** An agreement has been signed between MELLE-BEZONS SA, Paris (a member of the Produits Chimiques-Saint-Gobain SA group - see No 446) and PRODUITS ORGANIQUES DU SANTERRE-ORSAN SA, Paris (see No 447). The agreement should result in the formation of a joint subsidiary to carry out research into enzymes used in detergents.

Orsan is the subsidiary of the Paris sugar firm SIAS - Raffinerie Francois SA and also belongs to the Brussels group Evence Coppee Cie Sas, directly and through Cie de Developpement Industriel SA. Melle-Bezons recently set up a joint subsidiary in the citric acid sector, with the Dutch firm Kon Industrieele Mij. v/h Noury & Van Der Lande NV, Deventer (part of the Kon. Zout-Organon NV group - see No 460).

** As the result of an agreement signed between the chemical plant designers and suppliers KALTENBACH & CIE SA (see No 416) and STE CHIMIQUE DE LA GRANDE PAROISSE SA (joint subsidiary of the Air Liquide SA and Charbonnages de France groups - see No 459), they will concentrate their chemical plant design and supply interests within a new joint subsidiary called ERCHIM SA.

Both founders are based in Paris, and Kaltenbach already has a stake in another chemical plant supply concern, Kaltenbach Etudes & Realisations Chimiques-Kerchim SA, Paris (formerly Bouchadou SA) with a capital of F 70,000. For its part La Grande Paroissehas recently became the legal director of the Ste des Engrais Azotes & des Engrais Complexes-S.D.A.C., Courbevoie, Hauts-de-Seine formed to sell all types of nitrogen-based fertilisers and carry out connected operations. Other firms who have a stake in S.D.A.C. are Potasses & Engrais Chimiques-Pec SA, Ste des Usines Chimiques Ugine-Kuhlmann SA, Produits Pechiney-Saint-Gobain SA.

** Faced with the need to coordinate fertiliser sales to West Germany, four leading French firms in this sector - who already cooperate closely in France - have linked to form a subsidiary called ALFA GmbH, Hanweiler, Saar with Herr Schiffer as manager and M.Mignot as president. The founders are STE CHIMIQUE DES CHARBONNAGES SA, Paris (part of the State group - CDF-Charbonnages de France), PIERREFITTE STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris, PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA, Paris and PRODUITS CHIMIQUES D'AUBY SA, Neuilly.

The first groups have just backed the formation of Ste des Engrais Azotes & des Engrais Complexes - S.D.A.C. (see No 459). Both CDF and Auby have a 50% stake in Engrais de France - Ste Commerciale C.D.F., Auby SA, Neuilly (see No 449) which in 1967 took a shareholding in S.E.V.E. - Ste d'Etude & de Vente d'Engrais SA, Paris. In November of the same year they took respective interests of 50% and 30% in the formation of Ste des Engrais de Bretagne SA, Paris (capital F 2m.) with the remainder held by Ste Chimique de la Grande Paroisse SA (a member of the Paris group L'Air Liquide SA - see No 456).

** The Dutch firm NV PLASTICLINING, Walthermond (anti-corrosive and chemical coatings etc - see No 448) has acquired the licence of the West German firm METALLISATOR GmbH, Hamburg and Berlin, for the manufacture within the Benelux countries of "Metalogeen", "Meton" and "Resistoplast" synthetic resins.

Plasticlining was formed in 1958 by Verenigde Nederlandse Brouwerijen D'Oranjeboom NV, Rotterdam (formerly NV Brouwerij D'Oranjeboom - see No 447) in association with NV Zuid-Hollandsche Bierbrouwerij (since 1960 the wholly-owned subsidiary of Oranjeboom). It later acquired a number of new shareholders: Bierbrouwerij de Drie Hoefijzers NV, Breda; Chamotte Unie NV, Geldermalsen; Handel - & Industriele Onderneming Verbion NV, Winschoten; Hollandse Loonbeitserij NV, Leyden (a subsidiary of the Amsterdam group Amsterdamsche Droogdok-Mij) itself a member of the association Hollandse Scheepsbouw Associatie NV; and Molijn & Co Rotterdam. All these firms have now made over their stakes in Plasticlining to the latter's director M.J.L. Poldervaart, who now has complete control, following the sale of a one-third interest held by the London-based brewery group Allied Breweries Ltd, after the British firm acquired control of Oranjeboom.

With a capital of Fl 1 million (30% issued), Plasticlining has some 70 persons on its payroll and a turnover of around Fl 3 million.

** The Basle sales company NITROCHEM AG (formerly Nitrochemie and a member of the Milan group Montecatini-Edison SpA - see No 457) has opened a Zurich branch under Sigs. Giorgio Fossa and Giancarlo Tiziani. With a capital of Sf 1m., the Swiss company controls Procedes Industriels & Produits Chimiques SA (capital F 2.12 m.) which in January 1968 took over Sachim SA, Paris (see No 438).

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** The Dutch concern FRANKEN DONDERS UNITED ANILINE WORKS NV, Tilburg (aniline dues, pharmaceutical raw materials, industrial chemicals) has formed an Antwerp sales company called VENATI NV (capital Bf 100,000) with M.A. van Schijndel as managing-director. It holds a 50% share (30% through two of its directors Messrs Van Schijndel and W. Kelfkins) whilst the balance is held by Belgian interests represented by M. Robert Stiernon, Brussels.

** The American chemical group DOW CHEMICAL CO, Midland, Michigan (see No 454) has decided to strengthen its manufacturing facilities in Europe by building a factory to make veterinary products for use in the poultry industry. This should be operational by early 1969.

Through its Paris subsidiary, Dow Chemical France SA, the American group has bought a 50 acre site (with an option on a further 200 acres) at Drusenheim, Bas-Rhin on the banks of the Rhine and facing the butadiene-styrene and expanded polystyrene plant run by its West German subsidiary Dow Chemical GmbH, Frankfurt, at Greffern, Baden.

** The Stockholm group AGA A/B (see No 448) is to strengthen its Belgian interests in SA DES GAZ INDUSTRIELS-SOGAZ, Mechelen (see No 405),one of the leading Belgian makers of industrial gas and heating equipment, with the aim of backing its expansion financially. Sogaz will increase its capital in four stages to Bf 200 million.

** The Brussels group STE GENERALE DE BELGIQUE SA is negotiating the purchase of a holding in STE DE PRAYON SA, Prayon-Trooz (see No 451), through which it will form a link with UNION MINIERE SA, Brussels (see No 464).

Prayon (capital Bf 288 m. since 1964) refines zinc and produces superphosphates and fertilisers, and its shareholders include Mutuelle de Financement & de Gestion - MUFINA SA, Luxembourg; Ste de Financement & de Participation -FINAPART SA, Luxembourg; Assurances Generales sur la Vie SA, Paris, Soplamo SA, Luxembourg, and Ste d'Applications Pharmaceutiques - SAPHAR SA, Brussels. In Belgium, it holds shares in Ste Generale des Minerais SA, Cie Financial SA, U.C.E. Linalux-Hainaut SA, and Produits Chimiques du Rupel SA. Abroad, its main interests are in Ste des Engrais Organiques - S.E.C.O. SA, Ribecourt, France; Metafrican Developments Ltd, Canada, and Cominal SA, Switzerland.

CONSUMER DURABLES

** The French MOULINEX SA, Bagnolet, Seine-St-Denis (see No 320) has become the direct shareholder in two other domestic appliance firms: STE INDUSTRIELLE SARTHOISE D'APPAREILS MENAGERS - S.I.S.A.M. Sarl (capital F 20,000) and STE MAMERTINE DE CONSTRUCTIONS ELECTRIQUES - S.O.M.A.C.E.Sarl (capital F 20,000) which are both based at Mamers, Sarthe. It acquired shares in the first one from SIAMENA - STE INDUSTRIELLE D'APPAREILS MENAGERS Sarl, Alencon, Orne and S.O.M.A.C.E.L., and for the latter from SIAMENA and STE CAENNAISE DE MECANIQUE & DE MATIERE PLASTIQUE - SOCAMEC Sarl, Cormeilles-le-Royal, Calvados, both members of its own group.

Moulinex (capital F 21.75 m.) makes a wide range of electrical domestic appliances used in the kitchen (mixers, mincers, extractors etc) as well as fan-heaters, hair-dryers small vacum cleaners and electric spits. The group employs around 5,000 people in factories at Alencon, Mamers, Cormeilles-le-Royal, Falaise (Calvados) and Argentan (Orne). Abroad it is represented by Moulinex Elektrogeräte GmbH, Dusseldorf; NV Fabriek Van Metaalwaren Tomado, Dordrecht and Andrews Houseware Manufacturers Ltd, London.

** ADA (HALIFAX) LTD, a member of the Dutch group PHILIP'S GLOEILAMPEN-FABRIEKEN NV, Eindhoven (see No 462 - through its London holding company PHILIPS ELECTRONIC & ASSOCIATED INDUSTRIES LTD) which distributes electrical consumer durables (also TV rentals) has extended its interests in the TV and radio sectors by a technical and sales cooperation agreement with the radio, TV and furniture group LOYDS RETAILERS LIMITED, Droylsden, Manchester...

Ada (Halifax) is holding talks aimed at making over the assets of its subsidiary, Educational Systems Ltd to a new company due to be formed on a 50-50 basis with the Imperial Tobacco Co Ltd, London (see No 456). The latter's interests in this sector are represented by Teaching Programmes Ltd and Teaching Systems Ltd (both based in Bristol) and controlled through Educational & Scientific Developments Ltd, Bristol.

COSMETICS

** The Dutch/British group UNILEVER NV, Rotterdam (see No 466) has strengthened its West German standing by forming a company on the premises of its main subsidiary in the country (Margarine-Union GmbH - see No 436) to make and sell soap, toiletries, cosmetics etc. This is called J & E ATKINSON GmbH, has Dm 100,000 capital and is managed by Herren Rolf Schinkel and Lutz Aubry.

There are similar subsidiaries already established in Milan (see No 331), London and Latin America (in Buenos-Aires, Santiago de Chile and Montevideo).

** The French interests of the Paris perfumes and cosmetics group L'OREAL SA (see No 459) have been strengthened with the formation of a new sales company called S.E.P.C. - STE D'EXPORTATION DE PRODUITS CHIMIQUES SA, Le Thillay, Val d'Oise (capital F 100,000). Run by M. Regis A.J. Duprez, the directors are LAFRA SA and PARCOL SA (both of Paris). L'Oreal recently took over an investment company, Orinter SA.

ELECTRICAL ENGINEERING

** The American manufacturer of electrotechnical hospital equipment, CORDIS CORP., Miami, Florida (see No 455) has extended its interests to the Netherlands with the formation of CORDIS EUROPE NV, Veenendaal, (authorised capital Fl 1m. - 20% paid-up) headed by M.J.Boers. This will manufacture its founder's equipment, and will take over sales from the Dutch company ELPHYSAR NV. The latter will however continue to sell to Eastern Europe.

** The American maker of compressed air and control equipment ARO CORP., Bryan, Ohio (see No 429) has established a Frankfurt subsidiary called ARO GmbH (capital Dm 20,000) with Mr.. Andrew Hatzaetos, Esher, Surrey as manager.

In November 1967, the founder formed a London subsidiary, ARO CORP. (UK) LTD (capital £2,000) and it had a turnover of $ 36 million. Its other European subsidiaries include Aro SA, Brussels (see No 251) and Aro Corp. SA, Lucerne.

** NISTERTAL SCHWEISSTECHNIK HANNOVER HANDELS GmbH has just been formed in Germany with Dm 20,000 capital and Herren Wilhelm and Günter Bruns as managers to distribute a number of the products of UNION CARBIDE DEUTSCHLAND GmbH, Wissen, Siegen, a member of the New York UNION CARBIDE CORP. group (see No 456).

In West Germany, the American group recently increased from 75 to 100% its controlling interest (see No 440) in Dunker-Motoren-Kleinstmotoren GmbH, Bonndorf, Schwarzwald.

ELECTRONICS

** DANA LABORATORIES INC., Irwine, California (numerical voltmeters, DC amplifiers etc) has formed a West German subsidiary called DANA LABORATORIES GmbH, Darmstadt (capital Dm 20,000; manager Mr. Johnny Van Der Pas).

The American concern was represented in France up to the beginning of this year by Radio-Television Francàise A Noe & Cie SA, Neuilly (see No 273), and in Britain, at Stadham, Beds., it opened a branch in January 1967.

** The Tokyo firm TRIO CORP. (radios, stereo, communication and testing equipment) has now formally established itself in Belgium (see No 441) by forming a 60% sales subsidiary TRIO-KENWOOD ELECTRONICS SA, Brussels (capital Bf 2.5 m.) with the founder's director, Mr Chuichi Kasugan as president. The other 40% is held by the Japanese firm's American affiliate KENWOOD ELECTRONICS CORP., Los Angeles.

ENGINEERING & METAL

** The Dutch manufacturer of metal liquid containers and dairy equipment J.D. BIJ LEIJ MACHINEFABRIEK ROESTVRISTAALINDUSTRIE, Heerenveen has formed a West German sales subsidiary called JAN D. BIJ. DE LEIJ TANK - & APPARATEBAU GmbH, Warendorf (capital Dm 20,000) with Messrs J.D. Bij de Leij and W. Helmes.

** STE LYONNAISE DE CHAUDRONNERIE & TUYAUTERIES SA, Venissieux, Rhone (equipment for the chemical, petrochemical, electronic and nuclear industries) has formed a Geneva management company SOLYTRI HOLDING SA (capital Sf 500,000). The directors include MM. Marc Saleur, Lyons and Marc Collet, Paris.

The founder (700 on payroll) has a Belgian sales subsidiary, Solytri Benelux SA (formed in May 1967 - see No 415)

** KLEIN, SCHANZLIN & BECKER AG - K.S.B., Frankenthal (see No 411 - precision castings, pumps and compressors) has strengthened the financial position of its Belgian subsidiary K.S.B. BELGIQUE SA, Ganshoren-Brussels, whose capital, after being reduced, has been raised to Bf 12 million to back its expansion.

The latter, with M. Maurice Perrot as president, was formed in 1956. Its shareholders included two of K.S.B.'s affiliates in addition to K.S.B.: Klein Pumpen GmbH, Frankenthal (see No 259) and Fonderies & Ateliers de Mersch SA, Mersch, Luxembourg (see No 447).

** The Liechtenstein company, PEDEX ETABLISSEMENT, Vaduz has made over its factories at Affolterbach and Unter-Waldmichelbach (West Germany) which produce parts for the shoe industry to a new company which it has formed especially for this function. Under the name, FEDEX & CO GmbH, Affolterbach and with a capital of Dm. 500,000 the company's managing director is Herr Georg Weihrauch.

Herr Weihrauch is managing director of a number of other German concerns, such as Hessische Hölzerwerke Heinrich Schlerf GmbH, Waldmichelbach, (timber trade), Hessische Kunststoffwerk Schlerg & Co., Wahlen (plastic moulding): Hessische Metallwarenfabrik GmbH, Affolterbach (metal working) etc.

** WORTELBOER TECHNISCH BUREAU, Groningen, importers and exporters of hardened metal tools, compressors, abrasives, lifting equipment etc have formed a sales company in West Germany, SINTRONIC HARTMETALL GmbH, Schwelm with a capital of Dm 200,000. The managing director of the new company is Herr Leonardus Hultsmann.

** The German tap firm HANS HARTMANN KG, Mannheim (share capital Dm 20,000) has opened a branch at Sens, Yonne (France) under the direction of M. Max Cohn.

** The Welland, Ontario ATLAS STEELS division of the Toronto group RIO ALGOM MINES LTD (of the London group RIO TINTO-ZINC CORP LTD - see No 460) has rationalised its EEC interests by winding up its Düsseldorf subsidiary Atlas Steels Deutschland GmbH, the operation being handled by Mr Nicholas Bishof, director of its Swiss subsidiary Atlas Steel Suisse SA, Lausanne. Atlas Steel subsidiaries remain in Milan, Paris and Brussels.

** The Dortmund engineering and drilling concern DEILMANN, HANDEL GmbH (see No 454) which was formed recently with Dm 16 million capital by the German groups D. DEILMANN GmbH, Bentheim (76%) and HANIEL & LUEG GmbH, Düsseldorf (24%) has set up a subsidiary of its own in Switzerland. This is called Deilmann, Haniel & Lueg AG, Basle, has Sf 1 million capital, and M. Paul Schmid is president.

The Mining and metal companies C. Deilmann (see No 454) and Haniel & Lueg (member of the Haniel group through Gutehoffnungshütte Aktienverein, Nuremberg) are also linked in the Essen companies, BPG Bergbau Planung GmbH (Dm 500,000 capital) and Veruschacht Vereinigte Untertag - & Schachtbau GmbH (Dm 1m.), wherein each holds a 25% interest.

** The West German scrap metal and steel products trading and processing firm EISEN & METALL AG, Gelsenkirchen (see No 322) has formed a 75% Amsterdam subsidiary called NEVEM METAALHANDEL NV (authorised capital Fl 1.025 m. - 37% paid-up). Headed by Mr. N.L. Loeb, Abcoude, this will trade in and process raw materials for the chemical and metal industries. The remaining 25% is held by the Amsterdam concern MR.DR. R. WETZLAR CHEMISCHE & METALLURGISCHE HANDELMIJ. NV.

Eisen & Metall is an equally controlled subsidiary of Rheinmetall Berlin AG, Berlin (see No 465) Mannesmann AG, Düsseldorf (see No 449) and Hoesch AG, Dortmund (through its holding company Industriewerte AG, Dortmund - see No 449). It has a long-established 95% Milan subsidiary, Cemit SpA. Since April 1965, its Dutch partner has had a transport and charter subsidiary, Mr. Dr. R. Wetzlar's Goederenvervoer NV, Amsterdam, belonging to the Wetzlar family of Amsterdam. This recently backed the formation of Wetzlar Ivory NV, Amsterdam, in association with two Zurich concerns, Wetzlar & Cie H.A. and Wetzlar & Co GmbH, both managed by Dr Hans Wetzlar (a Dutch citizen resident at Cannero, Italy). The same two Swiss companies control the Milan export-import firm Wetzlar Di Paolo Franzetti Sas.

** VEROLME VERENIGDE SCHEEPSWERVEN NV, Rotterdam (ship-building - see No 420) has strengthened its West German interests by opening at Coesfeld a branch to its affiliate VEROLME VACUUMTECHNIK AG, Eltville. With a capital of Dm 1.8 million, this is directly controlled by Intervacu AG, Basle, formed by the group in 1962 and by Verolme International NV, The Hague.

There is also another West German subsidiary Verolme Beschichtungs - & Kaschier GmbH, Fürth-Burgfarrnbach established in June 1963 with a capital of Dm 20,000.

** The American textile machinery firm, ROBERTS CO., Sanford (see No 441) has formed a sales company in Frankfurt, ROBERTS GmbH (capital Dm 20,000) with Mr. H. Bransen van der Goot as managing director.

With a payroll of 2,500 in the United States, the parent company already has several subsidiaries in Europe: Roberts Italia SpA, Bergamo, Roberts Europe SA, Bruges and Robert Espana SA, Barcelona, all of which have had capital poured into them following the demise of the British subsidiary. Roberts-Arundel Ltd (formerly Arundel-Coulthard & Co Ltd - see No 381) which ceased trading at the end of 1967.

** Shortly after forming WORCESTER FRANCE Sarl (see No 459), the American manufacturer of industrial valves and plastic and steel regulating equipment for the engineering and chemical industries, the WORCESTER VALVE CO INC., Worcester, Massachusetts, has moved into the German market by setting up WORCESTER CONTROLS DEUTSCHLAND GmbH. With an initial capital of Dm 20,000, this firm will be directed by Messrs. Eric Lewis and Kenneth Norris.

The other European interests of the American firm are: in Britain, the Worcester Valve Co. Ltd., Burgess Hill, Sussex (in association with Norris Brothers Ltd., Haywards Heath, Sussex), in Belgium, the Worcester Valve Co., (Belgium) SA, Ixelles-Brussels. (see No. 389).

** Herr Ernst Hutzenlaub, managing partner in the West German rubber and plastics processing concern WILHELM HERM. MUELLER & CO KG, Hanover, has taken a 52% stake in association with Herr Ernst Hohl, Zollikon, Zurich (48%) in the formation of the hydraulic equipment sales concern PILOT-HYDRAULIC, Zollikon (capital Sf 50,000).

Herr Hutzenlaub's other Swiss interests include the engine manufacturer Rotary Engines GmbH, Chur (stake acquired from the inventor Felix Wankel - see No. 424), as well as in the metallization concern Schladitz Whiskers AG, Zug, in which the Duisburg group Klöckner Werke AG (see No 460) has recently become a shareholder.

** EVERPURE INC., Oak Brook, Illinois (water softening equipment) has formed a wholly-owned Belgian sales subsidiary under the name of Everpure SA, Diegem, with Bf 50,000 capital. The American group's products are distributed in W. Germany by Walter Hamann Industrie-Bedarf Handels GmbH, Hamburg; and Göppinger Apparatebau GmbH, Göppingen, and in Britain by Vacmobile Manufacturing Co. Ltd, London.

FINANCE

** The FIRST NATIONAL CITY BANK, New York (see No 456) intends to install its fifth Belgian branch at Liege. It already has three in Brussels and one in Antwerp. First National City had some twenty European branches at the end of 1967, 13 of which were in the Common Market. It will shortly open two more in West Germany (at Munich and Düsseldorf), thus raising the total there to five, and another in Belfast.

** The Brussels investment company AUXILAC SA (see No 459), a member of the EMPAIN group, is to rationalise its interests in three subsidiaries by taking them over. They are TRANSKAT SA, PLANTARUNDI SA, CIMNOKI SA which head several companies operating in Congo-Kinshasa. At the same time it will raise its capital, reduced in 1965 to Bf 200 to Bf 213 million.

** Having already partially merged its financial interests in France (see No 435) by bringing about the take-over of the SECICA-STE D'ETUDES & DE CREDIT D'INTERET COMMERCIAL & AGRICOLE SA finance house by CREDIMA SA, Paris (capital increased to F. 5.92 m. by the move), the American group, ELTRA CORP, Brooklyn, New Jersey has decided that Credima should take control of another firm, namely STE FINANCIERE BORDELAISE SA, Bordeaux (capital F. 2.2 m. - see No 380).

The American group controls Credima through its 80% subsidiary, UNIFIVAC-Union Financiere pour la Vente a Credit SA, which is also the parent company of Caupar-Univac SA, through which it controled Finanbor.

FOOD AND DRINK

** So as to develop its sales on the Belgian market, where it already has a subsidiary called SANDEMAN BELGIUM SA, Molenbeek-St-Jean, the British port, whisky and sherry firm, G. SANDEMAN SONS & CO. LTD., Edinburgh (see No 415) has made a reciprocal distribution agreement with F.X. DE BEUKELAER'S DISTILLERY & BOTTLING CO. Snc., Antwerp.

One of the British group's most recent moves on the Continent has been the backing at the beginning of 1967 (see No 404) of FEDEMA-Federation des Marques, Paris through its subsidiary Sandeman France Vins d'Origine Etrangers & Francais SA, Paris and a branch at Clichy, Hauts-de-Seine. In this deal the company had three Franch associates: Martell & Cie Sarl, Cognac, Charente (through its subsidiary Sovema-Ste de Vente Martell SA), Champagne Mercier SA, Epernay, Marne and Ste Benedictine SA, Fecamp, Seine Maritime. Fedema has the task of co-ordinating the founder companies' sales policy both at home in France and abroad.

** It now looks as though talks initiated some time ago (see No 459) between the MOTTA SpA group of Milan (capital being raised to Lire 15,750 m.). and the Naples finance group S.M.E. - STE MERIDIONALE FINANZIARIA SpA will result in a takeover by the latter.

S.M.E. already has numerous interests in the Italian food and drink sector (generale Supermercati, Sebi SpA, Surgela SpA, Cirio SpA etc), and is an affiliate of the groups I.R.I. - Istituto per la Ricostruzione Industriale SpA, Rome (40.7%) and Bastogi SpA, Florence (14%).

** The partial reorganisation of the French interests of the Swiss group NESTLE ALIMENTAIRE SA, Vevey, which was decided upon last December (see No 440) will be formally carried out with the break-up and reshuffle of STE INDUSTRIELLE DE SPECIALITES ALIMENTAIRES - SISA SA, Paris (capital F.45.65 m.). After making over some of its assets to STE INDUSTRIELLE DE TRANSFORMATION DE PRODUITS AGRICOLES-SITPA SA Paris (capital F. 8.11 m.), it will be taken over by STE DE PRODUITS ALIMENTAIRES & DIETETIQUES-SOPAD SA, Courbevoie, Hauts-de-Seine (capital F. 1.70 m. see No 441).

** The Belgian sugar group RAFFINERIE TIRLEMONTOISE SA, Tienen (see No 462) is to strengthen its dominating position in the country's sugar industry by taking over three other firms with which its already linked. These are SUCRERIE DUMOULIN Sprl, Orp-le-Grand, Hainault, SUCRERIE DE BRUGELETTE SA, Brugelette-Hainault, and SUCRERIE DE BARRY-MAULDE SA, Barry-Maulde.

INSURANCE

** Under an agreement they have recently signed, the Antwerp-based firm AGENCE MARITIME INTERNATIONALE (see No 461 - a subsidiary of Cie Maritime Belge-Lloyd Royal SA) will act as the general representative in Belgium for STA ITALIAN ASSICURAZIONE TRASPORTI - S.I.A.T. Spa, Genoa. The latter, headed by Signor Ugo Fassio, has a capital of Lire 750 million, and was established in September 1966 with a capital of Lire 250 million under the name of Transatlantica - Cia Italiana di Assicurazioni & Riassicurazioni. Backers of the venture at that date were the Fiat Agnelli group (the majority shareholder and represented by the Turin holding company Istituto Finanziario Industriale - I.F.I. SpA) Sta Armatrice Santa Rosalia SpA, Florence (part of the Montecatini Edison group Milan) and the Genoa shipowner Sebastiano Cameli.

OIL, GAS & PETROCHEMICALS

** ENTREPOT PETROLIER DE VALENCIENNES Sarl (managed by Messrs Royez, Bolas & Levy - capital F. 3 m.) has been formed to build and run an oil storage depot. The ANTAR-PETROLES DE L'ATLANTIQUE SA, Paris group (see No 461) holds half the capital. Other shareholders are C.F.R.-CIE FRANCAISE DE RAFFINANGE SA with 34% (a 50.36% subsidiary of C.F.P. - CIE FRANCAISE DES PETROLES SA- see No 462) and STE DES PETROLES SHELL-BERRE SA, Paris with 16%. a 70-30 subsidiary of SHELL FRANCAISE SA and PRODUITS CHIMIQUES & RAFFINERIES DE BERRE SA, Paris (a 71.37% subsidiary of CIE DE SAINT-GOBAIN SA - see No 466).

OPTICAL & PHOTOGRAPHIC

** The Swiss precision engineering and optics group PAILLARD SA, Ste-Croix and Yverdon (see No 389) has formed a 51% Rotterdam sunsidiary called CINEPA NV (capital Fl 100,000) to manufacture, import, export and trade in supplies for the film, photographic, electronic and optical industries. The remaining shares are held equally by two Dutchmen. Messrs. L.H.van Bercum and E. Mager.

The Swiss group (capital Sf 30 m.) had an annual turnover of some Sf 100 m. Trade names for its products are "Bolex" cameras and cinema equipment, "Hermes" office equipment, "Precisa" optical and "Thorens" sound reproduction equipment. Its Common Market interests include Hermes-Precisa Büromaschinenfabrik GmbH, Säckingen and Paillard-Bolex GmbH, Münich as well as Paillard-Bolex SA and Hermes-Pillard SA with Paris.

PAPER & PACKAGING

** The London group BOWATER PAPER CORP has decided to rationalise its Italian interests and therefore close down its Rome subsidiary BOWATER EUROPÆA SpA (formerly European Soc. Industria Grafica Romana SpA - see No 283). This has a capital of Lire 1,000 million which will be reduced to Lire 87.7 million and Signori F. Cappa and V.Benari will be charge of carrying out this operation.

** The West German cardboard firm KARTONNAGENFABRIK MUGGENSTURM, OTTO LANG & CO OGH, Muggensturm, Rastatt is about to form a subsidiary to take over the running of a high-quality card factory at Schweighouse-sur-Moder, Bas-Rhin. This is due to start operations in July 1968.

The founder is owned by Herr Gunther Lang and with some 500 persons on its pay-roll has an annual turnover of around Dm 10 million.

** The association agreement signed last March (see No 453) between the West German lable manufacturer ILLER KG, GRAPHISCHE BETRIEB, Steinhein uber Hanau and the Belgian LITHOCHROMA SA, Uccle-Brussels has resulted in the former taking a 38% shareholding in the Belgian firm, whose capital has been raised to Bf 76 million.

This will now be called ILLOCHROMA SA and its Belgian shareholders include the Ste Nationale d'Investissement-S.N.I., Brussels (24%) and the former owners of Lithochroma (38%), who include M. Emile Begault. Illochroma will take over from its German partner all production of labels for beer and soft drinks, and the Belgian firm will now build a plant near Steinheim for its West German operations.

PHARMACEUTICALS

** BIORAMA SA, Montreux, Vaud (capital Sf 50,000), which trades in chemical and pharmaceutical productions, especially for experimental biology, has formed Biorama Vertriebs & Verlags GmbH in Stuttgart with Dm 20,000 capital and its own president as manager.

PLASTICS

** The West German PEGULAN-WERKE AG, Frankenthal (plastic coatings and coverings - see No 381) has set up a London sales subsidiary called PEGULAN LTD (capital £2,000). The founder (1967 turnover Dm 166 m.) also intends to boost its American sales effort. In Europe it has subsidiaries bearing its name in France (Schiltigheim, Bas-Rhin), Italy (Bolzano), Netherlands (Amsterdam) and Austria (Vienna). In West Germany it also controls Saer-Mosel Plastic-Werke GmbH, Konz, Treves and Badische Plastic-Werke GmbH, Bötzingen (stake recently increased to 95%).

** IGAV-INDUSTRIA GOMMA ARTICOLI VARI SpA, Pavia (rubber products and plastic panels for the building industry - see No 409) intends to give a boost to its foreign interests by taking a 50% stake in the formation of a Canadian plastics concern called DECORITE IGAV LTD.

With a capital of Lire 2,500 million, the Italian company (factory at Abbiategrasso, Milan) has a wholly-owned West German subsidiary since 1965, Deutsche Igav-Kunststoffelaten GmbH (see No 250) and since 1967 a 50% French subsidiary Igav France Sarl, Lyons.

RUBBER

** The Swiss management company KOREMA GmbH, St-Gall (formed in March 1968 - capital Sf 20,000) has backed the formation in West Germany of the rubber goods sales concern KOREMA GmbH & CO KG, Weiterstadt, Darmstadt. The founder was established as 50-50 venture between the West German businessman Franz Gässler and the Swiss industrialist M. Charles Rohner, Zurich.

SERVICES

** The Amsterdam temporary staff concern, NV RANDSTAD UITZENDBUREAU (see No 396) has formed a Dusseldorf subsidiary named Ranstad Uitzendbureau GmbH with Dm 50,000 capital and its own directors, Messrs. Goldschmeding and G. Daleboudt as managers.

The parent company was formed in 1960, and has agencies in The Hague, Rotterdam and Leyden. It already has two interests abroad: Interlabor NV at St-Josse-ten-Noode and Ranstad Ltd, London.

** MAKROTEST NV, Amsterdam (O.R., marketing and management consultants) has made its Ghent branch into a subsidiary called MAKROTEST NV. Headed by M. Eric A.G. Decan, this has a capital of Bf 700,00.

The Dutch company has a French branch at Neuilly-sur-Seine and subsidiaries bearing its name in Milan, Düsseldorf and London. In Sweden, Norway, Denmark and Finland it is presented by Scandinavian Business Consultants AB, Stockholm, and in the United Stated by Bruskin International, New Brunswick, New Jersey.

** PERSONNEL SURVEY & MARKETING RESEARCH Sprl, Brussels is the name of a new Franco-British venture in the field of personnel selection, marketing, advertising and market research etc. The Bf 250,000 capital is controlled equally by Mr. A. Flemming (a British citizen resident at Vaud, Switzerland) and M. J. Roy (a Frenchman living at Woluwe-St-Lambert.).

** STE ALPINA INFORMATIQUE SA, Paris (capital F 100,000) has just been formed to provide all services connected with the computer and data-processing industries. It will have M. Yves Brossard as president, who is also partner in the industrial consultants Organisation Y. Brossard & P. Michel SA, Paris (see No 419). The latter is the legal director of the new venture, along with two companies from the Drouot group (see No 416). These are LE PATRIMOINE SA, Paris (capital F 15 m.) and CIE GENERALE D'ASSURANCE SA, Paris (capital F 15 m.).

TEXTILES

** Another merger in the French textile industry will involve ETS.J. J'OURDAIN SA (see No 401) taking over LA TEXTILE DU RHONE SA (capital F630,000). The former (capital F 1.62 m.) makes sheets and cloth in its mills at Wignethies, Nord; Seboncourt, Aisne, and Meunevret, Aisne. In 1966 it took part in the formation of Ste Generale de Tissage SA, Cambrai, Nord in association with eight other textile concerns, including the Roubaix group, Filatures Prouvost-Masurel & Cie -La Lainiere de Roubaix SA (see this issue and No 459-).

** M. Antoine Masurel, director of MASUREL FILS SA, Roubaix (see No 445), the French wool importers and traders, has been nominated to the board of MASUREL KREGLINGER (BRADFORD) LTD, recently formed in London with a capital of £25,000. Also to take up position: on the board is M. Jean J. Grisar.

In this move the French firm has a Belgian associate G. & C. Kreglinger SA, Antwerp (see No 445), a firm with which it already has links within the Brussels firm, Malenky Wool Sales SA, Brussels, in association with the Argentine firm, Malenky & Hijos SA, Buenos Aires.

** The West German manufacturer of girls' and childrens' clothes ROTRING-BUSSIEK KG, Bünde, Westphalia has formed a Zurich sales subsidiary called ROTRING AG (capital Sf 50,000), whose president is Herr Wilhelm Russiek. Managed by the Bussiek family, the founder has some 350 employees at the head office and Neuenkirchen.

** The Scottish firm, HENRY BALLANTYNE & SONS LTD, Walkerburn (high-quality woollen cloths) has given two Italian firms exclusive rights for its furnishings. These are FIGLI DI AMEDO CASSINA, Meda and C. & B. ITALIA, Novedrata.

** The American textile concern WYOMISSING CORP. West Reading, Pennsylvania (formerly Narrow Fabric Co.) has decided to sell its stake (acquired in 1963) in HENGELOSE TEXTIELFABRIEK NARROW NV, Hengelo (70 employees - lace and lace clothes).

The American firm, which also has a wholly-owned Dutch subsidiary Tefab-Narrow NV, Oosterhout was linked in the Hengelo company with two other Dutch concerns (together a 40% stake), Kon. Kousen- & Sokkenfabriek M. Jansen-De Wit NV, Schijdel (see No 461) and De Jong & Van Dam NV, Hengelo. In 1965 the latter leased part of its manufacturing facilities to Textielfabriek NV as well as letting it sell its lace production.

TOURISM

** TRIGINTER BELGIUM SA, Watermael-Boitsfort (see No 458) has gained outright control of GOVERNOR SA, Molenbeek-St-Jean (capital Bf 30 m.) and CAMPEUROP - CHAINE EUROPEENNE DE DISTRIBUTION DE MATERIEL DE CAMPING & DE SPORT SA, Brussels (Bf 2.5 m.) and wound these two companies up.

Triginter is itself a member of the Paris group TRIGANO VACANCES SA, through its 50% subsidiary Triginter SA, Luxembourg, which is linked in it with the Antwerp groups ELECTRAFINA - Ste Financiere & Commerciale de Transports d'Electricite & d'Energie SA (see No 402); Plouvier & Cie SA (see No 458) and G & C Kreglinger SA, with a 5% interest in each case. Kreglinger also has a stake in Triginter Luxembourg through Cie Financiere & Immobiliers SA, Antwerp, control of which is shared with Union Financiere Bol. SA, Brussels, and Cie Immobiliere, Commerciale & Industrielle du Limbourg, Antwerp.

** The pre-war Austrian representative of the Hungarian travel and transport agency, IBUSZ, Budapest, IBUSZ OFFIZIELLES REISEBUERO DE UNG. STAATSBAHNEN GmbH, Vienna has opened up a Munich branch under the direction of Messrs. Imre Aranyossy and Frigyes Ujhelyi. With a capital of Sch. 150,000, the founder company's own managing director is Mr. Janos Tausz, Budapest.

** The American oil group, STANDARD OIL CO OF NEW JERSEY (see No 461) is pushing ahead with its European motel programme by forming in The Hague - through its New York subsidiary ESSO MOTOR HOTEL INC - a 75% subsidiary called ESSO MOTOR HOTELS NV, with the remaining 25% is held by a Dutchman, Mr. H. van Zijll de Jong, Leidschedam. This has an authorised capitel of Fl 200,000 (20% paid-up) and the new company will develop motels in the Netherlands; the first was opened at Bron, Sittard during March.

The group's European motel network now includes Britain, Sweden, Denmark, Italy and West Germany: in Hanover, Heidelberg, Nuremberg, Friburg, Brisgau; and Sidelfingen.

TRADE

** The Swiss trading company EXTERNA SA, Lausanne (capital Sf 480,000) has formed a West German subsidiary called EXTERNA HANDELS & BETEILIGUNGS GmbH, Weinheim (capital Dm 100,000). Managers of the new concern are M. Fernand Guex, Lausanne, Herren Peter Offen, Hamburg and Fritz Steffan, Weinheim.

** CERANO NV, Amsterdam (authorised capital Fl 100,000 - 33.3% issued) has just been formed to trade in, import and export cereals and cereal-based products. Backers of the new concern are the London firm F.G. ANGEL & CO. LTD (66.6%) and the Zurich firm SILARA AG. The latter has a capital of Sf 100,000 and trades in cereals and animal foodstuffs. There is a sister company called SILARA LAGERHAUS.

TRANSPORT

** The Rotterdam transport group PHS. VAN OMMEREN NV (see No 457) has long been closely concerned with the regular shipping service operated between Britain and the Netherlands by the Amsterdam shipping line NV HOLLANDSCHE STOOMBOOTMIJ (see No 270) but has now decided to let the latter take on this service completely.

The Amsterdam firm belongs to the NV Nederlandsche Schoopvaart Unie group (see No 454) through NV Stoomvaartmij, "Nederland", Amsterdam.

** The Rotterdam shipping line BELL LIJN NV (see No 437) has now opened a London office, which will also represent its sister company BELLFERRY LTD. Both belong to the Irish transport group, the GEORGE BELL GROUP OF SHIPPING & TRANSPORT COMPANIES LTD, Dublin, headed by Mr. George Hollwey. Mr. Hollwey will organise the new office.

VARIOUS

** The French accountants CCMC SA, Boulogne, Hauts-de-Seine have opened a Geneva branch under M. Jean Mettraux. With M. Amedee Serieys as president, the founder (formerly Cie des Centres Mecano-Comptables SA) has a capital of F 2 million.

** SELCO A/S, Lysaker, Norway (fibreglass reinforced plastic mouldings used for marine, military and sporting equipment, in pipelines and household goods) has formed a Belgian sales subsidiary called SELCO-BENELUX SA (capital Bf 100,000). Almost all of the capital has come from the founder's president Mr Ole Mustad, Oslo.

The Norwegian firm was formed some 10 years ago, and has around 150 persons on its payroll. Annual turnover exceeds Kr 25 million and 75% of production is exported, mainly to Denmark and Sweden.

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