

# 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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## COMMENT

From Our Correspondent in Brussels

## E . E . C . ENLARGEMENT: WHAT NOW?

Only one foreign minister was present at last week's Council meeting on October 2 and 3 (see No 429), and he was the Luxembourg representative, who was duty-bound, as host, to be present. Thus it was hardly surprising that little more occurred than a straight exchange of views, the debate proper on the Commission's report on enlargement having been deferred to the meeting scheduled for October 23-24. Nevertheless, the occasion did start the ball rolling in the official enlargement debate, and while some of the positions adopted ran true to form, there were those member countries whose more ambiguous approach lent some drama to the situation.

We now know that the Commission's report fully corroborates what M. Rey has been suggesting in recent weeks: that the enlargement of the Community would not in itself be a bad thing, and that it could lend it added strength, so long as certain strict and closely-defined conditions are observed. Whether or not the candidate countries will be prepared to follow these to the letter is still not known, however, and this explains the report's closing remark: "To remove the uncertainties still subsisting, especially on certain fundamental points, the Commission believes it right to commence negotiations with those countries that have applied for membership..."

It is not difficult to see where the Benelux countries and Italy stand, as regards this main finding of the report - they are for the immediate opening of negotiations, and have been for some time, though they do bring out another point raised by the Commission, that there should be no unfair short cuts for the applicants. The Italian representative was also concerned that these four countries should not yet lay down any strict format for the projected talks.

As expected, France once again, through her ambassador Jean-Marc Boegner, underlined the difficulties that were expected to come out of enlargement at this time, and he added, significantly, that now the Commission has carried out its mandate, the Council of Ministers can resume the debate as it stood on July 10. He is here referring to the last Council meeting before the summer recess (see No 417), when the "France versus the Five" situation on enlargement really crystallised, in a debate that ranged over the full gamut of problems involved, from sterling to agriculture. In other words, M. Boegner is rather putting the Commission in its place: its report is comprehensive (and he compliments it on this), and M. Rey is making valiant attempts to rally the Six, but the whole problem extends far beyond any ground that the Commission might be empowered to cover, and the ball is now very much in the governmental court. For all that has gone between, and all that has been said, there has been no change in the whip hand, and no-one but the ministers of the Six can decide on the higher political issues raised by enlargement, such as relations with the Communist bloc, Washington and the third world. In short, France takes the line that whatever

else might happen, the debate can always be raised to another plane, and one where the issues are always in a state of flux.

There remains Germany, which cast a new complexion on the entire situation by sitting on the fence, and in a manner totally unexpected. True, Herr Schiller, Economics Minister, who was the spokesman on this occasion, ratified the general findings of the Commission, and true he too agreed that grave problems were raised by the issue of enlargement, but in agreeing that negotiations should get under way, he put forward a rather curious formula for these...

1) As president of the Council, he started the meeting by outlining the urgent tasks facing the ministers in the coming months, and he suggested that the work should go forward on three main fronts: consolidation of the Community, the fusion of the three communities and the enlargement of the Common Market. There was nothing out of the ordinary about his remarks on consolidation, a recurrent community theme, on which he said that nothing should be allowed to interfere with the quest for free circulation of goods, to begin on July 1, 1968, through distortions of competition, and that the customs union should be developed into an economic union. There was a slightly strange ring, however, about his insistence on the importance of a common energy policy, which, of course, cannot come without the merger of the three Treaties, each of which covers a different sector of the energy industry, with widely differing approaches. This brought him on to his third main point, one developed by his colleague, Rolf Lahr, Secretary of State for Economic Affairs (see No 429), which was the merger of the communities...

2) This was dealt with as both an internal and an external issue. As far as the Community as such was concerned, Bonn maintained that experience has shown at once the adaptability of the EEC and the inflexibility of the other two communities, especially the ECSC, when it comes to sectorial problems: hence the proposed absorption of Euratom and the ECSC by the Economic Community. Said Herr Lahr: "It would be sufficient for an energy and a technology section to be added to the EEC Treaty for the whole matter to be resolved". This is sound enough, but when he went on to the external implications of the communities' merger, the gist of his theme was this: "Since this merger must come, since we have already committed ourselves to it, and since it will mean the retention of the Rome Treaty and the overhaul of the other two treaties, it would be a waste of time for us to negotiate with Britain and the other countries on the latter. Let us base our discussions on the only firm ground, which is the EEC. Beyond that, let us hold talks with outside countries as and when we ourselves move forward in the process of integration. Would it not be more logical and convenient for newcomers to move into an integrated Community, rather than one that was in the throes of merging?"

This rather set the cat among the pigeons: France was the only country with which these suggestions carried much favour, and there were those who reckoned them to be nothing more than a sop offered in that direction. Elsewhere among the Five, reactions were reserved if not critical, and some, despite Herr Lahr's disclaimer

at the press conference following the meeting, saw this as nothing short of a deliberate attempt to link the British admission talks with those on the merger of the communities.

Whatever the precise motive for the suggestion, however, it does hold two very real dangers to the Community: whilst many would admit that the ECSC's supranational institutions have failed to give the desired results, and that their abandonment would not necessarily spell the end of purposeful joint action, the "Europeans" are loth to do so, either with these or with Euratom, at least for tactical reasons. The mere lining up with the EEC's institutional system, which indeed has never quite recovered from the 1966 Luxembourg compromise, could prove a distinct reversal for the supranational ideal, unless certain guarantees were secured in advance - and to obtain these, the ECSC's and Euratom's machinery are the perfect medium. Again, as Jean Rey reminded the German ministers, the problem of merging the Communities is far more complex than they might think.

Of course, everyone appreciates that it would be more practical to admit new members into a single community, far more logically constituted than the three now in existence, but if the Bonn idea were to be followed, there would be every danger of placing a "rider", that of the merger, on the outcome, however successful, of the admission negotiations as such. If this were done, it would give France all the scope she could wish for to hold up talks indefinitely, or indeed to link the two issues, with all the dangers this could bring with it. In such a situation, one could imagine the day when De Gaulle might say to the Five: "You want Britain? Very well, but if that is the case, I believe that all traces of supranationalism should be erased from the merged community, the responsibilities and the structure of which we are now discussing".

The tacit overall conclusion is that Germany is playing into the hands of French diplomacy. Schiller and Lahr, of course reacted against this interpretation, declaring in public that they are not thinking of making any provisos nor of giving priority to one set of problems rather than another. What must be done is to make progress on as many fronts as possible at the same time, and so accelerate the solution of the manifold questions facing the Six. This line of argument is not fatuous: the "synchronising" or "package deal" approach, which has in any case always been near to the hearts of the Germans, has allowed the Community in the past to make a number of spectacular "great leaps forward". Considering the present circumstances, and climate of opinion, and when as now the views of each country are not very clear, however, this particular approach could well prove to be nothing more than "flogging a dead horse". Synchronisation could bring the best and the worst of both worlds. Before adopting any drastic measures regarding this German move, we must watch the movement of events. But for the moment, the least we can say is that Bonn has taken the wind out of the sails of most of her partners, rather than reassured them.

Another disconcerting factor, for the Commission at any rate, has been found in various comments in the British Press, regarding the views of the Community Executive on the enlargement of the Community. It is with extreme irritation, not to say fury, that Brussels received the allegations that the Commission has conducted its

survey of the British economic situation without due consideration or even with negligence; worse still, there are some who have said that the Commission has employed false data in its report under pressure from French members, who themselves have been acting "under the instructions of General de Gaulle". The best-informed circles, following the work of the Commission at close quarters, have met these accusations without questioning the integrity of the two French Commissioners, MM. Barre and Deniau, as follows:

- 1) The economic and financial services of the Commission have gained themselves a world-wide reputation for competence and responsibility;
- 2) The Commission has based its report upon the analyses of its own staff and not upon unedited data that any Commissioner might have introduced into the debate;
- 3) It has played down rather than highlighted the opinions of its administrative staff;
- 4) It is, to say the least, improbable that the non-French Commissioners, "including Sicco Mansholt" could be "the dupes and accomplices of a Gaullist manoeuvre";
- 5) The Commission's report has been unanimously approved.

This row will be remembered less for its cause (no-one believes, or at least admits to believing, that the offending reports were inspired by official British sources), than for its effect, which was to elicit the Commission's resentment, and its categorical reaffirmation of its judgement on the British problem. This is particularly true of the analysis of Britain's economic situation, and the problem of sterling, at which, if anywhere the allegations of falsification were directed. This analysis does not beat about the bush; what it says in broad terms is that unless Britain radically revises her economic and financial policies, her joining the Market would precipitate considerable difficulties for the Community. In fact, according to the Brussels report, it is flaws in the basic economic infrastructure and not temporary snags that explain the failure of Britain to attain a growth rate comparable to that of other industrialised countries, without suffering from an adverse balance of payments. This theory is in any case based upon "something experienced a number of times in the last few years". Besides, "although the British economy has recently emerged from the state of tension in which it found itself from 1963-1964 on, the fundamental situation has hardly changed compared with similar phases in its previous evolution".

The Commission does not think it can make a pronouncement as to whether the "economic, monetary and financial burdens which the country had inherited from its past, from the last World War and from its international position in the post-war period" were the most significant determining factors in this state of affairs. But the prominence it gives to this particular question - and above all to the now notorious question of sterling balances, reflects the importance it attaches to this

question. As to whether "the Pound will not be exposed in the next few years, as it has been in the last decade, to sharp shocks", it is not able to muster a reassuring reply. "The present distribution of sterling balances is such as to raise fears of net outflows, which might be considerable in the future... In these circumstances it cannot be excluded that the sterling balances might, in the event of sharper withdrawals than before, constitute a factor of disequilibrium in the situation of the U.K. and, in the hypothesis of Community membership, a source of difficulties for the Community".

To sum up, we could say that certain clumsy press reports have induced the Commission to harden its line on Britain's approach to the Community, rather than to retreat from its position. The European executive, already shackled by the divergences of opinion amongst the Six, and thereby reduced to an exercise in gaining consensus, is not yet ready to stand up to attacks from the outside. After all, the official circles which are close to the Commission have re-iterated not without reason, the fact that in questioning the objectivity or the authority of the Commission, the British set up barriers between it and themselves. The officials have remarked that the Commission's report is fundamentally in favour of the enlargement of the Community, once those sometimes harsh conditions have been fulfilled by the candidates. Britain must implement a policy of far-reaching reforms or rather complete the far-reaching reforms that she has been engaged upon since the last war. But this is the only way of making the others review their positions completely. This is why George Brown's pro-European speech at Scarborough was received so favourably at Brussels, as was his convincing victory over the anti-marketeers. Mr. Wilson's second in command could not, he said, be ignorant of the substance of the Commission's report. The most significant fact to emerge in the last few days is that his reading of the report has not weakened, but strengthened his eagerness to get into the Community.

October 12, 1967

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## THE WEEK IN THE COMMUNITY

October 2 - October 8, 1967

ECSC From our Correspondent in Luxembourg

### The Commission's Report and British Coal and Steel

The chapter of the Commission's report dealing with these sectors indicates that the main problem will be the orderly integration of a few giant size concerns into the Common Market. There would be few difficulties as far as the other three candidate countries, Denmark, Ireland and Norway are concerned, but British entry would result in a considerable increase in Community coal and steel production. At present British coal production is almost as great as that of the total Community output, whilst British steel production amounts to just under one-third of the Common Market figure.

In addition, there is the sheer size of the British organisations involved. Since the nationalisation of coal in 1946, the National Coal Board - itself controlled by the Ministry of Fuel and Power - is responsible for all coal production and sales. Since the renationalisation of the steel industry on July 28 of this year, the British Steel Corporation - also responsible to the Ministry of Fuel and Power - will have overall control of British steel with the exception of a few very small sectors.

The Commission admits in its report that ownership of these industrial sectors is not directly affected by the Treaty of Rome, but their sheer size and internal structure, compared with the same sectors within the ECSC, and especially the National Coal Board's responsibilities for supplies could create distortion problems for competition in the Community. It should also be borne in mind that Articles 66-67 of the Paris Treaty contain clauses aimed at preventing either private or public firms from using their dominant position to distort its aims. The Commission therefore believes that there must be a series of transitional measures pursuing the integration of the two markets without causing undue hardship to either. In this case it would be difficult to give a favourable reply to the British request for a shortened transitional period for coal and steel.

The British government has already indicated that it is willing to accept the ECSC treaty and all the decisions so far taken under it. This includes acceptance of the Treaty itself, regulations made under it by Community institutions, agreements between governments as to the application of the Treaty and a number of agreements with third countries. Furthermore the use of Article 95 - to deal with situations not foreseen when the Treaty was signed - has resulted in changes in the Community's rules of operation (e.g. aid to coal). These changes are bound to continue, and the candidate countries must accept the principle of this system, leading to the creation of methods additional to those envisaged under the Paris Treaty.

Finally there will be a whole series of problems resulting from the adoption of the pricing system (Article 60), notification of barometer prices and non-discrimination. With regard to transport, there is the problem of notifying prices and tariffs, the establishment of direct international tariffs, and harmonisation of the transport conditions for ECSC products. The need for a sea voyage for the movement of any products between Britain and the present Community also creates difficulties regarding the application of transport and price regulations. Special attention will therefore have to be paid to shipping costs, and the technical problems arising.

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#### FOOTNOTE: French Steelmakers Wary

M. Jules Ferry, the president of the French Steel Association, spoke in Paris last week about the effects of British entry on his industry. He was addressing a lunch given to launch the French steel industry's fifteenth collective "steel loan", worth Ff 350 million. He thought that "the steelmakers of the continent would be particularly vulnerable at this moment in time to the arrival of a new competitor, especially if the latter's market share was small and it sought to enlarge this at the expense of continental steelmakers. Such an argument would not always hold water, but at the present time it was valid. Furthermore, the British steel industry was extremely concentrated, and since its renationalisation its structure had become monolithic. "It might well worsen our existing difficulties; in the present circumstances, the entry of Britain into the Common Market could easily aggravate the position of Continental producers".

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#### Approval for Domestic Coal Proposals

The Council of Ministers has approved the measures proposed by the Commission to remedy the deteriorating situation of domestic coal (anthracite and fines - see Nos 426-7). They envisage parallel measures to stabilise price levels as well as the tailoring of supply to demand. In dealing with the latter point, the Commission agrees that the various solutions, such as reducing production capacity and the utilisation rate, stock-piling and measures affecting imports from outside the Community, are difficult to deal with unless they form part of the general approach to the question of finding outlets and formulating an overall energy policy.

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#### EURATOM

#### Commission to Rule on NPT

At the Luxembourg meeting of the Council of Ministers, the West German delegation raised the question of the nuclear non-proliferation treaty under Article 103

of the Euratom Treaty. This move was supported by the four other non-nuclear members of the Six. Under this Article, member states have to inform the Commission of draft agreements or conventions between them and third states or international organisations likely to affect the Euratom treaty. Within one month the Commission must send its reply to the member-state involved, which cannot ratify the document in question until it has met the Commission's objections.

In accordance with Article 115 of the Rome Treaty, the latter has already given a general summary of its findings on the NPT, especially Article 3. The Germans have also given the Commission a key role by asking it to try and work out a text which would not clash with the Euratom Treaty.

The French representative, M. Boegner, stuck to the French government's position, that disarmament is not yet a problem for the Commission, since it is a political matter.

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## ASSOCIATION

### Turkey and the EEC

On Monday October 9, the EEC-Turkish Association Council met in Ankara. This 6th ministerial meeting discussed the possibility of beginning preliminary work on the change over to the transitional period of the association. Turkey has been linked through an association agreement with the EEC since 1964, and the intention is that she will become fully integrated within the Community. However, due to the weakness of her economy this will be in three stages.

The first five-period expires in 1969, although it can be extended for another four years if necessary. The meeting this week also dealt with the question of boosting Turkish exports, other than the tobacco, raisins, dried figs and nuts, for which there are already annual concessions. These account for some 40% of Turkish exports. The moves to increase Turkish sales to the EEC were envisaged under the association agreement and details will be fixed at a meeting in December.

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## BRITAIN & THE E.E.C.

### Scarborough: Strong Labour Backing

Britain's decision to apply for Common Market membership was approved on October 5, by a much larger majority (4, 147, 000 to 2, 032, 000) at the Labour Party conference in Scarborough than most observers had thought likely. On the eve of the conference, the former President of the Board of Trade, Mr. Douglas Jay, dismissed

for his opposition to government policy over the EEC bid, said that "unreasonable haste" was being made and that there were some who would be prepared to join at any cost. At the same time the Transport and General Workers Union, - TGWU - headed by Mr Frank Cousins - made certain that the party would have a full-scale debate on the Common Market application. However, on the same evening the party's National Executive approved a long statement in favour of Mr. Wilson's move. The key statement concludes, "We believe that the British Government has sought membership of the European Economic Community in a manner fully in accord with the principles and objectives of the Labour Party. That is why the Labour party fully supports Britain's application to enter the EEC."

An Eye on Brussels: The Common Market debate took place on Thursday. During the whole period leading up to it, leaks of what the Commission's report on enlargement of the Community had to say were coming through. At first these seemed to stress the difficulties and problems raised by the linking of the British economy to that of the Six. However it gradually became clearer that the report was in favour of the opening of negotiations and stressed the political advantages of having the Four within the Community.

The Dissenters: Mr. Cousins spoke first in the debate. He emphasised the need for adequate protection for essential British and Commonwealth interests before joining the EEC. There should be proper safeguards, so that increases in food prices could be avoided and so we could continue to plan our own economy and pursue an independent foreign policy. Entering the Common Market would mean putting up high tariff walls against those areas with which we had an expanding trade. The balance of payments situation was likely to be worsened by entry, and the EEC report said that we should take measures to establish a fundamental equilibrium of the economy before joining. Presumably this meant increasing the unemployed to over 750,000 or devaluation of the pound. Mr. Cousins concluded by saying that he did not have much faith in "the capitalist organisation in Europe, dominated mainly by Right-wing governments". A Labour MP, Mr Alfred Morris, supported Mr. Cousins, and considered that the Commission was trying to dictate economic policy to this country, which should be rejected.

Union Support: But Mr Hayday of the National Union of General and Municipal Workers moved a resolution in support of British entry. He admitted that this would mean a rise in food prices and a greater burden on the balance of payments. But the government had not concealed this and it was a subject for negotiation. In any case the CAP was due for review in 1969 and if we could be members by then, we would be able "to impress our special situation on the discussions". Various persons had been unduly pessimistic over the effects of entry and did not consider the advantages; a fast-growing market of 280 million, a new base for our key industries, of which aviation was an example. Special aid would be given to lower income groups if entry caused hardship, and social benefits in the EEC countries were higher than those in Britain.

The Need for Caution: Mr. Douglas Jay said that the National Executive statement gave no clear answer to the questions raised by EEC entry. He wanted to know

whether the Labour party still adhered to the five conditions laid down in 1962. The executive's statement "seemed to have been written by people with neither the courage to stick to the conditions nor the courage to abandon them". It looked as though the firm safeguards once insisted on had gone and that the Government was "much nearer the policy once described as 'going naked into the council chamber'". If Britain negotiated from such a weak position, she would risk ending up with a disastrous balance of payments situation. One could not announce that one would give way on essential conditions before negotiations began. Britain should put her economy first of all and then negotiate and "insist on strong binding safeguards which every informed person knew to be really necessary". However, the next speaker, Mr Eric Heffer, considered that the days when Britain could draw on cheap labour and materials from colonial countries were over, and she had to look elsewhere. If the EEC was capitalist so was EFTA, the Commonwealth and even more so the United States. If Britain was able to enter the EEC she could redefine her relationship vis-a-vis Washington and strive to make the Community Socialist. He was followed by Lord Collinson for the Agricultural Workers who said that they remained uncommitted until the outcome of negotiations was known, even though enormous changes would have to be made by agriculture.

Mr. Brown: The Foreign Secretary then began his reply: "Nobody is being asked to declare for unconditional membership of the European Economic Community. Nobody is being asked today to decide that tomorrow we shall be members of it. What we are asking you to do today is to decide that we shall negotiate to try to get in. In the course of these negotiations we shall negotiate on the essential issues, the essential interests of this nation". The previous government had applied without going through the essential preliminaries and had got hopelessly bogged down in details during negotiations. But this time he and Mr. Wilson had visited the capitals of the Six and worked out the main problems. Although these would involve complicated and difficult negotiations, they were limited and capable of being solved, and it was on this basis that Britain had applied for the opening of negotiations. If they could not be solved, the position would change. Some had raised doubts over regional policies in the EEC. He did not believe this was a problem, since the Six already followed such policies. The Six contained Socialist parties, which had not been hampered by the advent of the EEC.

The Main Issues: The problem of Britain's balance of payments was not insoluble, and in any case we might well be faced with difficulties if we stayed outside. Those against entry assumed that nothing would change, and based a large part of their case on assumptions. Food prices would probably increase throughout the world as supplies became smaller and in any case the CAP was due to be renegotiated in 1969. The attitude of member countries differed, and Britain and Germany had a similar outlook to the problem.

Today, whatever the position had been in 1962, the economic advantages of entry were on our side. The longer we stayed out the more difficult it would be to join. Over the past five years the pattern of trade had changed, and Britain now traded less with the Commonwealth and more with other states.

The Political Argument: However the real argument for joining was the political one. He did not believe that "the political division of Europe could be ended by maintaining economic divisions". All the moves towards detente, the disappearance of barriers between West and East Europe and the German problem would be much easier if there were a united Western Europe. He did not want the world to go on being polarized between the two vast superpowers, and the way for the smaller countries to overcome this was to organize themselves so that they could match the superpowers. Furthermore, he continued, the technological advantages were favourable to entry. Britain could contribute technologically to a unified Europe as well as benefiting from the single market. He thought that unemployment would be more likely to rise if we stayed out.

Even if Britain did not try to go in she might be left high and dry, since other EFTA countries as well as Ireland had applied to join.

The Disadvantages: There was nothing in the Treaty of Rome that was fundamentally unacceptable. Britain could still plan her economy and follow an independent foreign policy. He thought that certain assumption on the effects of entry on the cost of living were unduly pessimistic. But even if they proved to be right, they were not unacceptable, provided they were spread over a long enough period of time. Agriculture would be effected in different ways, and some farmers would be better off.

Have We a Choice?: He mentioned alternatives to EEC entry such as a North Atlantic free trade area or an EFTA-Commonwealth-North America link-up. They existed as possibilities, but "what would be their advantages over EEC membership?", Mr Brown asked.

Winding up his speech, the Foreign Secretary said that the Community had changed since 1962. It had developed differently from what had then been expected. Federal Europe had not emerged and it was best that Britain should take part in the debate as to whether Europe should be federated or not, and use her influence. A Europe of this size could play a major role in helping the developing nations of the world.

\* \* \*

### Europe: Lord Chalfont keeps up the pressure

Lord Chalfont, British Minister in charge of day-to-day negotiations with the Six has been continuing to press the case for British entry, and on Monday he addressed in French the Association of European Journalists in Brussels. He maintained that delaying tactics were being used to try and put Britain off, but "this technique of sending the stranger to knock each time on a different door has been exhausted. We have found a door that is clearly labelled and we have knocked on it loud and clear. We intend to go on knocking until the door is opened".

Lord Chalfont stated that although the British Government found the Commission's analysis of the economy "very interesting" they did not necessarily

agree with it. They believed the measures taken in Britain over the last three years would be successful in solving the balance of payments difficulties. The role of sterling was not considered to be an obstacle to membership, but should anyone have better ideas they were prepared to discuss them. And the best way to do this was through negotiations. On Tuesday, before the same association, the Deputy Prime Minister of Belgium indicated that sterling and the economy should not be used as an excuse to put Britain off.

He repeated his belief that France would not impose a direct veto, although French governmental sources had indicated that negotiations would be long and difficult. If this attempt was vetoed, he thought that consequences would be serious for relations both between Britain and France, and between the Six themselves. However Britain would not negotiate with France and the other Five separately. He also rejected the arguments of those who believed that British entry should wait until the economic union of the Six had been completed. Britain needed to take part in the establishment of the economic union if Europe was to keep its place amongst the leading industrialised nations. "If the Community cannot contemplate British membership, what can it contemplate?" The technological and scientific development of the Community in any moves towards economic union only made sense if Britain was a member.

Speaking on the German proposal for merging the Communities on a parallel basis with negotiations for British entry, he pointed out that an application had been made to join all three institutions. Therefore negotiations for membership and those on merging the Communities should proceed at the same time, but not necessarily at the same speed, and the first to be resolved should be the first to receive formal ratification. He understood Bonn's motives for making the proposal, and knew that they did not intend to complicate British entry. There was however the danger that certain circles might seize on this idea to try and delay or put off British entry.

The special relationship with the USA: Lord Chalfont said that if Britain joined the Common Market, the so-called "special relationship" which she had with the United States could lead to economic independence from the latter as well as political equality for the Community.

It was this aspect of Britain's entry which was stressed in Italy on the eve of the British Minister's arrival on Tuesday for two days of talks with the Italian Government on the bid to join the Six. In an interview given to the "L'Avvenire d'Italia" of Bologna he said "We do not lay claim to any special relationship with the United States today, still less will we do so once we are members of the Community. Our relationship will be Europe's relationship. It will continue to be close in many fields such as defence, politics, trade and technology, and the Atlantic alliance will continue to be the basis of Britain's security, but there will be a place here, as in other fields, for a more specifically European point of view".

During his two-day visit, Lord Chalfont is meeting the Minister of Agriculture Signor Restivo, the Treasury Minister, Signor Colombo as well as the

Foreign Minister Signor Fanfani, just back from the EEC-Turkey Council of Association meeting in Ankara. Main issues to be discussed include the proposal made by the Chancellor of the Exchequer for Britain and the Six to join in creating a common European currency, as well as the fact that London has said it will not use Article 108 of the Rome Treaty to make sterling a problem for the Six. Lord Chalfont will stress once again that all three political parties are committed to EEC membership and that even if procedural delays are used to put off Britain this time, she will remain continually at the door of the Six.

On Thursday, Lord Chalfont will be the main British speaker at the WEU meeting in London, when the Foreign Secretary will be chairman. Although the question of Britain's EEC bid will be discussed, it is not now expected to give rise to a full-scale reply to the Commission's report by London.

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## FRANCE

### Blowing Hot and Cold

Debre and Mendes-France: In the past few days, and following the Commission's report, the two extremes of French opinion on British admission to the Common Market have appeared neatly juxtaposed in declarations by M. Debre, Finance Minister, and M. Mendes-France, leader of the United Socialist opposition party. The most striking contrast between the two positions adopted probably lies in what one might call their "polarity": one the one hand, we have Debre, possibly in hope of avoiding a veto from de Gaulle, re-introducing the idea of association (see No 409 - once again rejected by Lord Chalfont in Rome yesterday), and in general offering a somewhat negative, pessimistic view of the EEC. This he described as a great disappointment, politically, and the Community was now in such a position on this plane that enlargement by full admission of new members could spell the end for its political objectives. At the other extreme came Mendes-France, with a far more positive, constructive approach to the problems facing the EEC, at this time, when enlargement is probably the key issue. He not only stressed the so-often belittled technological advantages (Britain spending no less than 63% of the EEC total on research etc), and the fact that agriculture was not a prohibitive problem, but also put forward a specific plan for the solution of the sterling vis-a-vis Community problem.

Sterling: There is little doubt that this last is the real pivot of the debate in France, for all factions seem to favour the long-term political advantages of British entry. Whereas we have M. Debre, however, insisting that the European currency idea was impracticable, (currency was an incidence of sovereignty, and not the expression of an economy), Mendes-France responded enthusiastically to the British Chancellor's suggestion that "Europeanisation" of sterling might be feasible.

A Long-Term Solution?: In brief, what Mendes-France proposes is that a European pool of reserves be set up, into which members with payments surpluses (the EEC has \$20,000 million of reserves, much more than it needs for its own exchange purposes) would pay a proportion of its reserves in both gold and national currency. This could then be used for loans to developing countries, to finance trade with the east, and to solve the sterling crisis. The problem is that while world liquidity in sterling has fallen from 30% in 1945 to less than 6% at the present time, 40% of commercial exchanges continued to be made in this currency. The answer, once this European pool had been set up, would be for it to offer a long-term loan to countries holding sterling balances, which could be paid off by Britain over a 20 or 30 year period at a reasonable rate of interest. Thus Britain could play a major role in the formation of a European currency as such, and thus the members of the Community could gain much added benefit from the services and facilities offered by the City. This, said M. Mendes-France, would be a way of securing Britain's economic and monetary co-operation with Europe, and of extricating her from those external commitments (the "Trojan Horse" argument) for which at the moment the Gaullists reprimand her.

Of course, such indirect exchanges as these in no way alter the basic fact that the "yea or nay" that will come, more or less bluntly from France, remains the sole preserve of the Elysee Palace and the Cabinet, but the advocates of British Common Market membership must draw some encouragement, when it is realised where the most concrete and constructive thinking on the problems involved is being done in France.

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### Further Support from the French Left

The leading French Left-wing weekly "L'Express" came out last week with a strong plea for British membership of the Common Market. Written by its Editor Jean-Jacques Servan Schreiber, this considers the Commission's report as a major event, and begins by outlining three main reasons why the problem faced by the Six is so important.

Firstly, the United States seems to be superior in every sector of life, and the gap between her and the rest of the world is becoming wider rather than smaller. This superiority is harmful to all concerned including the United States. Secondly, neither China nor Russia can really equal the Americans, and the only power that might be Western Europe. This means that the Community's internal links, especially the political ones, must be strengthened and it must be enlarged to take in Britain and Scandinavia. Thirdly, Britain cannot remain for ever between two stools. If she is unable to enter the Common Market, she will against her will be forced into very much closer links with the United States. But Britain's importance is such that if she has to take the latter course it would mean the disappearance of any hopes of equality between Europe and the United States, for this generation, if not for always.

What is the importance of Britain? M. Servan-Schreiber concentrates mainly on the economic assets of British entry, although he does stress the value of British democratic traditions to the construction of Europe, and mentions the difficulties raised by agricultural and monetary issues. He notes how Britain is second only to the United States for firms in the top 500 in the world, placing her ahead of West Germany and France together, and only just behind the three, if Italy is included. Again, Britain spends over 60% of the total R & D expenditure of the Six together and this research is concentrated in the four major sectors of Electronics, Nuclear Energy, Space and Aeronautics. Britain has an advance over Europe in all of these. He goes on,

"If one day Europe does exist as a power comparable with the USA, it is because she will have overcome the problem of technological innovation and industrial organisation in these very sectors. In other words, Britain is, to all intents and purposes, a small-scale model of Europe's future development".

"Without becoming involved in a doctrinaire approach or technical details, analysis leads us to a clear-cut conclusion: for Europe to reject British assets would be the renunciation of any ambition to become a truly great power".

\* \* \*

WEU

### The Answer is No again

At the meeting of the Political Committee of the Assembly of the Western European Union on October 9, France's Rapporteur, M. Michel de Grailly, delivered a draft report dealing particularly with Britain's continued failure to behave as a "European Power".

What was wrong with all the other countries of the WEU (apart from France, that is) was that they found themselves unable to conduct a truly European foreign policy. The six remaining countries of the Union were all orientated to a greater or lesser degree towards the United States. Only France, whose foreign interests are based mainly in Africa, had been able to wrest herself from the all-pervading influence of the United States, and as such could be regarded as a nucleus of "Europeisme". M. de Grailly was understandably anxious to refute any accusations of 'national egotism' that such a policy could so easily be prey to, but he seems to have been at pains to convince his allies in the Union that this was not just another case of French hard-headedness.

It was then a lack of consensus over foreign policy and not over policy within Europe that really led to the failure to achieve any real political unity within Europe. This preliminary diatribe was, however, but a build-up to the main message for Britain - that there is no room in the Community for a country whose policies are so dependent on "the whims of American policy".

So the WEU meeting was being used as yet another forum to put over the immutable French policy on the enlargement of the European Economic Community, but her allies were, happily for Britain, not content to take such a one-sided speech lying down. Herr Blumenfeld, the Chairman of the Committee, reported that the French statement produced a "vigorous" debate, and a unanimous line-up of the remaining countries against France. M. de Grailly, however, denied there was any unanimity: he agreed that all the other member countries had opposed his thesis, but they had done so for different reasons. For the other side of the coin we must wait until the Committee meets on The Hague on October 23, when the Dutch Foreign Minister is to speak on the prospects for enlarging the Community.

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#### JERSEY told : "Don't Join"

A special report presented to the States of Jersey by a committee of senators and economists advises the island against being dragged into the EEC in the wake of Britain's entry. The report indicates that Common Market membership would have "disastrous consequences" on the economy and long-term prosperity of Jersey, one of the oldest possessions of the English Crown.

The main points in the report are that the island's sovereignty over tax matters, would go. It would mean adoption of the Common Market's added value tax system, thus creating for the first time a tax on all internal sales. This would substantially raise the cost of living and threaten the island's tourist industry, which brings in nearly £25 million annually, making up the balance between the £13 million real exports and the £30 million imports. The tax advantages, which now attract both individuals and companies from Britain and elsewhere would disappear, thus removing the island's attraction as a base for the large number of financial and investment companies, who have established themselves there in recent years.

The island's agricultural industry, mainly involved in growing tomatoes and potatoes for the British market, exports to which are worth some £5 million a year would also be hard pressed on prices by competition from French and Italian growers. Jersey would also have to give up the control it now has over immigration, which it now exercises by regulating the purchase and renting of property and this would create serious problems in a tightly-packed island of 65,000.

The report says that the British Government has the power to legislate for Jersey but not on taxation. Thus a measure enforcing the Treaty of Rome could scarcely be made without altering her constitutional relationship with Britain. Constitutional reforms might be carried out to keep the island out of the EEC, either to come inside the C.E.T. or to keep its "ancient rights" to send goods to Britain free of duty. The report therefore suggests that the British Government should follow the example of Denmark, which has requested special arrangements for the Faroes.

October 12, 1967

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**AEROSPACE**

\*\* DORNIER INTERNATIONAL GmbH, Munich, subsidiary of the German aircraft manufacturer DORNIER WERKE GmbH, Friedrichshafen (see No 408), has secured distribution rights in Germany for the "Beagle B 206" (eight-seater) and the "Beagle Pup" (two-seater) light aircraft made by BEAGLE AIRCRAFT LTD of Shoreham-by-Sea. This trading agreement may later be extended to cover a close manufacturing alliance between the British and German companies.

Dornier (capital DM 10 million) has been linked since May 1967 (see No 409) with the American Hughes Tool Co, Culver City, California, for the manufacture and sale of helicopters.

**AUTOMOBILES**

\*\* The third largest Italian car manufacturer LANCIA & CO, FABBRICA AUTOMOBILI SpA, Turin (see No 345), which is negotiating a co-operation agreement with the German group DAIMLER-BENZ AG, Stuttgart-Untertürkheim (see No 427), has appointed PETER LINDNER GmbH & Co KG, Frankfurt, as its West German agent. The latter has for ten years been the exclusive import agent for the British group JAGUAR CARS LTD, Coventry (see No 407).

\*\* An agreement in principle has been reached between SA DES AUTOMOBILES PEUGEOT, Paris (see No 427), and TOYO KOGYO CO LTD, Hiroshima, covering the construction in Malaysia of an assembly line for lorries and cars made by both partners. The Japanese partner, which is amongst the first twenty Japanese firms, has around 18,000 people on its payroll at Tokyo and Osaka. It recently developed the Mazda Cosmo rotary-engined sports car.

A similar agreement was recently signed between Regie Nationale des Usines Renault, Boulogne-Billancourt, and Nissan Jidosha Kogyo-Nissan Motor Co, Yokohama, involving the construction of an assembly line in South Africa.

**BUILDING & CIVIL ENGINEERING**

\*\* The American civil engineering contractors, CUNNINGHAM-LIMP CO, Detroit, Michigan (see No 342), through its foreign activities subsidiary, CUNNINGHAM-LIMP INTERNATIONAL, New York, has formed an almost wholly-owned subsidiary in Paris under the name of Cunningham-Limp (France) Sarl, with Ff 25,000 capital. This is headed by M. Jean Buisson, and is to study, plan and supervise all types of building and civil engineering projects.

Cunningham-Limp International recently opened a branch in Brussels under Mr. Anthony P. Lawrence.

## CHEMICALS

\*\* A member of the Düsseldorf chemical group HENKEL & CIE GmbH, (see No 420 - through its holding company PERSIL GmbH) the manufacturer of household cleansing products (especially wax polishes) THOMPSON-WERKE GmbH, has signed a sales agreement with another firm in the same sector CHEMISCHE FABRIK KOSSACK AG, Düsseldorf (capital DM 1.5 million) which has annual sales of around DM 30 million (Dompfaff brand).

Thomson-Werke (capital DM 12 million) signed a similar agreement in 1966 with Siegel-Werke GmbH, Cologne-Diehl.

\*\* Two Dutch companies, NV KALKZANDSTEENFABRIEK HOOGDONK, Liessel, Deurne, and NV KALKZANDSTEENFABRIEK RIJSBERGEN, Huizen, have linked 50-50 to form a silicates sales and manufacturing company in Belgium under the name of NV SILICAAATSTEEN, Genk. This has Bf.2.2 million capital, and is run by MM. Gijsbertus A. van den Brink, Deurne; Hendrik J. Habroken, Dilsen, and Johannes P. van den Brink, Laren.

\*\* The German DYNAMIT-NOBEL AG, Troisdorf (see No 426) and the Swiss WERKZEIGMASCHINENFABRIK OERLIKON-BUEHRLE & CO, Zurich (which holds an 18% interest in the former through Oerlikon-Bührle Holding AG) have decided jointly to link with local Malaysian investors and form a \$Mal 10 million company to build a munitions factory.

Dynamit-Nobel, which employs over 16,000 people in West Germany, is under the 82% control of the Friedrich Flick group, through the Düsseldorf firm of Feldmühle AG.

\*\* Two French firms, STE DES FELDSPATHS DU MIDI SA, Perpignan and STE INDUSTRIELLE & AGRICOLE DE L'ADOUR "FERTILADOUR" SA, Paris (capital recently increased to Ff 4 million - see No 359) have made their interests in feldspath (used as an agglomerate in the production of industrial ceramics) over to a newly-formed joint company STE FRANCAISE DES FELDSPATHS DU MIDI SA (capital Ff 300,000) based at Louhossoa, Bases-Pyrenees. This will also exploit the factory and deposits of STE DES FELDSPATHS BASQUES SA, Louhossoa, to give it an annual capacity of 120,000 tons. It will be headed by M. Paul Montagne, and have a turnover of around Ff 20 million.

Fertiladour's main shareholders include Cie Continentale des Minerais SA, Paris (controlled by the Lausanne holding company S.A.D.I. -SA d'Importation, a member of the Continental Ore Corp, New York) as well as Golestan Corp SA, Geneva, Cie Generale d'Electro-Ceramique SA, Paris and Reno-Engrais & Produits Chimiques SA, Paris.

ELECTRICAL ENGINEERING
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\*\* The French domestic appliances trading company (mainly washing machines and refrigerators), LADEN SA, Fontenay-aux-Roses, Hauts-de-Seine (branch at Dijon - see No 398), hitherto the subsidiary of the Eindhoven group PHILIPS' NV (through CIE FRANCAISE PHILIPS SA - see No 428) is to be taken over by SCHNEIDER RADIO-TELEVISION SA, Ivry, Val-de-Marne (see No 422). The latter will thus extend its range to include Laden's lines, although these will continue to be made by another of the Dutch group's subsidiaries, Ste des Constructions Electromecaniques d'Amiens, Monbier-les-Amiens.

Laden recently took over a similar company called STE NOUVELLE DES ANC. ETS. R. FRANK & SES FILS SA, Fontenay-aux-Roses, Hauts-de-Seine, giving it added gross assets of Ff 3.86 million, thus raising its capital to Ff 10 million.

\*\* The American KELVINATOR INTERNATIONAL CORP, Detroit, Michigan (a member of the group AMERICAN MOTORS CORP), which has reorganised its French interests, has closed down its wholly-owned Paris subsidiary Kelvinator France SA, and delegated its Milan subsidiary Kelvinator Italiana SpA to form a company to take over the latter's activities in the refrigeration field.

Kelvinator International Corp has another European subsidiary, the British Kelvinator Ltd, and it is represented in West Germany by S.K. Kälte George Smith GmbH, Frankfurt.

\*\* The recently agreed links (see No 429) between AUTOMOBILES M. BERLIET SA, Venissieux, Rhone and the British PERKINS ENGINE LTD, Peterborough (part of the Canadian MASSEY-FERGUSON LTD, Toronto) in the field of diesel engines will be extended to cover the development and marketing of electrical generators. Although this will at first be limited to France, where the generators will be sold under the Berliet trade name, it may later be extended to other countries.

\*\* The Dutch group INTERNATIONALE LASPRODUCTEN HANDELMIJ "INTERLAS" NV (electrical equipment and tools, electrode mountings, earths, cable splices, sheet-lifting gear; also exporting electric welding equipment), which was formed at Soesterberg in 1963 with Fl 3,025,000 capital, has formed a sales subsidiary in London. This is called INTERLAS (SALES) LTD (capital £2,000), and the move was carried out through Interlas's existing distribution subsidiary at Hitchin, Herts., Interlas Ltd (see No 417). It is to organise and promote sales on the British market of items already manufactured in the Netherlands, and soon to be made on British soil.

The group has one Common Market sales subsidiary, Interlas Handels GmbH, Essen.

\*\* The German domestic appliances manufacturer HERMANN ZANKER KG MASCHINEN- & METALLWAREN FABRIK, Tübingen (see No 414), has gained control of a similar company called FORBACH GmbH & CO KG, Neustadt, Saale, the two having recently made a co-operation agreement (see No 424). Forbach has subsidiaries in Paris, Brussels, Amsterdam, Vienna and Zurich, and in 1966 it had a turnover approaching DM 100 million.

\*\* The Belgian company ATELIERS DE CONSTRUCTIONS DE TILDONK SA-TILKO, Brussels, has increased its capital to Bf 37.5 million, having absorbed the electrical installations, radio, electronics, components and sundries concern COENRAETS E.M.G. SA, St-Josse-ten-Noode (previously E.M.G.-Electricite & Mecanique Generale SA - see No 297). In so doing it has changed its name to COENRAETS SA, St-Josse-ten-Noode. Its main shareholders are M. Guy Coenraets, St. Nationale d'Investissement-S.N.I. SA, Caisse Nationale Belge d'Assurances-Assubel SA, Brussels, Ste Financiere des Caoutchoucs-Socfin SA, Ixelles, and Comptoir Mobilier & Financier-Comofi SA, Brussels.

The new company has inherited the foreign interests of the firm it replaced, namely Coenraets E.M.G., Maisons-Alfort, Val-de-Marne (previously Emm. G. - France Sarl, which has become Conraets SA), and NV E.M.G.-Nederland, Amsterdam.

ELECTRONICS
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\*\* The French company STE AUDAX SA, Montreuil-sous-Bois, Seine-St-Denis (loud speakers - see No 392), will increase its capital by acquiring assets formerly belonging to SA DES HAUT-PARLEURS & APPAREILS ELECTROMECHANIQUES VEGA, Paris.

Audax has some 500 people on its payroll, and an annual turnover of Ff 20 million (30% from exports). It recently took over two other firms in the same sector, L'Audio-Transformateur SA, Joinville, Val-de-Marne, and Ets Princeps SA Issy-les-Moulineaux (factory at La Fleche, Sarthe). It has been linked for some time now with Vega, through a marketing rationalisation agreement.

\*\* The American LITTON PRECISION PRODUCTS INTERNATIONAL INC, Drexel Hill, Pennsylvania, a member of the electronics group LITTON INDUSTRIES INC, Beverly Hills, California, has opened a West German branch in Munich. It is already established in Europe with branches in Britain (formed in Hayes, Middlesex in July 1966), Switzerland (formed in Zurich in November 1966 - see No 403), and more recently in Brussels (see No 424).

\*\* The Rotterdam group VAN RIETSCHOTEN & HOUWENS NV (see No 400), which already represents the American electronics concern APPLIED DYNAMICS on the British market through its Croydon subsidiary Van Rietschoten & Houwens (UK) Ltd (see No 365), will now carry out the same function in France. It has therefore formed a wholly-owned subsidiary called Riho Sarl, Neuilly-sur-Seine, Hauts-de-Seine (capital Ff 150,000). The latter is managed by Mr Cornelius van Rietschoten and works under the commercial name of "Applied Dynamics". Mr Cornelius van Rietschoten is a board director of the Dutch group, which thus specialises in electronic and electrical equipment, scientific apparatus, etc.

\*\* The London company LOGABOX LTD which was recently taken over by PHILIPS ELECTRICAL INDUSTRIES LTD (part of the Dutch PHILIPS group - see No 428) will continue to act as British sales representative for "Logabox 3200" electronic accounting machines, distributed elsewhere in Europe by the agencies of the French manufacturing Ateliers Bariquand & Marre SA, Arcueil, Val-de-Marne. The companies involved are: in Belgium, Logabox Comptabel SA, Koekelberg, Brussels; in West Germany, Logabox GmbH, Frankfurt; in Switzerland SA de Machines Comptables & a Statistiques, Zurich (formerly in Geneva) which has a capital of Sf 50,000 and in Spain, Conesa, Madrid (capital Pts 5 million).

Linked to the Brussels Electrobél SA group (see No 411), Bariquand & Marre (capital Ff 6.3 million) has an annual turnover of around Ff 18 million from its sales and exports. It has three divisions: 1) Electronics, which makes "Logabox 3200" accounting machines as well as calculating and peripheral equipment for computers, 2) Graphic Arts, which makes "Otype" composing and justifying machinery, cameras, and headliners and 3) mechanical engineering. Its vice-president M. J. Levy-Rueff is director of the Belgian group.

\*\* The French company CIE GENERALE DE RADIOLOGIE-C.G.R. SA, Paris, and Issy-les-Moulineaux (a member of the THOMSON-HOUSTON HOTCHKISS-BRANDT group - see No 427) has extended the manufacturing rationalisation and foreign sales agreement linking it since 1965 (see No 328) with GENERAY-GENERALE RADIOLOGICA SpA-FABBRICHE RIUNITE BARAZZETTI, FARNUMED, RANGONI & PURICELLI SpA, Monza, Milan (a member of the LA CENTRALE-FINANZIARIA GENERALE SpA - see No 328) by the purchase of a large shareholding.

C.G.R. (capital just increased to Ff 24.8 million) has for the past four years been in control of the West German company Koch & Sterzel KG, Essen (see No 427). Since 1965 it has controlled the Belgian company Ets de Man NV, Antwerp which specialises in electrical, electronic, scientific and medical equipment. In France it has a dominating position in the radiology equipment market, and its interests include: 1) Chenaille SA, Saint-Cloud, Hauts-de-Seine; 2) Thomson Medical-Telco Sarl (formed with Cotelec and S.E.M.S.), and 3) Firadec SA (controlled by the Roussel-Uclaff SA group).

\*\* AMPHENOL SALES CORP, Wilmington, Delaware (formed in April 1967), has opened a Belgian branch headed by Mr. Edmund R. Lehmann to co-ordinate its parent company's interests in Europe. The latter is the American manufacturer of electronic components and precision equipment AMPHENOL CORP (see No 393).

Amphenol already had a Belgian manufacturing subsidiary, Borg Fabrics NV, Saint-Niklaas-Waas, the capital of which was recently increased to Bf 45 million. In West Germany it controls Tuchel Kontakt GmbH, Heilbronn, and Moto Meter Hermann Schlaich KG, Stuttgart, as well as having its own subsidiaries, Amphenol Borg Electronics GmbH, Deisenhofen, Munich, and Borg Textil Vertriebs GmbH, Munich.

ENGINEERING & METAL
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\*\* The largest European caravan and camping trailer concern, the British CARAVANS INTERNATIONAL LTD, Newmarket, Suffolk (which heads a dozen similar companies in Britain, South Africa and Rhodesia - see No 398), has formed an imports and sales subsidiary in Rouen called Caravans International France Sarl.

Its most recent moves on the continent were the formation of a subsidiary in Switzerland, and of a company in West Germany similar to the new French one called Caravan International Deutschland GmbH, Bad Kreuznach (capital DM 2 million). It controls the latter through its direct subsidiary Wilk-Caravanning GmbH, Bad Kreuznach, which itself already has a subsidiary called H. Wilk Autocamping GmbH.

\*\* DOSAPRO MILTON ROY SpA (charging equipment - see No 429) has been formed in Milan through DOSAPRO ITALIANA Srl (formed in Turin in 1963 - see No 298 - and now at Milan) taking over MILTON ROY SpA, Milan. The president of the new company is M. Robert Goguel, Carrieres-sur-Seine, Yvelines, the head of the French companies Dosapro Milton Roy SA and Dosapro SA, Pont-St-Pierre.

\*\* Having merged its main subsidiary USINOR-UNION SIDERURGIQUE DU NORD DE LA FRANCE SA, Paris (see No 354), with LORRAINE-ESCAUT SA, Paris, in 1966, the Paris group DENAIN-NORD-EST LONGWY SA (see No 417) is reorganising in the two sectors of metal products trading and mining. It is therefore preparing to absorb STE DE VENTE DE PRODUITS METALLURGIQUES-LONGOMETAL SA, Paris (see No 409).

D.N.E.L. is already a main shareholder in this company (22.5%), which in 1966 had a turnover of Ff 233 million. It is to form a new subsidiary (almost wholly-owned), which will take over all the plant and activities of the old company.

At the same time, D.N.E.L. will integrate its 70% subsidiary STE DES MINES DE FER SEGRE SA, Paris (capital Ff 17.5 million), which at Segre, Maine-et-Loire, runs an iron mine, with a 1966 production of 460,000 tons.

\*\* THE RAWLPLUG CO LTD, London and Kingston-upon-Thames, Surrey (wall-plugs and bolts - authorised capital £1,625,000), has formed a subsidiary in Rome, RAWLPLUG ITALIANA Srl (capital Lire 900,000), under one of its own directors, Mr. John I. Tweedie-Smith.

The parent company already has a number of Common Market subsidiaries, in particular Nederlandse Rawlplug NV and Hollandia Pluggenfabriek NV (both in Delft), and in France Rawl SA, Montreuil-sous-Bois, Seine-St-Denis.

\*\* The Swiss chemical and plastics engineering concern CHEMICA AG, Wohlen, Aargau (capital Sf 150,000), has passed to the 66% control of the Dutch engineering group V.M.F.-VERENIGDE MACHINEFABRIEKEN STORK-WERKSPoor, The Hague (see No 420).

V.M.F. employs over 22,000 people, and is also established in Iran with a 40% founding interest in a petroleum and sugar refining plant company. Until now, its foreign interests were restricted in Europe to France, Belgium, West Germany and Spain, and overseas to Mexico and Venezuela.

\*\* STE DE TRAVAUX & DE CONSTRUCTIONS METALLIQUES-SOTRACOMET SA has been formed in Paris with Ff 100,000 initial capital (president M. Jacques Rohaut) by the merger of three engineering companies, started earlier this year (see No 392). The three firms are STE LORRAINE DE CONSTRUCTIONS METALLIQUES-SOLOCOMET SA, Paris and Maizieres-les-Metz, STE DES TRAVAUX EN FER DE MAUBEUGE SA, Maubeuge, Nord, and ETS. J. RICHARD DUCROS SA, Ales, Nord (factories at Charmes, Vosges, and Roquefort, Landes). The new group will have an annual capacity of over 50,000 tons.

\*\* The American steel group U.S. STEEL CO, Pittsburgh (see No 369), has decided to withdraw its interest from the Italian metal frames firm C.M.F.-COSTRUZIONE METALLICHE FINSIDER SpA, Milan (factories at Marghera and Sabbio Bergamasco), because of losses sustained by the latter. The Pittsburgh group had a joint interest in this with the holding company of the IRI group, FINSIDER.

However, the American group still shares with Finsider control of Deriver SpA and of Terninoss Acciai Innosidabili SpA, Rome (stainless steel).

\*\* The British group THE PLESSEY CO LTD, Ilford, Essex (see No 423), has taken a 50% interest in the Italian manufacturer of hydraulic equipment, TUROLLA SpA, Bologne (see No 335), whose name has been changed to TUROLLA-PLESSEY SpA. The purpose of this move is to extend the hydraulic manufacturing interests of the British group.

The Ilford group recently reorganised its West German interests (through its overseas holding company Plessey International), and this move resulted in its Plessey Maschinen Elemente GmbH, Neuss-Rhein, subsidiary becoming Plessey (Deutschland) GmbH.

\*\* The two Dutch metal companies KON. NED. LOOD- & ZINKPLET-TERIJEN v/h A. D. HAMBURGER NV, Utrecht, and WED. C. DOOREMANS & ZONEN NV, Rotterdam, which already have a joint sales subsidiary in Rotterdam called Handelsmij. Dooremans-Hamburger NV (see No 391), have linked again (90-10) to form a company to produce lead and alloys. This is called Verenigde Lood-Producten Mij. NV, Utrecht, has Fl 200,000 capital, and will distribute its manufactures through its Rotterdam sister company. It is directed by Mr. Max Hamburger of Utrecht.

\*\* The Belgian ETS. JOSEPH & CIE Sarl, Schaerbeek (capital Bf 500,000), has linked 50-50 with the German SCHAUBSTAHL-WERKE KG, Kreuztal, Siegen (which owns the metal company Schaubstahl-Werke Behaco GmbH), to form a chemical, colourants, mineral and synthetic trading products company in Paris called JOSEPH FRANCE Sarl. This has Ff 20,000 capital, and will be run by MM. Jean Joseph, Alseberg, and Hans J. Reimer, Ferndorf, Siegen.

\*\* The German lawn mower concern ABNER & CO GmbH FABRIK FUER RASENMAHER & RASENPFLEGEGERATE has gained control of FRITZ BUNSE KG MASCHINENFABRIK, Solingen, with which it entered into a co-operation agreement in 1966, forming a joint subsidiary called A.B.S.-Rasengerate Vertriebs GmbH & Co KG (see No 375). Fritz Bunse has DM 600,000 capital, (held 50-50 by Herren Helmut Erbslöh and Gerd Langenbach), and made a turnover of DM 13 million in 1966.

\*\* GEO. J. MEYER MANUFACTURING CO, Milwaukee, Wisconsin (automatic bottling and packing machines - 1966 turnover \$47 million), the only European interest of which to date has been its London subsidiary Geo. J. Meyer Ltd, has made manufacturing and trading agreements with CIE DE PONT-A-MOUSSON SA, Nancy (see No 428), for the purchase of a 50% interest in a (70% direct) subsidiary of the latter, Ste de Construction de Materiel d'Alimentation-S.M.A. SA, Bry-sur-Marne, Seine-et-Marne (see No 300), the capital of which has been raised from Ff 4.4 to 7.48 million.

As a second stage, a joint sales subsidiary will also be formed by the two groups.

\*\* SERAI-STE D'ETUDES, DE RECHERCHES & D'APPLICATIONS POUR L'INDUSTRIE SC, Uccle-Brussels (chemical and physical research - see No 350), has formed another subsidiary in Uccle called SERAI-INTERNATIONAL SC (minimum capital of Bf 1 million), in which token shareholdings are held by two other Uccle subsidiaries; COMACI-STE COMMERCIALE D'APPLICATIONS SCIENTIFIQUES SC and FAVASCI SC-STE POUR LA FABRICATION & LA VENTE D'APPAREILS SCIENTIFIQUES (capital recently reduced from Bf 20 to Bf 16 million). The new concern will promote the research work carried out by its founders beyond Belgium.

SERAI was formed in 1955 by Cockerill-Ougree SA, Seraing, Brufina, Brussels, and Miniere & Metallurgique de Rodange SA, Rodange, Luxembourg.

\*\* The American BORG-WARNER INTERNATIONAL CORP, Chicago, Illinois (member of the group; Borg-Warner Corp - see No 411), has formed an almost wholly-owned subsidiary in Brussels under the name of Borg-Warner International SA (capital Bf 250,000). This is directed by Mr James E. Redcay, and will be for imports, exports, sales, renting and manufacture of equipment for the motor and aerospace industries.

The American group is already well established in the Common Market, in particular with Borg-Warner International GmbH, Hamburg; Arpic Automotive SA, Brussels (branch at Antwerp); and Arpic NV, Amsterdam, all three of which are distribution subsidiaries for auto-parts. In addition, it has Byron Jackson NV, Etten, and Byron Jackson-Riva SpA, Milan, which specialise in centrifugal pumps and impellers; B. J. Service NV, The Hague (West German branch at Celle), for oil-well equipping and maintenance; Marbon NV, Amsterdam, for plastic resins, and Brissonneau-York SA, Paris and Nantes, for refrigeration and air-conditioning.

\*\* The Dutch air-conditioning firm COPPERAD-PILASTRO NV, Zwanenberg (formerly at Amsterdam - see No 324) - which was formed by an association between the British COPPERAD LTD, Colnbrook, Buckinghamshire and TJERK REIJENGA NV, Amsterdam - has split into two distinct and independent companies. The first is COPPERAD NV (air-conditioning) and the other PILASTRO NV ("Pilastro" furniture) headed by M. T. Jerk Reijenga.

FINANCE
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\*\* The Turin company IL PIEMONTE FINANZIARIO SpA (of the group CIA ANONIMA D'ASSICURAZIONE DI TORINO SpA - see No 416), is about to absorb FINANZIARIA REGIONALE PIEMONTESE SpA, Turin (see No 355), which it helped to form as a finance company for the improvement of small and medium-sized concerns in the provinces of Piedmont and Val d'Aosta.

Since it was formed in 1966, Finanziaria Regionale Piemontese SpA has acquired minority interests in various electrical and metal companies, including: 1) Pan Electric SpA, Cameri, Novara (see No 411); 2) Sta Metalmeccanica Botto SpA, Bra, Cuneo; and 3) Sta Metalgrafia Ligure Piemontese SpA, Basaluzzo, Piemont.

\*\* The Amsterdam banking group PIERSON, HELDRING & PIERSON (see No 428) has gained control of the Utrecht bank VLAER & KOL and thus strengthened its Dutch interests. These already include a number of banking establishments: Heldring & Van Marken, Amsterdam, Schill & Capadose, and Furnee & Co, both of The Hague, Heldring, Milders & Co, Rotterdam as well as Pierson, Heldring & Pierson Curacao, Willemstead, Curacao.

\*\* The Zurich group ELEKTRO-WATT ELEKTRISCHE & INDUSTRIELLE UNTERNEHMUNGEN AG (see No 371) has underwritten nearly 50% of the increase in capital by one-third to Ff 21 million of STE CONTINENTALE D'ENTREPRISES INDUSTRIELLES SA, Paris (see No 370). The latter's new shareholders also include SOGENIN-STE DE GESTION & DE PARTICIPATIONS DE LA HENIN SA, Paris (see No 412) the holding company for the L'Union des Mines-La Henin group SA as well as Comptoir Financier Veuve Berger Sarl, Paris.

Continentale d'Entreprises makes medium-term mortgage loans, whilst its portfolio interests cover the electrical industry, property development and public services.

\*\* The London bank SAMUEL MONTAGU & CO LTD (see No 419) has set up a portfolio company, MONTAGU HOLDINGS SA, (capital \$200,000) in Luxembourg.

The bank already had representation in the country through its direct subsidiary, Montholding S.A.H. and several indirect subsidiaries, through its subsidiary in Zurich, Guyerzeller Zurmont Bank AG. i.e. - Ste Iberienne de Gerance & d'Investissements SA, (see No 373), Clyde Finance S.A.H. (see No 304), International Body Machinery Corp. SA (see No 334), etc.

#### FOOD & DRINK

\*\* Six French biscuit companies have set up a commission, under M. Patrick Lefevre-Utile (managing director of one of them - LU) to study the feasibility of their forming a single group to rationalise production, research, sales, promotion and advertising. The move will not involve loss of identity or financial independence. The six are: 1) BISCUITS BRUN SA, Maisons-Alfort, Val-de-Marne (turnover Ff 66 million - see No 411); 2) LEFEVRE-UTILE Sas, Nantes, Loire Atlantique (turnover Ff 65 million), which has its own milk factory at L'Hermitage, Ille-et-Vilaine (Laiterie de l'Hermitage) and two Common Market subsidiaries (Lefevre-Utile Belgique SA, Woluwe-St-Lambert, and Lu-Lefevre-Utile GmbH, Weilburg, Lahn - formerly Firma Max Hultsche oHG - see No 311); 3) BISCUITS REM SA, Rheims (Ff 25 million turnover - capital Ff 1.57 million); 4) BISCOTTES & TOASTS MAGDELEINE SA, Granville, Manche (dietary products also: turnover Ff 20 million - capital Ff 1.8 million); 5) BISCUITERIE DE SAINT SAUVEUR J. RIO & CO SA, Lorient (turnover Ff 10 million - capital Ff 1.7 million), and 6) BISCUITERIE DU VAL DE SEMOY SA, Charleville-Mezieres (turnover Ff 10 million - capital raised recently to Ff 1 million).

On current record, should they combine, these six firms will form the largest French biscuit group, commanding about 20% of the market with a Ff 210 million turnover, as compared with the next largest, L'Alsacienne, with Ff 135 million.

\*\* The French wine and fruit-juice distributor UNION VINICOLE D'ALSACE SA, Colmar has formed a West German subsidiary called Union Vinicole D'Alsace Zentralkellerei GmbH, Kehl, with DM 20,000 capital and Herr Alphonse Haag, as manager.

\*\* STE D'EXPLOITATION DES PRODUITS DE GRANDE CONSOMMATION SA has raised its capital to Ff 180 million and changed its name to ELCO-STE D'EXPLOITATION LESIEUR, COTELLE & FOUCHER SA (directors MM. Jean-Pierre Lemaigre-Dubreuil and Michel Marotte). This company was formed by the recent merger in France of the household products concern Ets Cotelte & Foucher SA, Issy-les-Moulineaux, Hauts-de-Seine (which then became an investment company - see No 415) with the food group George Lesieur & Ses Fils SA, Paris. Elco has received both the net assets of Cotelte & Foucher (Ff 88.6 million), which holds a 30.67% interest in it, and assets to the value of Ff 200.33 million from Lesieur, which has a controlling interest of 69.33%.

\*\* The Frankfurt brewery HENNINGER BRAU KGaA, (see No 399), which is linked with the Hamburg tobacco manufacturer H. F. & PH. F. REEMTSMA GmbH & Co KG, has gained a majority controlling interest in AKTIENBRAUEREI BUERGERBRAU AG, Ludwigshafen (capital DM 2.1 million), in which it acquired a stake of about 25% earlier this year (see No 398). During the last financial year this new subsidiary had a turnover of around DM 14.6 million, having produced about 4.6 million gallons of beer.

\*\* MELITTA-WERKE BENTZ & SOHN, Minden (see No 326) has acquired control of GRANINI GmbH & Co KG, Bielefeld (1966 turnover of DM 10 million) which is mainly involved in importing and selling fruit-juice, especially from Italian oranges.

The Minden firm, which belongs to Herr Horst Bentz, has over 4,000 persons on its payroll and an annual turnover around DM 150 million. Originally known for its coffee-pots and filters, the group has since diversified its interests, and it now controls several companies in the food sector. These include Karl Haller Kakao- & Schokoladefabrik, and Moser Roth Ver. Schokoladefabriken, both in Stuttgart, and A. Wildhagen & Co Fabrik Feinster Bonbons, Kitzingen, Main. Outside West Germany it controls the Swiss Melitta GmbH (capital Sf 100,000) whose office was moved from Zurich to Egerkingen in December 1966.

\*\* One of the largest British petfoods and milling concerns, SPILLERS LTD, London, has opened a West German branch called Spillers Werke, Rösraht, Cologne.

Spillers already has a manufacturing subsidiary in Cologne, formed in 1963, called Spratts GmbH (capital DM 1.5 million), and in the Common Market it also has a sales agency in Antwerp called Agence Spillers NV. Overseas, its main subsidiaries are in the Commonwealth, the USA (Spratts Patents America Ltd) and the Republic of Ireland (Spratts Lucas Ireland Ltd).

## INSURANCE

\*\* Negotiations entered into in October 1966 (see Nos 386-7) by a number of European insurance companies, with a view to forging a co-operation agreement (mainly for technical and organisational purposes) have been brought to a successful conclusion. A crossed shareholding arrangement will thus be established between:

- 1) The Paris holding company A.G.P. - LES ASSURANCES DU GROUPE DE PARIS (Paternelle, Prevoyance, Minerve and Unite) SA, which was formed in December 1966 by LA PREVOYANCE and LA PATERNELLE (40-60) for European-scale co-operation;
- 2) COMMERCIAL UNION ASSURANCE CO LTD, London (see No 406), in which La Paternelle has purchased shares to the value of £33,202 (on behalf of A.G.P.), and itself received Ff 4.2 million in A.G.P. shares;
- 3) MUNCHENER RUECKVERSICHERUNGSGESELLSCHAFT AG, Munich (see No 401), in which A.G.P. (through La Paternelle) take an interest of DM 420,000, against its own stake of Ff 4.2 million in A.G.P. and
- 4) ALLIANZ VERSICHERUNGS AG, Berlin and Munich (see No 415). A similar co-operation agreement already linked the British company with the two German concerns, again backed with crossed shareholdings, where Commercial Union held a 25% interest in Münchener, which in turn owned 25% of the capital of Allianz.

\*\* The Brussels insurance company, CIE D'ASSURANCE ORBIS SA, set up in 1963 by the American AFIA FINANCE CORP, Newark, New Jersey, for all types of operation in insurance, re-insurance and security-bonds in the Common Market, has increased its capital from Bf 12.5 million to 75 million (put entirely by the parent company) in order to finance its expansion.

#### OIL, GAS & PETROCHEMICALS

\*\* ELF ITALIANA SpA (formerly UNIONE FRANCESE DEI PRODOTTI PETROLIFERI SpA - see No 422) is about to form a company at Alessandria in 50-50 partnership with the local family concern STA MASSOLO Srl (at present becoming a limited company). The new firm will be for distribution work. The Milan concern was formed in 1961, and recently raised its capital from Lire 200 to 700 million.

\*\* FRENCH PETROLEUM CO OF CANADA LTD, Calgary, Alberta, a production company 60.72% controlled by CIE FRANCAISE DES PETROLES SA, Paris (see No 427), has decided to take over CAMERINA OIL & GAS LTD, hitherto the wholly-owned subsidiary of the Calgary group CAMERINA PETROLEUM CORP.

French Petroleum, which made a 1966 turnover of \$ Can 2.5 million, has a stake in research and production of oil deposits in Alberta, Saskatchewan and British Columbia.

#### PAPER & PACKAGING

\*\* The Belgian COCKERILL-OUGREE-PROVIDENCE SA group of Seraing, which is extending its French interests, has subscribed most of the increase to Ff 262 million in the capital of STE SAFET-EMBAMET-LETHIAS SA, Villeneuve-la-Garenne, Hauts-de-Seine, giving it a stake of around 11% in this company. Safet is linked with the DE WENDEL group (see No 423), and it was DEMACHY & CIE SA, Paris, the bank of this group, which provided the rest of the capital increase.

The Villeneuve concern (formerly called Societes Safet Embamet & Lethias & Co Reunies SA) has factories at head office, Verneuil-sur-Avre and Saint-Florentin, and makes metal packaging, both plain and printed, pharmaceuticals, chemicals, paints and varnishes. In 1963, it took over the assets of the Colombes, Hauts-de-Seine, concern, Emballages Metalliques de Colombes SA.

#### PHARMACEUTICALS

\*\* SQUIBB-MATHIESON INTERNATIONAL CORP, the Panama holding company of the New York group OLIN MATHIESON & CHEMICAL CORP, has made an offer to purchase outright control of its majority-held Munich subsidiary, the chemicals and pharmaceuticals concern CHEMISCHE FABRIK VON HEYDEN AG (see No 385). The latter (capital DM 12,054,000), the minority shareholder in which is RUETGERS-WERKE & TEERVERWERTUNG AG, Frankfurt, has as its main foreign interest a 50% shareholding in Medicamentos & Productos Quimicos SA, Barcelona.

The American group's most recent European move was the formation in Amsterdam last August of Squibb NV (see No 423).

\*\* The Los Angeles chemical and pharmaceutical group REXALL-DRUG & CHEMICAL CO (see No 338), has gained control of the Paris LABORATOIRES JEAN-ROY-FRESSINGE SA (capital Ff 2.08 million). During October 1964, it took over two French firms in the pharmaceuticals sector: Ste Nouvelle Moser & Cie SA (dietetic products) and Laboratoires Medial SA, Lyons, which have since become Laboratoires Medial Riker SA.

The group has numerous Common Market subsidiaries covering its various interests: 1) in France it controls Rexall Europe SA (which distributes "Tupperware" products) and Distrall Sarl, Annecy (capital Ff 50,000), selling plastic products; 2) in West Germany Rexall GmbH, Frankfurt (capital recently increased to DM 800,000) and Ketelhack Riker Pharma GmbH (controlled through Rexall Overseas AG, Zug), based at Borken, Westphalia; 3) in Belgium, Rexall-Belgium NV, Aalst, which has some 500 people on its payroll, and makes "Tupperware" products for the whole Common Market; 4) in Italy Rexall Italiana SpA, Milan (capital recently increased to Lire 250 million; and 5) Rexall Nederland NV, Amsterdam.

\*\* The chemicals, cosmetics and pharmaceuticals firm BRISTOL MYERS CO, New York (see No 424), has formed a Brussels branch to its subsidiary BRISTOL-MYERS INTERNATIONAL CORP, Wilmington, Delaware. Under the directorship of Mr. Joseph E. Maroun, the latter firm will co-ordinate the activities of the associated companies in Europe, and especially of: Laboratoires Bristol SA, Paris; Bristol-Myers de France SA, Courbevoie; Bristol-France SA, Paris; Clairol-Paris SA, Paris; l'Union Technique Industrielle SA (in association with S.I.F.A. SA of the Ste Centrale de Dynamite SA); Clairo-Benelux SA, Ixelles; Laboratoires Bristol Benelux SA, Uccle; Clairol GmbH, Neu-Isenburg; Deutsche Bristol GmbH, Munich; Bristol Italiana SpA, Rome; and Bristol-Myers Srl, Milan; and the portfolio company Bristol Europa SA, Luxembourg.

PLASTICS
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\*\* MARBON CHEMICAL, a division of the BORG-WARNER CORP, Chicago (see page J and No 411), has set up a West German sales subsidiary under the name of Marbon Deutschland GmbH & Co KG, Bielefeld. Marbon's existing Common Market subsidiaries are: Marbon NV, Amsterdam (manufacturing), and Marbon Italiana SpA, Milan (see No 359).

Marbon Chemical is best known as a producer of ABS copolymers (thermo-plastic resins sold mainly under the "Cycolac" trademark), and it has a plant at Grangemouth in Scotland.

PRINTING & PUBLISHING
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\*\* Six Dutch publishing houses have formed INTERCONTINENTAL BOEKEN & LEERMIDDELEN NV in Amsterdam with Fl 400,000 capital (General manager Mr Hendrik N. C. Stam) to publish books, magazines and brochures, and promote scholarly works. The Six founders are: IUTGEVERSMIJ AE. A. KLUWER NV, Deventer; LUCTOR DIDACTISCH-TECHNISCH BEDRIJF VOOR HET ONDERWIJS NV, Baarn; MEULENHOF & CO NV, Amsterdam (see No 405); ERVEN P. NOORDHOFF'S UITGVERSZAAK NV, Groningen; N. SAMSON NV, Alphen, Rijn, and H. STAM NEDERLAND NV, Haarlem.

The latter was formerly called De Technisch Uitgeverij H. Stam NV, and is now a widely diversified concern covering administration, investment, printing, and publishing. In May of this year, it gained control of Instrumenten- & Apparatent-fabriek "Afa" NV, Haarlem, which it renamed H. Stam Tijdschriften NV. Through the holding company H. Stam International NV, Haarlem, which it has owned since 1962, it has also reorganised its publishing subsidiary Uitgeverij Stam-Kemperman NV, Haarlem, as part of a link-up with Technische Uitgeverij Kemperman NV (formerly Uitgeverij v/h A. Kemperman).

RUBBER
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\*\* The Dutch rubber group RUBBERFABRIEK VREDESTEIN NV, The Hague (a 21% affiliate of the American B. F. GOODRICH CO, Akron, Ohio - see No 378) is negotiating the take-over of the Dutch mens' and boys' shoe manufacturer ROBINSON SCHOENFABRIEK FR. VERSCHUUR NV, Nijmegen (see No 346). The latter which has closed its factory at Valkensward, employs some 380 persons.

SERVICES
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\*\* The Swiss company TRAMCO AG, TRAINING & MARKETING CONSULTANTS, Zug has formed a Brussels management consultancy subsidiary BEPCO-BUREAU D'ETUDE & DE PROMOTION COMMERCIALES SA (capital Bf 600,000). Local interests headed by M. Alfred A. Delaby, Wavre, who will run the new venture, have a minority shareholding.

\*\* The New York public relations, market surveys and economic research group HILL & KNOWLTON INC (see No 377) has formed a Brussels subsidiary called HILL & KNOWLTON INTERNATIONAL SA (capital Bf 300,000) which will be headed by M. Joannes T. Sperling. Until now the group's interests have been represented in Belgium by Eric Cypres & Associates, Brussels. The Geneva subsidiary Hill & Knowlton International SA is responsible for all activities in the Common Market, where the other subsidiaries include Hill & Knowlton International Italia Srl, Milan (branch in Rome), Hill & Knowlton GmbH, Hamburg and Hill & Knowlton International France Sarl, Paris (formed in December 1966).

The founder is at present negotiating a close co-operation agreement with the Chicago firm Gardner Jones & Cowell Inc, Illinois which is expected eventually to lead to a merger.

TEXTILES
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\*\* Three Ghent textiles companies, ETS TEXTILES FERNAND HANUS SA (see No 388), LOUTEX-LOUISIANE-TEXAS SA, and UCO NV (see No 304), are in course of merging to form a new, Bf 1,600 million company. This will have M. Serge Lambert as president (he holds the same position in Uco, which is the pivot of the operation), and will be directed by MM. Gaston Braun and Paul Hebbelynck (Uco), Jacques Voortman (Loutex) and Rene Hanet (Hanus).

Uco and Loutex each have a sales subsidiary in Paris. They are already linked in a company at St-Amandsberg, Ghent, called Tissage de Torchons & Layette T.C.T. SA.

\*\* The West German knitwear manufacturer JERCOMA DAMENKLEIDER-FABRIK KG, Gauselfingen, Herchingen, has formed a Swiss sales subsidiary, TRICOT-STUDIO AG, Wintherthur (capital Sf 50,000). The founder has some 300 people on its payroll, and an annual turnover of DM 10 million.

\*\* The Dutch manufacturer of carpets and felt textiles EERSTE HOLLANDSE VILTFABRIEK GEBR. VAN HEUGTHEN NV, Amersfoot, has formed a Swiss international management concern in Lucerne called VAN HEUGTEN WESTERN HEMISPHERE AG (capital Sf 50,000). This will be based on the premises of two other subsidiaries formed in 1966 (see No 366), Van Heughten Export AG (international trade) and Geroma Service AG (marketing operations).

\*\* The German ladies' and children's clothing concern HOBBY-DRESS-BEKLEIDUNG GmbH, Heilbronn, is to be absorbed by EMIL WAGNER KG, which (with DM 550,000 authorised capital) employs more than 700 people for a turnover in the region of DM 12 million. It has a Swiss subsidiary called Lywana AG, Wetzikon, Zurich (capital Sf 100,000).

\*\* As part of their co-operation and rationalisation programmes for industrial products, the LA VESDRE-SA BELGE DE PEIGNAGE & FILATURE group of Anderlecht (see No 411) and LAINIERE DE L'ESCAUT SA, Lengegem, are going into association, to set up a joint subsidiary under the name of VESDRE-ESCAUT (capital Bf 225 million). The subsidiary will receive from its two parent companies the necessary capital goods for the production of combed wool and synthetic fibres. The first-named company will make a capital contribution of Bf 174.99 million (notably from its factories in Brussels, Mouscron and Furnes), and the second will contribute assets of around Bf 49.99 million, including its spinning mill at Andenarde.

In addition to this, these two companies, together with Ets. Emile Fettweiss & Fils Sprl, will be backing the creation of the Nouvelle Societe de Teinture Fettweiss & Co (capital Bf 22 million). The capital contribution will be as follows: La Veldre - Bf 11.435 million; Lainiere - Bf 2.639 million; and Fettweiss - Bf 7.917 million.

TRANSPORT
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\*\* The British and French shipping lines THE CUNARD STEAM-SHIP CO LTD, Liverpool, and CIE GENERALE TRANSATLANTIQUE SA, Paris, have begun talks to see if they can set up a joint sales service, and also pool the revenue from the Queen Elizabeth II (58,000 tons) and France (66,000 tons) once the former comes into service in early 1969. It is envisaged that each would act as the other's sales representative in their respective countries, and there would be a single sales organisation for the United States. The two companies are already linked in Atlantic Container Line Ltd, Hamilton, Bermuda (see No 398).

The British company has just launched the Queen Elizabeth II, which, apart from sailing on the North Atlantic run, will also be used on cruises. The French concern's most recent move has been the taking of a 25% interest in the formation of the Luxembourg holding company Holding Europeenne Maritime SA, where other shareholders include the Dutch-Swiss group Thyssen-Bornemisza and the French group Worms & Cie SA (see No 429).

\*\* The two Duisburg-Ruhrort river transport concerns, KANAL-VERKEHR AG, and WINSCHERMANN GmbH, who are members of the State-owned group SALZGITTER AG, Salzgitter (see No 427) - the latter through EWALD KOHLE AG, Recklinghausen - are to merge and form a new transport company called WINSCHERMANN TRANSPORT AG.

The first of the two (capital DM 1 million) had a 1966 turnover of DM 19 million, while the second (capital DM 5 million) achieved a turnover of DM 58 million. Its main agents are in Rotterdam, Antwerp and Liege.

\*\* The Canadian member of the STE GENERALE DE BELGIQUE SA, Brussels (see No 429), the Montreal investment company SOGEMINES LTD has made an agreement to buy the remaining 81.25% interest it requires to acquire complete control of the Canadian river, coastal and maritime shipping concern McALLISTER TOWING LTD and its wholly-owned subsidiary ISLAND TUG & BARGE LTD. This runs a large fleet of tugs on the St. Lawrence, the Pacific Coast and in the Great Lakes.

VARIOUS
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\*\* The Luxembourg administration company INTERNATIONALE DES SERVICES S.A.H. (president M. Jacques Vynckier) has linked with the Belgian SOREPEX Sprl, Brussels, to form a trade and services company called Sorex Merchandising SA (capital Bf 1 million). The latter is a sister company to Sorex-France Sarl, Paris (formerly Paul Mando Sarl).

\*\* The German BAHRE-METALLWERKE KG, Springe, has formed a company in Paris to make and sell wood panels and laminates under the name of BISON-FRANCE SA (capital Ff 200,000). Bähre is the property of the Bähre family, which also controls in Springe the furniture sales concern Bähre-Verkaufs GmbH (capital DM 250,000).

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\*\* The French MANUFACTURE D'ARTICLES DE PUERICULTURE DU SUD-OUEST-MAPSO Sar, Biarritz (headed by M. Henri Belbis), which makes "Baby-Relax" infant seats, is preparing to form a subsidiary in July under the name of Baby-Relax Italia, and plans to bring in Italian backers. As an alternative, the company may simply grant an exclusive agency to a local firm.

\*\* As part of the re-organisation of the systems analysis and management consultancy group METRA INTERNATIONAL (see No 419), its main company, S.E.M.A.-STE D'ECONOMIE & DE MATHEMATIQUE APPLIQUEES Sarl, Paris has - in association with the state-owned Rome group I.M.I.-ISTITUTO MOBILIARE ITALIANO SpA, (see No 414) - made a subsidiary of the Rome branch of its Milan subsidiary SOMEA-Sta Per La Matematica & l'Economia Applicate SpA, which itself was wound up recently.

Thus the former Somea has given way to two new and separate companies: first there is the new firm in Rome, and then a wholly-owned subsidiary (through S.E.M.A.) called Metra Industria Srl, Milan (see No 419). M. Pierre A. Friguet, who is a member of S.E.M.A.'s board, and already sole director of the new Milan company, also sits on the council of the new Somea. This has Sig. G. Enriques, president of the former Milan subsidiary, as president.

\*\* The German leather trading concern ASSIMA LEDERWAREN-HANDELS GmbH & Co KG, Essen has formed a Swiss subsidiary under the name of Assima GmbH, Basle, with Sf 30,000 capital. Assima's partners in the venture (33.3% each) are ASSIMA HANDELS AG, Basle, and CO-OPEARATIVE VERENIGING INKOOOP-HOLLAND, Amsterdam. The new company will be managed by Messrs Eberhard Brecklinghaus, Essen, Hermann Zumpolle, Hilversum, and Fredy Langmesse, Basle.

\*\* The American company MASURY-YOUNG CO, Boston (see No 285) has wound up its Belgian detergent and household cleansing products distribution firm BRUXELLES MASURY-YOUNG (EUROPE) SA and M. Michel Pollet will be responsible for carrying out this operation. The company was formed in 1963 with Ets. Raphael Pollet SA, Tournai and Robert A. Weaver Jr. & Associates Europe SA, Brussels (American-controlled) as minority shareholders.

\*\* The London locks and safes company, CHUBB & SON'S LOCK & SAFE CO LTD (see No 378) has become established in the Common Market by gaining control of the largest Belgian firm in its sector, LAURENTS FRAIGNEUX SA, Liege, and changing its name to Chubb-Fraigneux SA.

Chubb controls about 40 companies, half of them in Britain, and the rest in Australia, South Africa, New Zealand, Rhodesia, India, Canada and Hong Kong, but until now it has only had a distribution network in Europe. Fraigneux is headed by Mme Fraigneux, and with about 80 people on the payroll, it has an annual turnover of around Bf 6 million.

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\*\* WEYERHAEUSER INTERNATIONAL CA, Caracas, Venezuela (capital 12 million Bolivars), holding company and wholly-owned subsidiary of the American paper and forestry group WEYERHAEUSER CO, Tacoma, Washington (see No 401), which handles foreign distribution of the group's wood products and manages its overseas interests, has opened a branch in Milan. This has M. Marcel H. Heffez as director, and is to distribute wood products and their derivatives, and promote them internationally, especially in Latin America.

Since 1965, through its Tacoma subsidiary Weyerhaeuser Ibero Caribe Inc., the group has had an affiliate in Palermo called Weyerhaeuser Siciliana SpA (see No 399).

\*\* The Swiss NUMISMATICO SA, Lugano (capital Sf 200,000) has formed Numismatique Franco-Suisse Sarl in Paris with Ff 500,000 capital to import and sell coins and make and trade in jewellery.

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INDEX OF MAIN COMPANIES NAMED

A.G.P. Assurances	L	Feldspaths du Midi	C
Abner & Co	I	Fertiladour	C
Afia Finance	M	Finsider, Costruzione Metalliche	H
Allianz Versicherungs	L	Forbach	E
American Motors	D	French Petroleum Co of Canada	M
Amphenol Corp	G		
Applied Dynamics	F	Generale de Belgique	Q
Assima Lederwaren	R	Generale de Radiologie	F
Audax	E	Generale Transatlantique	Q
		Generay, Monza	F
Bahre-Metallwerke	Q	Goodrich, Rubber	O
Bariquand & Marre	F	Granini	L
Beagle Aircraft	B		
Berliet	D	Hamburger NV	I
Borg-Warner	J,N	Hanus, Fernand	P
Bristol Myers	N	Henkel	C
Brun, Biscuits	K	Henniger Bräu	L
Bunse, Fritz	I	Hill & Knowlton	O
Burgerbräu	L	Hobby-Dress Bekleidung	P
		Hoogdonk, Kalkzandsteen	C
C.F.P.	M		
Camerina Oil	M	I.M.I.	R
Caravans International	G	Inkoop-Holland	R
la Centrale	F	Interlas	D
Chemica AG	H		
Chubb	R	Jaguar Cars	B
Cockerill-Ougree-Providence	M	Jean Roy-Fressinge	N
Coenraets	E	Jercoma Damenkleiderfabrik	P
Commercial Union Assurance	L	Joseph & Cie, Schaerbeek	I
Continentale d'Entreprises Industrielles	J		
Copperad-Pilastro	J	Kanal-Verkehr	Q
Cotelle & Foucher	K	Kelvinator	D
Cunard Steam-Ship Co	Q	Kluwer, Uitgeversmij	O
Cunningham-Limp	B	Kossack, Chemische Fabrik	C
Daimler-Benz	B	Laden	D
Demachy & Cie	M	Lainiere de l'Escaut	P
Denain-Nord-Est-Longwy	G	Lancia	B
Douremans & Zonen	I	Laurents Fraigneux	R
Dornier	B	Lefevre-Utile	K
Dosapro	G	Lesieur	K
		Lindner, Peter	B
Elektro-Watt	J	Litton Industries	E
Elf Italiana	M	Logabox	F

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Longometal	G	Rütgerswerke & Teerverwertung	N
Lorraine-Escaut	G		
Louisiane-Texas	P	S.A.H., Internationale des Services	Q
Luctor	O	S.E.M.A.	R
		Safet-Embamet-Lethias	M
McAllister Towing, Canada	Q	Saint-Sauveur, Biscuiterie	K
Magdelaine, Biscottes & Toasts	K	Salzgitter	Q
Mapso, Biarritz	R	Samson, N.	O
Marbon Chemical	N	Schaubstahl-Werke	I
Massey-Ferguson	D	Schneider Radio-Television	D
Massolo, Sta	M	Serai	I
Masury-Young	R	Sogemines	Q
Melitta	L	Sogenin	J
Metra International	R	Sorepex, Brussels	Q
Meulenhoff	O	Spillers	L
Meyer, George J.	I	Squibb-Mathieson	M
Milton Roy	G	Stam Nederland	O
Minerve, Insurance	L		
Montagu, Samuel	K	Thompson-Werke	C
Munchener Rückversicherungs	L	Thomson-Houston Hotchkiss-Brandt	F
		Tildonk, Ateliers	E
Nobel, Dynamit	C	Tjerk Reijenga	J
Noordhoff's Uitgeverszaak	O	Toyo Kogyo	B
Numismatico	S	Tramco AG	O
		Turolla	H
Oerlikon-Bührle	C		
Olin-Mathieson	M	U.S. Steel	H
Orbis, Cie d'Assurance	M	Uco NV	P
		Union Vinicole D'Alsace	K
la Paternelle	L	Unite Assurances	L
Perkins Engines	D	Usinor	G
Persil	C		
Peugeot	B	V.M.F.	H
Philips Electrical Industries	F	Val de Semoy, Biscuiterie	K
Piemonte Finanziario	J	Van Heugthen, Viltfabriek	P
Pierson, Heldring & Pierson	J	Van Rietschoten & Houwens	F
Plessey	H	Vega, Haut-Parleurs	E
Pont-a-Mousson	I	la Veldre	P
la Prevoyance	L	Vlaer & Kol	J
		Von Heyden, Chemische Fabrik	M
Rawlplug	H	Vredestein, Rubberfabriek	O
Reemtsma	L		
Rem, Biscuits	K	Wagner, Emil	R
Rexall Drug & Chemical	N	de Wendel	M
Rijsbergen, Kalkzandsteen	C	Weyerhaeuser	S
Robinson Schoenfabriek	O	Winschermann	Q
		Zanker, Hermann	E

