

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

October 16 - October 22, 1967

Meanwhile, in Luxembourg...

The long-awaited meeting in Luxembourg of the EEC Council of Ministers on October 23 and 24, to discuss the question of British entry and the Commission's report on the enlargement of the Community came as a blaze of harsh light into a theatre, dispelling illusion and returning protagonists and observers alike to cold reality. For all the posturing and conjecture of recent months, nothing, apparently has changed: Britain's "knocking on the door", for the time being at least, seems to promise her little more, it seems than a case of sore knuckles. The meeting was a severe disappointment to those who had hoped that recent moves and developments between the Six and among the candidate countries had set some sort of mechanism going: that enlargement was now more a matter of time than feasibility, and that France's opposition would be more procedural than radical.

This was not so: to select another metaphor, M. Couve de Murville's attitude seemed to spell for Britain the quandary of a newly-fledged barrister: no entry to the profession without a brief, and no brief without being first established. In bald terms, the French foreign minister is insisting that Britain should set her economic and monetary house in order before gaining admission - that the balance of payments situation should be fully and definitively rectified, and sterling made a purely national currency - and that the Six (the "profession", to pursue the comparison) should continue to discuss the issues raised by Britain's candidature among themselves. The most difficult aspect of the French attitude here is to decide whether in fact the preparations demanded of Britain are a pre-requisite of entry, or simply a pre-requisite of negotiations as such: if the latter, then France is demanding that negotiations be subject to what the Five, in fact believe, should be the subject of negotiations. This paradox is explained by the arguments put forward at the meeting by M. Pierre Harmel, Belgian foreign minister, who insisted that the task before the Council was not to find solutions to the problems posed by Britain's candidature, but simply to define and classify those problems which must be discussed with Britain during negotiations - and these negotiations must be conducted by the ministers, and not the Commission.

On the face of it, Britain is now confronted with a French challenge to "stay out" until she is absolutely sound, economically, and until she has made no less a gesture of good faith than to perhaps devalue (this was inferred, by reference to France's own devaluation in 1958), and certainly to cut sterling's role as a reserve currency. The opposition M. Couve de Murville encountered on this point from his five colleagues stems from the logical argument that it would be utterly unjust to expect such a gesture without first giving Britain a firm offer of entry - and the possible role of sterling as a component of a European currency in the future must also have been in many minds. The inventory of France's other reservations about British entry is well known (weakening the Community, the problem of majority voting, new, extra-European interests to be taken into account etc), and there is no need, here, to list them yet again, though all were covered in the French minister's major speech.

The balance sheet of the two-day meeting, however, seems to show very much in favour of France, and few would deny that she succeeded, this first time, in the delaying tactics that were expected of her over the British question. We now, yet again, look forward to another key date - so often the situation that follows a major ministerial meeting in the EEC, and this time November 20, is the red-letter day.

The importance of this date is that resistance to the French stand is rather expected to crystallise among the Five in the meantime: there can be little doubt that some of them, certainly, feel they are being held up to ransom by France, banking on the general fear of division, and thus stagnation, in the Community. Germany undoubtedly steered a middle course at the meeting, as was expected, but the rancour of the Dutch and the more ardently pro-British faction, was ill-disguised and could lead to a "show-down" in November. Already there are mutterings from these quarters, about the weapons that could be used to force France to compromise over the negotiations question - refusal to negotiate the renewal of the Yaounde Convention, obstructionism under the common agricultural policy and so on. Indeed, there is no concrete evidence to prove that the stand taken by M. Couve de Murville was anything other than his government's first vantage point, from which he may be prepared to be toppled, just a little, when talks get down to the specific detail of Britain's economic position on November 20, the groundwork having been done in the meantime by the Six's permanent representatives in Brussels. The imponderable here is France's own vested interest in the stability of the Community: although at present she is working on this consideration in the Five, there could yet be scope for them to play upon precisely the same weak point, and somehow compel France to get to the negotiating table with them and Britain: yet again, a case of "wait and see".

*

On the same day as the Ministers were meeting in Luxembourg to discuss the question of British entry, the West German Chancellor Dr. Kiesinger flew into London for three days of talks with the British Government. The decision to hold the meeting had been arranged some considerable time before, but the events in Luxembourg, lent it added importance.

The Chancellor, who discussed the problem of NATO, East-West relations and the Anglo-German offset agreement, made it clear that Germany supported Britain's bid to become a member of the Six, and considered that there was a better chance now than in 1963. Bonn, he said would do everything possible to help, but that negotiations could only start by a unanimous vote of the Council of Ministers. He thought that Britain was ready to join as a full member, and that in the long run British participation was inevitable, for there was no real alternative. However, France considered that there were difficulties which must first be overcome. To those who wondered why his government did not put more pressure on General de Gaulle, he answered that the French President was a proud man and that if one tried to use pressure to obtain his consent, he would become even more obstinate. Dr. Kiesinger said that the political arguments for entry were in fact more important than the economic ones, and quoted a recent

public opinion poll in West Germany, which showed that 64% of the population favoured British entry, even though only 39% thought it would benefit West Germany economically.

During his discussions on Tuesday with the British Government, and at a large private meeting of the MP's, the Chancellor maintained a similar line, that it was better to be patient and not to put pressure on France, but he did believe that in the long run pressure of public opinion in Europe, would result in Britain joining the Community.

The West German case for peaceful persuasion of the General, rather than a diplomatic offensive to bring pressure on him, was adopted before the results of the Luxembourg meeting were known. The two main conditions which M. Couve de Murville apparently wants fulfilled before negotiations can even begin with Britain were probably the main subject of subsequent meetings between the Chancellor and Mr Wilson. The balance of payments problem does not appear to have improved greatly in Britain this year, despite the Government's deflationary policies, and it is a problem which must be tackled but suggestions that sterling should be devalued have been rejected by Mr. Callaghan. London maintains that this is a French point of view, and should be on the agenda for negotiations. The other condition, that the reserve role of sterling should be abandoned as pre-condition to negotiations, came as a surprise to even the pessimists. It remains to be seen whether West Germany will not begin to take a harder line with France, for the last condition seems to make it very difficult for Britain to make effective progress. Will the British Government take up Mr Callaghan's proposal in *Le Monde* for a reserve currency and make further suggestions? It would be one way of dealing with the question and strengthening the overall European economy at the same time - if negotiations come soon.

On Tuesday Mr. Wilson answered questions on reports of M. Couve de Murville's speech from members of the House of Commons back from their summer recess, and said that the Foreign Secretary would be making a statement to the House on the British position after Luxembourg, probably on Thursday. The Prime Minister showed no quailing in front of France's latest attitude, and stated that "Our application is in, and remains in. We shall not be deterred by day-to-day developments or possible disappointments... We are prepared to let the facts talk. Therefore, I repeat, we are ready to enter into negotiations now". He continued, "In one sense time might be on our side", presumably referring to General de Gaulle. But he did not think that time would wait for "those in Britain and Europe who want to see much stronger, technologically based Europe with a greater power to influence world events".

Governmental sources in London have made it clear that Britain intends to keep pressing ahead for negotiations, and Lord Chalfont on Tuesday said that "The treaties clearly lay down that member states and the applicant state shall agree on the conditions of admission and the adjustments required. This means there must be negotiations". He said that Britain was prepared to negotiate any problems which any of the Six wished to raise and he did not "believe that the Six are likely to disregard the procedures laid down in the treaties which they have signed".

However the same sources made it clear that ways of strengthening EFTA until EEC membership can be achieved are under consideration. It is possible that the EFTA Ministerial meeting in Lausanne on Thursday and Friday will shed some light on this. There is no intention in London of putting pressure on France, as regards Anglo-French projects such as the Concord or Channel Tunnel, as such a move would only serve to annoy the Elysee. But one major problem which may face Mr Wilson's Common Market bid during the next few months is the danger of cooling-off the "European idea" in Britain. He will therefore have to follow Dr. Kiesinger's advice and counsel patience, should not further progress be made.

* * *

AGRICULTURE

The Agricultural Ministers Meet - but Disagree

The EEC agricultural ministers, meeting at the beginning of last week, again failed to see eye to eye, the bone of contention being the Commission's recommendations on prices for rice, barley, maize, and rye, olive oil and oil seeds, beef and veal, for the 1968-1968 season. The inability of the Ministers to come to any conclusive agreement at this stage of the proceedings is not surprising, so they fixed another meeting for October 25 to try and improve the situation.

One of the more significant steps taken at the meeting was to commission Sicco Mansholt, vice-president of the Commission, to deliver an exhaustive report next spring on the implications of a European policy on agricultural structure.

Considering the almost revolutionary character of a dynamic policy of this type, and the fate of the farmers, not to mention national sovereignty, it seems highly doubtful that the policy can be implemented with any speed. But this decision in Luxembourg will be the first of many, of great political importance. It reflects a realisation on the part of the governments that this problem must be attacked on the Community level. This policy will initiate a process by which the conditions of agricultural policy will be deeply affected, both economically and socially; and its effects on the political unity of Europe will be extensive.

It has become increasingly evident that a policy, aimed at regulating prices and organising markets is inadequate as a solution to the European agricultural problem - the demonstrations engendered by the farmers' dissatisfaction speak for themselves. What is more, beyond certain limits, this policy will become impossible to implement. On the one hand, increased farm prices are sought, so as to honour the cardinal principle of the common agricultural policy, which guarantees the farmers an income comparable to workers in jobs of similar standing, but outside farming. This would rapidly impose a literally intolerable burden on the Community and member states, which would in turn cause overproduction, and an unsaleable glut in the Market. This would increase the costs of production, and enclose the Six, vis-a-vis third countries, within a wall of

extreme protectionism, the inevitable source of reprisals. In addition, given the great variation in their national circumstances, the Six are totally divided over the question of price rises. Hence their continuing failure to come to agreement over the fixing of prices for the period 1968-1969.

This situation does not seem to have been caused by the integration of agriculture on the European level, but seems to be the result of deeper-lying factors. It is a question of deficient production in certain agricultural areas in the Community, which result from a lack of adaptation in the agricultural infrastructure. This lack of adaptation affects primarily the southern sectors of the Community and takes a number of forms: rural overpopulation, underexploitation of resources, poor equipment, unsuitable choice of type of farming or crop for the climate etc. This price policy alone cannot possibly alter the situation sufficiently, nor can it work fast enough. For obvious political and human reasons, it was impossible to freeze the prices at a level which would squeeze out the less economic enterprises. For financial reasons, it was impossible to raise prices to a level where every farmer would be assured of a decent standard of living. Economically speaking, the price policy has not solved the structural problem, neither has it succeeded in the social sphere to dispel the social discontent.

Keeping one eye on the limitations of the scheme, we will have to be careful that there is not a relapse into the old state of affairs, when the market was so fragmented. This was caused by the inability of governments to grant more favourable prices to the regions that were most badly hit. Certain governments will now be forced, if only unilaterally, to increase their safety measures. These are the sort of dangers which are worrying the Six and which they are trying to avoid by some sort of common policy. In fact, they have been dedicated to this idea for some time now. The Community has its own organs, specialised in these matters, including the European Agricultural Guidance and Guarantee Fund. But these specialised organs have not, up until now, reflected a common policy and the resources of FEOGA set aside for the improvement of the structures have been rigorously levelled off (whereas the monies available for keeping prices steady are without limit). Today, in principle at any rate, they are working on a much more enterprising and broadly conceived plan. Sicco Mansholt for one, believes that the policy should be made part of a broader middle-term economic policy for the whole Community. On account of these general requirements, a much more broadly conceived overall plan must be formulated, for European Agriculture.

The task before the Community is therefore formidable; its political and social implications are delicate so we must not delude ourselves into expecting any rapid results. Nevertheless, it is comforting to note that, as it happened, the farm ministers did react in a "European" way. In the quiet of the Grand Duchy, one was able to think in theoretical terms of Mansholt's "common policy of agricultural structure", and set aside the ennui of rioting French farmers, and the French decision to keep out foreign pork. In fact, in the long run, a proper agricultural structure is the only answer. If the farmers' incomes were to be increased merely by raising

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market prices, the costs of the Community agricultural policy would undergo an inordinate increase. The cost of the Community farm policy which will run at an estimated \$1,700 million when the policy is fully implemented (1970), might quite easily reach \$2,000 or \$3,000 if these measures were employed.

Although national delegates have now begun to think as Europeans, we cannot say as yet that protectionism has given way to a free market, but we can say that now each country recognises the long term necessity of a solution, conceived at the Community level.

* * *

ASSOCIATION

Greece Protests

The EEC-Greece Council of Association met on October 17, at the request of Mr Stavros Roussos, Greek permanent representative to the European Communities, who lodged an official protest against the blocking by the Commission of a \$10 million loan by the European Investment Bank for the construction of a road in Crete (see No 429, p.5). This loan formed part of a total appropriation for this year of \$56 million, itself forming part of a five-year \$175 million development aid programme. The Commission blocked the fulfilment of this bilateral protocol, due to expire on October 31, on the grounds that the military regime in power in Greece had prevented the continuation of the mixed parliamentary commission that must form one of the legal institutions of association.

Mr Roussos swept this issue aside, and attempted to prove that, on other grounds, the blocking of the grant had been an illegal act. He maintained that the financial protocol was an integral part of the association agreement, and that economically it was one of its fundamental points of balance, comparable with joint action planned for agriculture. If this situation were allowed to continue - that is, if the Six persisted in keeping the association to the level of free trade and nothing more - then the Greek economy could be threatened with collapse under pressure of competition from the EEC. Clearly, it would not be practical simply to place Greek association "in abeyance", and indeed the tone of Mr Roussos' address was such as to give the impression that the Regime in Athens might even review the whole association question, freezing the process of freeing trade, or even re-applying certain former trade protection measures.

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AEROSPACE

** The Brussels companies CEGEAC SA (member of the C.C.C.I. - CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE - see No 346) and S.A.B.C.A. - STE. BELGE DE CONSTRUCTIONS AERONAUTIQUES SA have decided to dissolve their subsidiary, which had been set up on a 50-50 basis in 1965 with Bf 15 million capital, to sell aircraft parts. MM Daniel Colin, Koekelberg, and Didier van Caillie, Uccle, have been put in charge of the liquidation of the company, called Aerobel-Cie Generale Belge d'Aeronautique SA, Brussels.

The negotiations entered into two years ago between the Dutch aircraft construction company N.V. KON. NED. VliegTuigenfabriek Fokker, Amsterdam (associate of the American group Northrop Corp., Beverly Hills, California, - see No 415) and S.A.B.C.A., regarding the re-purchase of the S.A.B.C.A. by Fokker, have not been brought to a satisfactory conclusion.

AUTOMOBILES

** UNIVERSAL OIL PRODUCTS CO, Des Plaines, Illinois (see No 421), having taken over all the business, in July of this year, of BOSTROM CORP, Milwaukee, Wisconsin (lorry and tractor seats and industrial plant), has now formed a wholly-owned Belgian subsidiary called UOP BELGIUM SA, Nivelles (capital Bf 2.5 million). This has M. Richard Berthaud of Woluwe-St-Lambert as director, and will be mainly for vehicle seat manufacture, thus implementing the decision taken by Bostrom in March 1967 to build a factory for this purpose (investment: Bf 25 million), the work to be supervised by the British subsidiary, Bostrom Manufacturing Co Ltd.

The latter, like Bostrom's Swiss subsidiary, Bostrom AG, Glarus, is now controlled by U.O.P., the main activities of which are in the sectors of chemical engineering, cosmetics and chemicals and catalytic products. In this field, the group in Italy controls EMA - Essenze Materie Automatiche SpA, Imperia, which is integrated with its French division, UOP Fragrances (European offices in Brussels) and with UOP Fragrances Reichstoffe GmbH, recently formed in Hamburg with DM 20,000 capital.

CHEMICALS

** The Frankfurt group FARBWERKE HOECHST AG (see No 429) has formed a Swiss subsidiary HOECHST FERNOST AG (capital Sf 500,000). This will be based on the premises of another subsidiary DYESTUFFS & CHEMICALS TRADING CO LTD, Vevey, Vaud.

The German group's Far East subsidiaries include ICP-Hoechst Pty Ltd, Sydney Hoechst Chemicals (Australia) Ltd., Melbourne and Australian Hoechst Ltd; Hoechst Japan Ltd; Hoechst Pharmaceuticals Industries Ltd; Hoechst Philippines Inc; in Handok Remedia Industrial Co Ltd, South Korea. Its most recent move in Switzerland was the formation of a subsidiary Hoechst Pharma AG, Zurich in December 1966, (see No 387).

ELECTRICAL ENGINEERING

** The American razor group THE GILLETTE CO, Boston (see No 428), has reportedly made a \$50 million bid for the West German maker of electric razors, photographic equipment and household electrical goods (domestic appliances, record-players, radios, etc.) BRAUN AG, Frankfurt (see No 413). Talks are continuing, but Braun's directors have up to a month to make the decision, and if accepted, the company is expected to remain under its present management.

The latter's capital of DM 24 million is almost all held by the Braun family, and last year it had a turnover of DM 245 million. Its Swiss holding company, Braun Electric International SA, Baden, is responsible for its interests in a large number of foreign subsidiaries (in France, Italy, the Netherlands, Denmark, Sweden, Finland, Austria, Spain, the USA, Canada and Japan), whilst in English-language countries, its razors are made under a licensing agreement with Ronson, due to expire in 1975.

Gillette had a 1966 turnover of \$396 million from sales of 6,000 million razor blades, shaving accessories, medical supplies, hair preparations and ball-point pens. It already has a large number of European subsidiaries, including Gillette Roth-Büchner GmbH, Berlin (capital DM 18 million).

** The Dutch shipping company VAN NIEVELT, GOUDRIAAN & CO, STOOMVAARTMIJ. NV (see No 414) has taken a 38.5% interest in the increase to Bf 70 million of the capital of the Belgian company STEFENS-ELECTRO NV, Antwerp (electro-technical equipment for the shipping industry, refrigeration, etc). Owned by the Stefens family, its other shareholders are two Antwerp companies: L'IMMEUBLE NV and CAGETRA NV (see No 385) an insurance company headed by M. E. van Vyve, also a director of Stefens. M. Willy Goudriaan, president of the Dutch company, and director of its Antwerp subsidiary NV Van Nievelt, Goudriaan & Co SA, will join the board of Stefens on behalf of the Dutch group.

Van Nievelt already controls a Rotterdam subsidiary in the electro-technical sector: A. de Hoop NV Electrotechnische Industrie (see No 382).

** A link-up is under consideration between ALLGEMEINE ELEKTRIZITAETS GESELLSCHAFT-AEG-TELEFUNKEN, Berlin and Frankfurt (see No 425), and TELEFONBAU- & NORMALZEIT LEHNER & CO KG, Frankfurt (see No 353).

AEG-Telefunken intends to acquire a minority interest in the latter, which makes telephone equipment, remote-control equipment, franking and automatic distributing machines. Together with its wholly-owned subsidiary, Telefonbau & Normalzeit GmbH, Frankfurt, it has a total payroll of over 13,000. It also has interests in some thirty other firms, including Telenorma SpA, Milan, Gesellschaft Für Automatische Telefonie AG, Vienna, Tele-Norm Corp, USA, Tele Norma SA, Ecuador, Telenorma C.A., Venezuela.

The main shareholder in AEG-Telefunken (capital DM 459.9 million) is the New York General Electric Co (a 10% interest). In 1966 it had some 140,000 people on its payroll, with a consolidated turnover of DM 4,400 million.

** The Italian manufacturer of washing machines for laundrettes, G. & C. MAESTRELLI-COSTRUZIONI ELETTROMECHANICHE GM, Sas, Milan has appointed EUROPEAN-ELECTRICAL ENGINEERING CO LTD as its exclusive representative for Britain and the Irish Republic.

The British company as formed in June 1967 as a wholly-owned subsidiary of the London-based ANGLOWEST LTD, in turn an 80% interest of the London group Robert Kitchen Taylor & Co Ltd, which previously had complete control. Anglowest has another 100% British subsidiary acquired from Robert Kitchen-Anglo-West Laundry Distributors Ltd, the exclusive distributor of "Laundromat" laundrette cleaning and washing machines made by the New York group Westinghouse Electric Inc (see No 423).

ELECTRONICS

** French and Italian investors headed by MM Henry Perez and Jose and Raphael Soporte (73%), and Sig. Goffredo Paggi in particular, Milan, (27%) have backed the formation of TERMORID FRANCE Sarl (Asnieres, Seine). With a capital of Ff 20,000 and with M. Henry Perez as president, the company will be concerned with the sale of control, measurement and programming systems.

** CALIFORNIA COMPUTER PRODUCTS INC, Downey, California (see No 411) has set up in Düsseldorf a subsidiary by the name of CALCOMP GmbH (capital of DM 200,000), under the directorship of Herr Ernst Klevers.

This American company is the world's number one in the field of digital scanners for computers. It had a 1966 turnover of \$6 million, already owns a subsidiary in the Netherlands, Calcomp NV at Amsterdam (founded in 1963 under the name of Nederlandse Computer MIJ NV), and is about to set up another in France. Its UK distributor is S.E. Laboratories (Engineering) Ltd, Feltham, Middlesex.

ENGINEERING & METAL

** The American group SIMMONDS PRECISION PRODUCTS INC, Tarrytown, New Jersey (see No 419) has gained control of the Dutch precision engineers BECKER'S SON NV FIJN MECHANISCHE INDUSTRIE, Brummen (575 on payroll).

It already controls Simmonds Precision NV (formerly Audium NV) of Amsterdam, which specialises in transformers for neon equipment, electronic and electro-acoustical control instruments. The latter recently bought up a small local concern, S. Biedermann (special transformers for lighting) and it is also linked by technical agreements with Wesco NV, Rotterdam.

The group has a London subsidiary Simmonds Precision Ltd and another in Switzerland Simmonds Precision Products AG, Zug.

** The Paris precision engineering group SA FRANCAISE DU FERODO (see No 397) has just carried out three important moves, one in West Germany, one in Spain and the other in France.

1) It has taken a 29% interest in the West German LUK LAMELLEN & KUPPLUNGSBAU GmbH, Esslingen-Mettingen, Neckar (formerly at Bühl, Baden) which has a capital of DM 2.5 million. This makes clutch systems and linings, especially for the motor industry. At the same time it has acquired a 37% interest in the company which owns the site and equipment used by the former, INDUSTRIE-AUFBAUGESELLSCHAFT BUHL mbH, Bühl. This belongs to the Häussermann family, Bühl & Stuttgart, which also controls Lamellen & Kupplungsbau August Häussermann Esslingen-Mettingen KG, Stuttgart (see No 254), Lamellen & Kupplungsbau August Häussermann GmbH, Gams, St-Gall Switzerland, Carmata Anstalt, Vaduz, Liechtenstein and Luk-Embrayages Sarl, Strasbourg, Bas-Rhin, which has recently come under the group's control after having acted as the French distributor - along with Otac Sarl, Paris - for the Esslingen subsidiary. The French group has thus acquired its first West German manufacturing interest, thus ensuring better supplies for the market.

2) In Spain, it already had interests in four companies (see No 375): Fraymon SA, Murcia; Sime Espanola SA, Bilbao, FERODO ESPANOLA SA, Madrid (capital Pts 55 million) and FAESSA & MEN-PAR SA, Barcelona. It has increased its stake in the latter two by raising its interest from 20% to 26.4% and 31% respectively, and has thus become the main shareholder. Faessa makes "Sofica" air-conditioners under licence, and these are made by Ferodo since it took over SOFICA-Ste de Fabrication Industrielles Pour Le Chauffage & L'Aeration in 1962.

3) In France, the group has taken over the concern manufacturing and selling electrical, electro-mechanical and electro-magnetic equipment, STE INDUSTRIELLE DE MATERIEL ELECTROMAGNETIQUE SA, Blanc-Mesnil, Seine-Saint-Denis (second to bear the name - capital Ff 2.5 million). This was formed in 1961 as Nouvelle Ste Industrielle de Materiel Electromagnetique SA (capital Ff 10,000) after Ferodo had taken over the original company. After this move the group's capital has been raised to Ff 71.3 million.

** The Dutch steel group KONINKLIJKE NEDERLANDSCHE HOOGOEVENS & STAALFABRIEK NV, IJmuiden (see No 428), which took over NV Rijnstaal v/h J. W. Conk & Co of Arnhem in April 1966 (see No 349), has now gained control of the Blerick, Venlo precision tubes concern, BLERICKSCHE BUIZENFABRIEK NV (see No 396). This will enable Hoogovens to centralise the sales of these two firms, although their production will remain independent, their plants being in Blerick and Arnhem respectively.

Blericksche Buizenfabriek has some 300 people on its payroll, and processes some 27,000 tons of steel a year. Until now, it has been under the 50-50 control of the Rotterdam metal group Struyken & Co NV and the Haffmans family.

** AUGE & CIE, Besancon, Doubs (precision springs for clocks and instruments - capital Ff 1.8 million) has opened a Swiss branch at La Chaux-de-Fonds, Neuchatel, under M. Charles Landry of Berne.

The French company (president M. Andre Auge) controls the Besancon firms of Ste Andre Auge Electromecanique Sarl, Techniglace and Socame Sarl, and Uniressor Sarl of Strasbourg.

** The Canadian plastics machinery concern, EXTRUSION MACHINE CO LTD, Toronto, Ontario, has backed the expansion of the German EXTRUSION PRESSWERKZEUGE GmbH, Offenbach am Main, by contributing 85% to the increase in its capital from DM 230,000 to DM 330,000, the remainder having been subscribed by the local industrialist Herr W. Schuhmacher.

** The Amsterdam shipbuilding concern NED DOK & SCHEEPSBOUWMIJ-N.D.S.M. is to regroup with the plant of its wholly-owned subsidiary NV APPARATEN- & RADIATOREN-FABRIEK "NEDO" (formed in April 1965) that of the dissolving company J. B. VAN HEIJST & ZONEN NV, The Hague (see No 428), whose installations and "Veho" trade name it took over a short time ago. A new company called Verenigde Apparaten & Radiatoren Vehanedo is being formed in Amsterdam to implement the move.

This new company will import radiators from the Belgian sister company NV Veho, Gobbendank, and distribute these in the Netherlands, in return for which the former will acquire Vehanedo's agency for France, Belgium and Luxembourg.

** The Italian engineering concern, SNAM PROGETTI SpA, Milan (see No 426), a member of the state ENI group, has acquired from the German LINDE AG group, Wiesbaden (see No 404), a licence to manufacture ethylene plant.

SNAM is about to open a branch in Libya, at Marsa-el-Brega, as part of its agreement with the STANDARD OIL CO OF NEW JERSEY group. It has a Paris subsidiary called Snam Progetti Sarl (capital raised last July from Ff 200,000 to Ff 700,000), and also a branch in Brussels.

** The formation in France of STE D'ETUDES POUR LE DEVELOPPEMENT DE LA CONSTRUCTION MECANIQUE EN ALGERIE-SODECMA SA, Boulogne-Billancourt, Hauts-de-Seine, has now been fully ratified. This company is to carry out feasibility studies on the development of an Algerian engineering industry, and to examine ways of improving local methods of touring and commercial vehicle assembly.

It will be headed by M. Yves Lavaud, and has received initial capital of Ff 500,000, held by five parties: 1) RNUR-REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt (see No 429), with a direct 22%, and 29% through its subsidiaries S.M.A.T.P.-Ste de Matériels Agricoles & de Travaux Publics SA (23%), and SAVIEM-SA des Vehicules Industriels & d'Equipements Mécaniques (6%); 2) AUTOMOBILES M. BERLIET SA, Venissieux, Rhone, which recently came under the control of SA Andre Citroen, Paris (see No 420), with 16%; 3) ETS RICHARD FRERES SA, Villeurbanne, Rhone (in which Berliet holds 3.3%, and which is 22% affiliated to Saviem), with 15%; 4) STE NOUVELLE DES ATELIERS & FONDERIES C. DUCROS SA, Paris (18.8% affiliate of Cofidal), with 3%; and 5) MWM-MOTOREN WERKE MANNHEIM AG VORM BENZ ABT STATIONAERER MOTORENBAU, Mannheim, subsidiary of Knorr-Bremse KG, Munich, with 15%.

** GODFREY-PEGARD & CIE SA, Andenne, Namur (reciprocating pumps and impellers - see No 293), was formed in 1965 as a 50-50 subsidiary with Bf 5 million capital by SA PEGARD, Andenne, Namur, and SIR GEORGE GODFREY & PARTNERS (HOLDINGS) LTD, Hanworth, Feltham, Middlesex. It has now become a wholly-owned subsidiary of the British group, and has been renamed GODFREY (CONTINENTAL) SA headed by Mr. William D. L. Theed (who also heads the British founder), and M. H. Friis is managing director.

** The German KORF INDUSTRIE & HANDELS GmbH & Co KG, Kehl, is about to invest some \$17 million in the construction of a steelworks in Georgetown, South Carolina, with a planned capacity of 100,000 tons a year. The object of this investment is for Korf to supply its two American subsidiaries with crude steel. A new company will be formed to run the new plant, in which interests will be held by Korf's two subsidiaries: Steelmet International Corp and Western Steel International Corp (see No 251).

The German group (headed by Herr Willy Korf - share capital of DM 7 million) heads four manufacturing companies in Kehl: Sddeutsche Drahtverarbeitungswerke GmbH (capital DM 2 million) - all three of which specialise in the concrete-stressing steel sector - and Wikor Maschinenbau GmbH (capital DM 500,000), which produces machine tools.

** The American JENSEN ENGINEERING CO, Tulsa, Oklahoma (tank agitators), has formed a subsidiary in Frankfurt to co-ordinate sales in Europe, under the name of Jensen International GmbH (capital DM 40,000 - manager Mr. Louis C. Jensen of Tulsa). Jensen has until now been represented in West Germany by Prema-technik Gesellschaft für Verfahrenstechnik mbH, Frankfurt (capital DM 600,000). In France, its representative is Vetrochimie SA, Paris (see No 408), while in Italy this function is performed by Primaberge Italiana SpA, Milan.

** FEDERAL-MOGUL GmbH (capital DM 50,000), formed in Frankfurt in December 1965 as the subsidiary of the American roller-bearing concern Federal Mogul Corp, Detroit, Michigan, has added a branch in Esslingen (under Herr Klaus Hoschar) to its German sales network.

The American group's other Common Market subsidiaries are Federal Mogul France Sarl, Neuilly; Francaise des Coussinets Minces SA, Orleans, Loiret, and Federal-Mogul Ricambi Srl, Milan. Federal Mogul's turnover in 1966 was \$241 million.

** The American vending machine group VENDO CO, Kansas City, Missouri (see No 393), has opened a Milan branch to its subsidiary VENDO (ITALY) SpA, Coninolo Monferrato, Piedmont. With M. Albertus Slingerland as president, and with Lire 60 million capital, the new branch will promote sales of the group's vending machines. There is an existing Milan subsidiary called Vendo (Italia) Srl.

The group has Common Market subsidiaries in Brussels (Vendo International SA - also headed by M. Albertus Slingerland), Düsseldorf and Paris.

** The German A. FRIEDR. FLENDER & CO KG, Bocholt (precision engineering, transmissions, clutches, variable speeds etc. - see No 398), has formed a sales and manufacturing company in Switzerland under the name of Flender AG, Zurich, with an initial capital of Sf 200,000.

The parent company, which employs over 3,000 people, formed a subsidiary in London at the beginning of this year under the name of Flender (UK) Ltd, with £10,000 capital.

** The Dutch company KONINKLIJKE MACHINEFABRIEK GEBR. STORK N.V. (a member of the V.M.F. - VERENIGDE MACHINEFABRIEKEN NV group - see No 420) has made a reciprocal agreement with the British company BARCLAY, CURLE & CO LTD, Glasgow, (a member of the Swan, Hunter & Wigham Richardson Ltd, group Wallsend, Northumberland) to produce and sell a share each of the parts for the marine diesel engine, "Stork SW".

Amongst the more recent moves of the Dutch group is the opening of a branch in London, under M. Robert A. Schillington, and the concentration of its Belgian interests by the taking over of Ateliers et Fonderies van den Bossche Freres NV, De Pinte by its subsidiary Ateliers de Construction Stork Freres & Cie NV, Brussels.

The V.M.F. group of The Hague (see No 430) has formed in Amsterdam through the naval construction company, WERF CONRAD STORK HIJSCH NV, Hengelo (previously of Haarlem - see No 382) and in association with the Haarlem ship-building company, Machinefabriek Figeo NV (capital Fl 3 million) a company under the name of HOLLAND HANDLING ENGINEERING NV. With a capital of Fl. 500,000 (20% paid up), the latter is an engineering firm, concerned in wharfside handling equipment. It also deals with all problems posed by the transport of merchandise in general, and the installation of container handling and lifting equipment, cranes etc.

** Formed in Frankfurt in November 1966, TRANSNUKLEAR TRANSPORT & DIENSTLEITUNGEN GmbH (capital DM 100,000) is now a fully operational company. Its stock is held by: STE POUR LES TRANSPORTS DE L'INDUSTRIE NUCLEAIRE "TRANSNUCLEAIRE" SA, Paris (capital Ff 0.5 million), which has a 20% holding and NIKEM-NUKLEAR CHEMIE- & METALLURGIE GmbH, Wolfgang bei Hanau (see No 353) which has an 80% controlling interest.

Specialised in the supply of nuclear fuels, this last-named company (capital DM 5 million) is itself 45% owned by Degussa-Deutsche Golds- & Silber-Scheideanstalt Vorm. Ruessler, Frankfurt, (see No 411) in association with R.W.E.-Rheinische Westfalische Elektrizitätswerk AG, Essen (see No 418) who hold 20%, R.T.Z.-European Holdings Ltd (part of the Rio Tinto Zinc Corp. Ltd, London - see No 422), who hold 18% and Metallgesellschaft AG, Frankfurt (see No 428) who hold 12%.

** An agreement in principle has been reached between the French State concern BUREAU DE RECHERCHES GEOLOGIQUES & MINIERES-BRGM (see No 395) and the Canadian group INTERNATIONAL NICKEL CO OF CANADA LTD-INCO, Copper Cliff, Ontario (see No 403) to form a Paris company which will develop the nickel deposits in New Caledonia. The Canadian partner will have a 40% share of the new venture's capital, whilst the French side will hold a 60% share. The latter will include a number of banking and manufacturing interests headed by the Paris group UGINE KUHLMANN SA (see No 427).

This means that the de facto monopoly for the New Caledonian nickel deposits held until now by LE NICKEL SA, Paris (a member of the Rothschild group - see No 428) will now be ended. The latter has recently linked 50/50 with Kaiser Aluminium & Chemical Corp., Oakland, California to form Neo-Caledonienne du Nickel SA (Ff 85 million) whose purpose is to process nickel in the island.

** Specialists in ventilators, compressors, heat exchangers and turbines etc, the British group JAMES HOWDEN & CO LTD, Glasgow has increased its holding in the Dutch firm, HOLIMA INGENIEURSBUREAU VOOR WARMITE- & KOUDE-TECHNIEK NV, Amsterdam to a 67.5% share. Howdens had set up this subsidiary with a capital of Fl 1 million in 1961 in association with the Dutch company, Hollandse Ingenieurs MIJ. Holima NV, Laren, but it has since been reconstituted as Holima Belegging- & Beheermij. NV, Amsterdam, with a capital of Fl 1.5 million.

The British group is planning to gain complete control of its Amsterdam subsidiary by 1969, thereby increasing its interests in the Six, which already include an almost wholly-owned subsidiary in Paris, James Howden Sarl. In London, the group is allied on a 50-50 basis with the German company, Gea Luftkuhler Ges. Happel GmbH & Co KG, Bochum (see No 415) in another company called James Howden-GEA Ltd.

** The Dutch engineering group VAN WIJK & BOERMA NV, Groningen (see No 400) has linked 50/50 with J.I. DE JONG MELKBUSSEN- & METAALWARENFABRIK NV, Groningen to form another company in the same town called FRIESCH GRONINGSCHE ALUMINIUM INDUSTRIE NV (authorised capital Fl 500,000 - paid-up Fl 200,000) which will specialise in making aluminium products, especially milk churns.

Van Wijk recently reorganised its Dutch interests and formed three subsidiaries, whose control it shares with E. BORMA'S INDUSTRIELE-HANDELS & BELEGGINGS MIJ NV: 1) Van Wijk & Boerma Hydrauliek NV, which makes pumps and hydraulic equipment under licence from the West Kract Pumpen & Motorenfabrik KG, Werdohl, in its Amsterdam factory; 2) Van Wijk & Boerma Staal NV, with boiler-making, forging and stamping works at The Hague and 3) Plaatverwerkende Industrie Van Wijk & Boerma NV, Vries which makes plastic and metal containers, barrels and storage cans. The group has a fourth subsidiary at Ravenstein, Van Wijk & Boerma Waterzuivering NV (water treatment).

** SINGER SEWING MACHINE CO, the wholly-owned Elizabeth, New Jersey subsidiary of the New York group THE SINGER SEWING MACHINE CO (see No 428), whose sewing-machines it distributes, has opened a Belgian branch, headed by M. Jean Vanderpel. This is based on the premises of the existing subsidiary La Cie Singer SA, Schaerbeek, Brussels.

FINANCE

** The three Lazard merchant banks, LAZARD FRERES & CIE S.C.S., Paris, LAZARD BROTHERS & CO, London and LAZARD FRERES & CO, New York have decided to strengthen their links by forming a joint Paris subsidiary LAZARD SA. Claudio Segre, formerly a director of research in the European Communities and author of the study of European capital markets - the Segre report is president, and he will become a managing partner in the French house,

The new company will act for the three founders on appropriate occasions, and especially in the Euro-dollar market.

** The West German bank KUNDENKREDITBANK KGaA, Düsseldorf (a member of the international financial association Amstel Club, and thereby a shareholder in Amstel Finanz International AG, Zurich - see No 315, and in Amstel Factors Ltd, London - see No 249) which specialises in consumer credit (see No 339) has taken a minority shareholding in the finance concern EUROCARD INTERNATIONAL SA (see No 314) as the latter has raised its capital to Bf 30 million. At the same time, three British and one American group have also become shareholders: TRUST HOUSES LTD, London - directly and through HYDE PARK HOTEL LTD and GROSVENOR HOUSE (PARK LANE) LTD; DEVELOPMENT SECURITIES LTD (through its subsidiary THE DORCHESTER HOTEL LTD); the BRITISH RAILWAYS BOARD, the nationalised rail organisation (through BRITISH TRANSPORT HOTEL LTD) and KNOTT HOTELS LTD CO, New York, through its London subsidiary.

Kundenkreditbank's main shareholders include Bankhaus C.G. Trinkhaus, Düsseldorf (15%) and Bankhaus Burkhardt & Co, Essen (10%) in West Germany, whilst 39% is held by foreign interests including General Shopping SA, Luxembourg (see No 419) and Associates Investment Co, South Bend, Indiana (see No 315). It in turn has various small foreign shareholdings including those in Credivit S.C., Namur and in Sofivac SA, Madrid. In 1965 it backed the formation of the hotel credit firm Eurocard Deutschland, Internationale Kreditkarten-Organisation GmbH, Frankfurt, linked with similar companies in other European countries: Eurocard Ltd, London; Eurocard NV, Amsterdam; Eurocard Deutschland, Internationale Kreditkarten-Organisation GmbH, Frankfurt, linked with similar companies in other European countries: Eurocard Ltd, London; Eurocard NV, Amsterdam; Eurocard Italiana Srl, Rome (recently formed by C.I.T. SpA, a subsidiary of I.R.I.)

These companies have their activities co-ordinated by Eurocard International SA, Brussels, formed in early 1965 (see No 305) as the result of moves by the Swedish group Svensk Kontotjänst A/B and Thisbe A/B, both of Stockholm (through its subsidiary Finansiering A/B Vendor, Stockholm, a member of the Amstel Club) and whose other founder shareholders include Sveriges Hotell & Restaurantgöförbund, Stockholm, and three Amstel Club members, AKO-Bank, Anspär- & Kredit-Organisation AG, Zurich, United Dominions Trust Ltd, London and Credit Mobilier Industriel Sovac, Paris.

** Swiss interests represented by M. Werther C. Futterlieb, Oberengstringen, - the director of Comeledo AG, Roveredo and Gevacur SA, Chur - have formed a new Bologna financial company AGANTIS ITALIAN SpA, with branches in Rome, Milan, Florence, Genoa, Padua, Naples and Palermo. With a capital of Lire 1 million (almost all paid-up by Agantis SA, Zurich) the new concern will be responsible for the placing in Italy of investment trust certificates - and in association with Banca Nazionale dell'Agricoltura SpA, Rome (see No 416) - those of the Anchor Group Corp.

** Having put up 30% of the necessary capital to float the new Milan company, NIOBA Sas at the beginning of this year (the balance of the finance coming from local capital), the Swiss administration and investment company, Mistralin AG, Zug is now financing 88% of the new real estate and financing company, Finform Sas, recently formed with a capital of Lire 50 million; the balance has been put up by G. B. Giacconi, Milan. Nioba manufactures and sells rubber goods and industrial resins, while the new firm is for finance, administration, promotion and property construction.

** The BANQUE DE L'INDOCHINE SA, Paris (see No 412) has participated indirectly in the formation in Johannesburg, South Africa, of the factoring company, FORDOM FACTORING LTD. The Bank, in association with the American finance company, Walter E. Heller & Co., Ltd., Chicago (see No 411) took 50% of the share stock, the balance being taken by a number of companies from the French Bank of Southern Africa Ltd., Johannesburg (80.75% subsidiary of the Banque de l'Indochine) and Union Acceptances Holding, groups.

The American partner (annual turnover in the region of \$2,800 million), and at present in the throes of rationalising its office equipment and furniture company, Art Metal Corp., New York, has a number of factoring interests in Europe: Heller Factoring AG, Mainz (founded in 1963 with a capital of DM 10 million); Ste Francaise de Factoring - Facto-France Heller SA (capital of Ff 5 million), in which it has an equal holding together with the French-American Banking Corp., New York. (The latter firm is itself a 50-50 subsidiary of the BNP-Banque Nationale de Paris SA, Banque de l'Indochine SA and Compagnie Financiere de Suez). Heller Factoring SA, Brussels, in which it has an equal holding together with Les Assurances du Credit SA, Jambes; Nederlandse Middenstands Factor MIJ. Heller NV (initial capital of Fl 1 million) in which it shares an equal holding with Nederlandsche Middenstandsbank NV, Amsterdam. There are also subsidiaries in the UK, Spain, Canada, Mexico and Jamaica, as well as holdings in factoring companies in Denmark, Sweden and Norway. The next step will be the formation of a company in Italy.

** One of the largest Canadian banking establishments, BANK OF NOVIA SCOTIA LTD, Halifax, Nova Scotia (headed by G. J. Tonchie and J. S. Burchell), with offices in Toronto (see No 334), has established its second bridgehead in the Common Market by opening a branch in Brussels under M. Robert Kok.

** The Schaan, Liechtenstein company, PARTINCO HOLDING SA has backed the formation in Milan of a finance and investment company called STA AMMINISTRAZIONE & PARTECIPAZIONE MOBILIARI - S.A.P.A.M. Sas (share capital Lire 170 million). The new firm is managed by one of its backers, M. Ernest Heim of Pregassons, Ticino.

** The BANQUE NATIONALE DE PARIS-B.N.P. SA, Paris (see No 429) is directly involved in the agreement under which its affiliate BANQUE INTERNATIONALE POUR LE COMMERCE & L'INDUSTRIE DU CAMEROUN - B.I.C.I.-C. SA, Yaounde has acquired the agencies in the Cameroun Republic until now controlled by BARCLAYS BANK D.C.O., London (a 54.9% subsidiary of Barclays Bank Ltd - see No 408) in return for the latter acquiring a share in its capital.

The B.I.C.I.-C. was formed in October 1962 with a capital of F.Cfa 200 million by the B.N.C.I.-Banque Nationale Pour Le Commerce & L'Industrie (now B.N.P., after its merger with Comptoir National D'Escompte de Paris) in association with Cie Financiere Pour Les Pays d'Outre-Mer SA., Geneva (see No 356). The latter was founded by a number of banks: BNCI, Bank of America National Trust & Savings Association; San Francisco, California (through its subsidiaries Bank of America International, New York and Banca d'America & d'Italia SpA, Milan, Banque Lambert Scs, Brussels and Berliner Handels-Gesellschaft, Frankfurt and Berlin.

** The leading New York investment bank WHITE, WELD & CO (see No 385) has acquired a controlling interest in BANQUE DE DEPOTS & TITRES-B.F.D.T. SA. It has done this by buying out the interest held by the Algiers holding concern, Les Petits Fils de Francois Tine. M. Jean-Claude Tine will remain president of B.F.D.T., and will join the board of White, Weld & Co, London.

B.F.D.T. was formed in 1963 as Banque Auxiliaire de Depots & de Titres-France (capital Ff 1.25 million) and it received all the assets of Banque Auxiliaire de Depots & de Titres-B.A.D.T., and changed its name in May 1964. White Weld has branches in Zurich, London and Paris, and is amongst the most active managers and underwriters of international issues in Europe. It has also been amongst the pioneers of international term loans.

** The Swiss company GREYHOUND FINANCIAL & LEASING CORP. AG, Zug formed in 1964 to finance capital goods, especially transport units (see No 356) has acquired two new shareholders, BANKHAUS SAL. OPPENHEIM JR. & CIE KG, Cologne (see No 420) and the CONTINENTAL INTERNATIONAL FINANCE CORP, Chicago (a subsidiary of Continental Illinois Bank & Trust Co of Chicago - see No 327). The Swiss company, acquired in April of this year, a Dutch shareholder; the private bank based in The Hague, FIRMA F. VAN LANSCHOT. However it is still a 50% interest of the Chicago transport group GREYHOUND CORP (see No 421).

The latter's most recent European move was the formation of Greyhound Equipment Finance Ltd (capital £100).

FOOD & DRINK

** HUBBARD FARM INC, Walpole, New Hampshire (see No 413), the American poultry-rearing group, has formed an almost wholly-owned indirect subsidiary in Milan, in which both it and Mr Lucien Vanwijnsberghe of Desselgem, who is president, hold token interests. The direct interest is held by HUBBARD-EUROPOULTRY NV, Oudenaarde (formerly at Vevere-Oudenaarde), a subsidiary formed in 1962 jointly with Hubbard's then Belgian agent, "EUROPOULTRY" - Europees Agentschap der Kwekerijen Hubbard, M & N, Early en Fischer Pvba, which was wound up in 1965. The new Italian company is called Hubbard Italia SpA, has Lire 10 million capital, and is the group's fourth Common Market subsidiary, the others being at Cerans; Foulletourte, Sarthe; and Paderborn. It will be mainly for research, breeding, production, promotion and distribution in the poultry sector (eggs, chicks etc), and will also handle plant and equipment used in this industry.

** The French food group GENERALE ALIMENTAIRE - G.A.S.A., Neuilly-sur-Seine, Hauts-de-Seine (see No 403) has taken a 50% shareholding in the Strasbourg canning concern FOIE GRAS EDOUARD ARTZNER SA. In a move at a later stage, it will absorb the latter, and thus gain a foothold in the luxury canned foods sector.

ARTZNER (capital Ff 3 million) is the leading French producer of pate de foie gras and has an annual consolidated turnover of around Ff 15 million. It has several French subsidiaries, and also owns the Swiss Les Foies Gras SA, Basle (Sf 100,000).

** The West German dairy co-operative group MIWISA-MILCHWIRTSCHAFTLICHE VEREINIGUNG GmbH (whose members are a number of Saar co-operatives) has linked with five French dairy co-operatives in Lorraine to form MILCHWIRTSCHAFTLICHE VEREINIGUNG SAAR-MOSEL GmbH, Sarrebrücken (capital DM 1.8 million). The French partners, who together hold 28%, are UNICOOLAIT, Sarrebourg, Moselle, UNION LAITIERE DE LORRAINE, Benestroff, Moselle (factories at head office and Guebling, Moselle), DEFENSE LAITIERE MOSELLANE, CENTRALE BEURRIERE, Drulingen, Bas-Rhin, and LACT-INTERCOOP, Strasbourg.

The new concern will have an annual turnover approaching DM 200 million, on the basis of processing of 300,000 litres of milk daily. To start with the milk collection areas will be harmonised further, although this has been under way since 1951 through a co-operation agreement. At a later stage, efforts will be made to specialise production and have a concerted marketing plan.

** The American manufacturer of non-alcoholic milk-based drinks, the YOO-HOO CHOCOLATE BEVERAGE CORP, Carlstadt, New Jersey, has joined with the Italian industrialist Vincenzo Giovannelli in forming two new companies. The first, USA BEVERAGE ITALIANO SpA, will invest some \$6 million in the construction of ten bottling plants throughout Europe and North Africa. The other, YOO-HOO CONCENTRATO SpA will manufacture and market a chocolate concentrate for this type of beverage.

Yoo-Hoo (1966 turnover of \$4.38 million) is linked to the New York Pepsico Inc group (see No 400), for whom it makes "Devil Shake" chocolate drinks, distributed along with its own brands by the Pepsi-Cola network.

** The Italian manufacturer and wholesaler of charcuterie and cheeses, NEGRONI, Cremona, has formed a Munich sales company, IVIN-HANDELS GmbH (capital DM 80,000), dealing in food products. The managers of the new concern are Sigs. Pietro and Paolo Negroni, Cremona, and Daniele Codazzi, Chiasso, Ticino.

The group formed Ste d'Importation & de Commerce de Produits Alimentaires Italiens SA (see No 406) in Paris during March 1967, and it has had a Swiss subsidiary Negroni SA, Chiasso (capital Sf 1 million) since 1948. The Italian companies in the group are Fratelli Negroni Fu Andrea-Caseifici SpA (factory at San Vito di Casalbuttano), Salumificio Pietro Negroni SpA and Salumificio Cremonese SpA, Cavatiogozzi.

** A rationalisation scheme has been going through in the Italian milk trade; LIAP-LATTERIA IGNECA ALIMENTARE PIACENTINA SpA and FRANCESCO FERRARI D'ANTONIO SpA (both of Codogno, Milan) have amalgamated. This move was especially to the advantage of Liap-Latteria, which is directed by Sigs. G. Chiapponi and A. Ferrari.

Now changed to LIAP-ZAZERA SpA, with an increased capital of Lire 620 million, this firm is becoming the most important concern in the field in Emilia-Romagna, its annual output of processed milk exceeding 36 million litres.

GLASS

** The Paris glass group BOUSSOIS-SOUCHON-NEUVESEL-B.S.N. SA (see No 421) has strengthened its Spanish interests with the acquisition of a 50% interest in PABLO VILELLA & C. VIDRIERIA BARCELONESA, Barcelona, which makes some 65% of bottle-glass used in Catalonia.

Its existing Spanish subsidiary CELO-Cia Espanola Para la Fabricacion Mecanica del Vidrio, Barcelona, has some 350 employees on its payroll, and had a 1966 turnover of Pts. 206 million from plate glass.

OIL, GAS & PETROCHEMICALS

** The Dutch subsidiaries of six international oil companies have linked on equal basis to form AIRCRAFT FUEL SUPPLY NV, The Hague (capital Fl 300,000 - 20% paid-up).

The companies involved are SHELL NEDERLAND VERKOOPMIJ NV, The Hague (part of the Royal Dutch Shell group - see No 429); ESSO-NEDERLAND NV, The Hague (part of the Standard Oil Co of New Jersey - see No 426); CHEVRON PETROLEUM MIJ. (NEDERLAND) NV, The Hague (formerly Caltex Petroleum Mij. Nederland NV, a member of the Standard Oil Co of California group - see No 416); BENZINE & PETROLEUM HANDEL MIJ. NV, Amsterdam (part of the British Petroleum Co Ltd - see No 427); MOBIL OIL NV, Rotterdam (a member of the Mobil Oil Co group - see No 427); and TOTAL NEDERLAND NV, Rotterdam (formerly Total Nederland Aardolie Producten NV - see No 410 - a member of the Paris group C.F.P.-Cie Francaise des Petroles SA).

** The London oil, coal and shipbrokers LAMBERT & BENDALL LTD have taken an 85% share in the newly-formed Milan LAMBERT & BENDALL ITALIANA SpA (capital Lire 1 million). The other shareholder is Sig. G. M. Bevilacqua, Lavene; its directors are Mr. D. R. Pratt, London, and the Italian co-founder.

The new concern will distribute and wholesale throughout Italy and the rest of Europe crude oil, petroleum and petrochemical products.

PAPER & PACKAGING

** The Franco-Belgian group BALAMUNDI (see No 410) headed by MM. Jean Lannoye and Paul E. Goffart, which is controlled by Papeteries de Genval SA, Genval (see No 405), has backed the formation of the Luxembourg investment company BALAMUNDI INTERNATIONAL SA (authorised capital of Lux F 1,000 million - 10% paid-up and nearly all from CREGELUX-Credit General du Luxembourg SA). The company, with M. J. J. Kurz as president, will head the group's interests in the floor- and wall-coverings sector (cardboard, felts, etc.), as well as in the cellulose, paper and plastics industries. Its main directors are MM. E. Goffard (president of Balatum SA, Tournai, Balatum SA, Baisieux, Nord, and Eurofloor SA, Wilz, Luxembourg), J. Lalloye (director of Papeteries de Genval and Ste Generale de Banque SA) and M. Noel Pouderoux (director of Balatum SA, Baisieux, and Balamo SA, Ixelles, Brussels).

Apart from Balamo SA (a joint subsidiary with Mohasco Industries Inc, Amsterdam, New Jersey) - which in turn controls Balamo France Sarl, Boulogne, Hauts-de-Seine, and Balamo Deutschland GmbH, Neuss - the group has numerous other European interests, including: Balamundi France Sarl, Baisieux, and UNIPA - Union des Industries Papetieres SA, Paris; Balamundi Italiana SpA, S. Angelo Lodigiano, Milan; Deutsche Balamundi AG, Neuss; Balamundi Nederland NV, Huizen; Balatum A/B, Stockholm; PACADE -Papiers Cartons & Derives SA, Luxembourg; Thomas Witter & Co Ltd, Chorley, Lancs (through the Luxembourg holding company Millenium AG and a Zurich firm).

PHARMACEUTICALS

** The French LABORATOIRES D'OPOCHIMIE -THERAPIE SA, Toulouse (capital raised earlier this year to Ff 1.89 million), which specialises in vitamin extracts, essences and aromatics ("Opolabo" marque) has further increased its capital by dint of taking over LABORATOIRES AUBERY-BANCAUD & CO SA, Avignon, Vaucluse. The latter has Ff 700,000 capital, and concentrates on galenic, chemical, veterinary, sanitary and cosmetic products.

PLASTICS

** RHONE POULENC and CIE DE SAINT-GOBAIN are to strengthen their existing links in the plastics sector, by merging their respective expanded polystyrene subsidiaries. Thus Ste Industrielle de Plastiques & Resines Appliquees - S.I.P.R.A. SA, Paris (see No 295 - Rhone Poulenc group), will absorb Les Produits Synthetiques Appliques-Prosyntax SA, Chambray-les-Tours, Indre et Loire (see No 394). SIPRA itself will remain under the 50% control of Ste Industrielle de Moy, which itself is controlled (see No 394) by Rhone Poulenc (20%), and its subsidiary Rhodiaceta SA (24%). The move will bring it an exclusive licence covering France and the Benelux countries for a new flow process for expanded polystyrene manufacture.

Rhone Poulenc and St-Gobain are already linked with interests of 25% each in Ste Dauphinoise de Fabrication Chimique-Daufac SA, Neuilly, which produces PVC at Jarrie, Isere. In addition, the two groups linked on a 65-35 footing some months ago, the second through Produits Chimiques Pechiney Saint-Gobain, to produce vinyl acetate at Lacq.

** The French firm trading in electrical plant and small electrical appliances, (especially lamps and switches), and also in plastic boats, G.M.T. - GROUPE MARCEL TABUR SA has formed a sales company under the name of INOVAC (GREAT BRITAIN) LTD in London. With a capital of £ 1,000, this has been put under the direction of Messrs. Marcel Tabur and Gilbert Gateson, and will distribute plastic mouldings, whilst DETA (OVERSEAS) CO LTD will continue to sell electrical products.

G.M.T. (capital Ff 7.36 million) has a payroll of some 400 and is the result of an amalgamation between Inovac SA, Paris (see No 339), and its two subsidiaries, Megafi SA and Tabur Electricite SA, both at Le Mans. Within the Common Market the group has two other subsidiaries, Inovac Italiana SpA, Milan, and Inovac Benelux SA, Molenbeek-St-Jean, Brussels.

SHIPBUILDING

** Following the formation in early 1967 of a 50-50 research and study subsidiary STE NANTAISE D'ETUDES POUR LA CONSTRUCTION NAVALE Sarl, Nantes, Loire-Atlantique (capital Ff 20,000), the French shipbuilding groups STE FINANCIERE & INDUSTRIELLE DES ATELIERS & CHANTIERS DE BRETAGNE (see No 394) and DU DUBIGEON-NORMANDIE SA (both based in Nantes) are envisaging a partial merger of their assets. If this occurs, the latter will become responsible for the "hull" and "boiler" departments of Ateliers & Chantiers de Bretagne (which employs 2,000 of its 3,000 workforce).

The latter company reorganised its internal structure in January 1967, when it took over its manufacturing subsidiary, Ateliers & Chantiers de Nantes (Bretagne-Loire) SA.

TOURISM

** Another West German mail-order group OTTO-VERSAND GmbH & CO KG, Hamburg (see No 416 - 50% controlled by Herr Werner Otto) has followed the example of Neckermann Versand KGaA, Frankfurt (see No 423), and decided to enter the tourist trade. It has therefore made an agreement with the air-trip concern HUMMEL REISE GmbH & CO KG, Hanover.

The latter, whose main shareholder with 34.2% is Verlagsreisebüro GmbH, Hamburg (a member of the Axel Springer Verlag GmbH printing group, Hamburg - see No 417), through Die West Verlags GmbH, will formalise its co-operation agreements with two other German travel agencies in late 1967 (Touropa GmbH & Co KG, Ruppolding and Scharnow-Reisen GmbH & Co KG, Hanover - see No 422) by forming Gruppenbildung-Touropa-Scharnow-Hummel-Tigges. The Otto Versand group had a 1966 turnover of DM 500 million.

TRADE

** The Dutch H. J. REESINK & CO NV, Zutphen, has gained control of the Groningen company G. F. WOLTERS' TECHNISCHE HANDELMIJ NV, which it will incorporate into its chain of branches in Amsterdam, Rotterdam, 's-Hertogenbosch and Hoensbroek.

Reesink has about 800 people on its payroll and a capital of F1 20 million, and it imports and exports metal and plastic products, particularly machines, tools, domestic and sanitary equipment. It has a wholly-owned subsidiary in Amsterdam called NV Van Berg & Co's Metallhandel (authorised capital F1 400,000).

TRANSPORT

** The Liechtenstein concern ETS LONETUR, Schaan, has formed a rail/road agency and commission company in Milan under the name of AGEFER Srl (capital Lire 900,000). The co-founders of this company, with 20% interests, are Sig. Edoardo Rozza of Milan, and the Belgian businessman Pieter Daels of Ghent, who is to run the new firm.

VARIOUS

** An agreement in principle that they should merge has been reached by two Dutch shoe manufacturers, SWIFT SCHOENFABRIEKEN NV and ROBINSON SCHOENFABRIEK FR. VERSCHUUR NV (see No 430). Both are based in Nymegen, employ a total of 1,180 people with a joint turnover in the region of Fl 30 million.

The second-named firm, took over Schoenfabriek Myagro NV, Groesbeek (see No 346), with the aim of boosting its production of men's shoes, boots and sandals. It had, however, undergone a period of difficulty during which the payroll was cut to 380, and talks were started with Rubberfabrik Vredestein NV (a 21% affiliate of the American group B. F. Goodrich Co, Akron, Ohio) with the aim of an eventual takeover in mind.

** BAY STATE FRANCE Sarl (capital Ff 20,000) has been formed in Paris on the premises of AVCO INTERNATIONAL Sarl, the subsidiary of the New York group AVCO CORP (see No 364). The new company is responsible for European sales of products - especially abrasives made by the Steinsel, Luxembourg, subsidiary (formed in 1961). The latter, which has Lux F 50 million capital, was acquired by the American group in 1965, when Bay State Abrasive Products Inc, Westboro, Massachusetts, was made into a division of Avco.

** The British company ESCHMANN BROS & WALSH LTD, Shoreham-by-Sea, Sussex, is behind the formation in Paris of ESCHMANN FRANCE Sarl, a company concerned with the manufacture, import-export and sales of medical and surgical products. With a capital of Ff 400,000, the new company will be under the direction of Mr. Claude J. Samama, Shoreham, Sussex.

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