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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

September 11 - September 17, 1967

THE COMMON MARKET

The Commission in Camera

From our Correspondent in Brussels

According to its spokesman, Sig. Beniamino Olivi, the Rey Commission is now working all-out to produce its report for the Council on the enlargement of the EEC by the admission of four new members (Britain, Ireland, Denmark and Norway) by the agreed deadline of September 30. There was a strong hint, however, that discussion of the most fundamental issues arising has still some way to go, and he was at pains to disabuse the public as to recurrent reports and rumours about the Commission's findings appearing in the press. (These range from Le Monde's assertion that it will sit on the fence to suggestions in British and American newspapers that the Commission will find the idea of enlargement beneficial, and that Britain, in particular, should not be compelled to look elsewhere by undue delay in the process.) All that is known officially is that the Commission is agreed on the general introduction to the report, and that its final arguments will remain unformed until it has fully examined the minutiae of the various subsidiary issues arising, which are being tackled by its directorates-general.

For all this, the report could yet prove a mere preliminary, although Rey has said that it will cover general enlargement problems and specific issues of membership by the four candidates. There seems little doubt that the approach will be highly technical, and that the (at least two) meetings remaining before its presentation will probably be mostly given to lending it some sort of political tone. Agriculture and financial repercussions are bound to come into the focus to a large extent, of course, but little more as yet is known of its context. Overall, it is almost bound to come as some sort of reconciliation of the avowed purpose of the EEC ("open doors") with the need (much stressed by France) for the Community to avoid any move tending to weaken it or its existing policies (monetary reform, tax, energy, tariff harmonisation, etc.).

The Pace Quickens: The situation, of course, lends itself to much speculation, and more grist is fed to the mill each day: not only press hints, but announcements from the top, and even such acts of "gamesmanship", perhaps, as Lord Chalfont's decision to establish himself in Brussels, in readiness for the opening of negotiations, as early as October 4. Only last Tuesday (September 19) came two new verbal developments: the first was a Brussels statement by Rey himself, in which he went so far as to say that "We must enlarge the Community to the limits of free Europe. Now that the U.K. and other members of EFTA are knocking at the door, it would be unforgiveable of us not to find a means of opening it for them." On the same day, Queen Juliana's speech

at the opening of the new session of the Dutch States General expressed the intent in the Netherlands' foreign policy of securing the admittance to the EEC of those seeking membership. The air of mystery surrounding the actual findings of the report seems to be inducing the various interested parties to show their hand, but for all the posturing, the real denouement can only come when the Council gets down to discussion of the report itself. Even Rey's public statements may lose some of their impact when the official "Commission" line is revealed.

The Commission's Position: There certainly appears to be dissension within the Commission, but none of this has come to light in detail: this careful approach might well be expected to reappear in the report as such, by the avoidance of any direct recommendations on the opening of negotiations, and so on. This reflects the new Commission's anxiety, whilst pursuing the political role it has set itself (by reconciling differences between the Six), not to prejudice its authority at the outset, or to bend the rules at all. At the same time, it would equally be death to Rey and his colleagues if they were to back down: the whole process for them is a tight-rope walk.

However, knowing the individuals and the issues involved, and bearing in mind the fact that the Commission must act within the scope of the Treaties, and steer clear of any of the "high" political arguments against enlargement, one can justly speculate on three main fields in which it will base its findings:

- 1) Enlargement: The declared intent of the Community system being to work towards the integration of all Western Europe, Rey and his colleagues cannot possibly argue against enlargement as a principle. Again, they would have to refute all the progress the Six have made over the last ten years, if they were to suggest that the EEC is not now strong enough to bear the shock of enlargement.
- 2) Reservations: It equally falls to the Commission, having accepted this principle, to make due provision for the safe and steady development of the Community. Having now virtually brought the Customs Union into being, Europe is by no means at a stage where it can forge ahead without picking its way very carefully: as far as integration is concerned, this is only the beginning. It is generally assumed that the Six are agreed on their long-term aims, but care must be taken to ensure that any newcomers are prepared to go all the way with them: to accept the Treaties and their implications is not enough. The Rome Treaty is often very general in its provisions, and it is not so much the principles of these as the concrete action they demand that new members must be prepared to accept. In many fields the Six have already set themselves courses of action in this way, one example of which is their common front on world monetary problems (see Comment). To admit new members without their prior acceptance of such undertakings as these would be even more risky than giving the Community's institutions too much authority. New members' powers of veto could be extremely dangerous to the future progress of the Community, and the

Commission will therefore probably recommend that such problems as this should be dealt with before, and not after, the admittance of new members (this is a departure from the case put up by the British Government, who want admittance, through their acceptance of the rules, and discussion of detail at a later stage).

- 3) Guarantees: With such high apparent risks, it looks as though the Six, unless they make gigantic strides along the path of economic integration in the meantime, will have to demand almost crippling guarantees from candidates, and it is difficult to see how these could possibly be negotiated. Thus we are brought to the alternative, which is careful sounding of candidates on their willingness to follow the lead of the Six on integrational policies, and on whether their economic position lends itself to this, or even demands it. This brings us to the question of exploratory talks, and many believe that the Commission will recommend these, as at present it has only enough evidence in hand to pronounce itself in favour of enlargement in principle. Exploratory talks, of course, call for the use of a middle-man, and London is opposed to this indirect approach, not least because it can lead to protracted talks, and because the participants may be of unequal status. Nevertheless, the Kennedy Round is still quite fresh in most people's minds, and, for all its length, Jean Rey must retain a favourable impression of the methods used to bring about its final, positive result.

* * *

Economic Recovery in 1968

Professor Raymond Barre, one of the French members of the EEC Commission, stated on Monday that 1968 should see a noticeable improvement in the Community's economic situation. He was speaking at the meeting of the ECSC consultative committee in Luxembourg, and went on to say that forecasts indicate a 4% rise in the Community's GNP, although there are fears that inflationary trends might set in if expansion occurs too rapidly in the second half of the year in West Germany and Italy.

* * *

OECD Urges Improved European Capital Market

A report issued by the OECD indicates that steps should be taken to improve the functioning of financial markets in its member countries as well as to improve the links between the different countries. The report considers that although "European" markets are often no smaller (relatively) than those in the United States, the majority of them are not as successful. One major factor which must be tackled is the development of savings institutions on a greater scale than at present, and ways of improving the role of savings need governmental action. This is also needed if

there is to be an integrated European capital market, since at present governments tend to overstress the loss of control they would have over their policies if there was greater freedom of capital movements. The problem should be tackled through the co-ordination and harmonisation of measures between governments.

* * *

CUSTOMS & TARIFFS

Preventing Customs Frauds

Representatives of the Six have just signed a customs convention in Rome dealing with industrial customs duties, frontier taxes and agricultural levies. This will increase the power of the national customs services to control and prevent frauds, some of which have taken place in recent years.

The national customs services will exchange information, although they will be under no obligation to communicate information from banks or that which might be considered industrial, commercial or professional secrets. Steps are also being taken to try and harmonise the opening hours for customs posts on intra-Community frontiers. In fact the administrative arrangements for customs services are likely to undergo considerable revision during the next ten months, as internal tariffs are due to end in July 1968.

* * *

HOUSING

Need for Industrialised Building Techniques

Commission member Signor Guido Colombo stressed the need for an increased rate of housing construction within the EEC when speaking at an ECSC prize-giving ceremony for new ways of using steel in industrialised house construction. At present some 1.6 million new dwellings are going up each year, but by 1970 the Community's population is expected to have risen from 183 million to 203 million. Furthermore, 20% of existing dwellings are below the minimum acceptable housing standards.

The American example of the trend towards larger buildings seems likely to gain ground in the Community. This means that new mass-production building methods must be introduced, and to be economic, these need an area as wide as the Common Market. European standards and administrative requirements must therefore be introduced, as well as new methods of financing house construction.

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FOREIGN AFFAIRS

M. Pompidou in Austria

M. Pompidou, the French Prime Minister, accompanied by M. Couve de Murville arrived in Vienna on September 13 for the first visit made by a French Prime Minister since the establishment of the Austrian Republic in 1918.

The main topic in the discussions between the French Ministers, the Austrian Chancellor Dr Klaus and the Vice-Chancellor and Minister for Trade Fritz Bock, was the tricky problem of Vienna's bid to join the Common Market. France's attitude to this move has been considered cool for some time now, and her closer relations with the countries of Eastern Europe, and in particular the Soviet Union, play their part in this. Speaking on Austrian television, M. Pompidou made it clear that although his government viewed with sympathy Austria's bid for membership, it would not take any special measures to help. He pointed out the difficulties in adjusting the rigid rules of the Community to the kind of liberal trade agreement wanted by Austria and indicated that there were political problems involving other states outside the Six. He was here referring to the opposition shown by the Soviet Union which would deem this a violation of the 1955 State Treaty, creating the present-day Austrian Republic. Vienna refutes Moscow's right to decide what would affect its status of neutrality and believes that Soviet fears of an Austro-German link would have even less ground if Austria joined the Community. Other aspects of Austrian-EEC links include her membership of EFTA, which abolished industrial tariffs between its member countries on January 1 of this year, and Italian opposition (because of terrorist attacks in the Alto Adige by extremist organisations wanting the region to be returned to Austria).

Other results of M. Pompidou's visit include an expression by both sides of a common interest in improved relations between East and West Europe, and the decision to set up a mixed commission to study possible co-operation between France and Austria in various sectors. The Austrian press considers the meeting to have produced little for the immediate future, with regard to Vienna's EEC bid, but expressed the hope that the decision to co-operate on economic matters might help in the long run.

* * *

West Germany

Following the call in June by Jean Monnet's Action Committee for a United States of Europe for the parliaments of the Six to approve three resolutions aimed at strengthening Europe, the majority parties in the Bundestag have announced that they will hold a debate along these lines in the autumn. One of the main points is the call for early British membership of the Common Market.

Another Six Summit? Reports from Bonn also indicate that Chancellor Kiesinger has asked the West German Secretary of State for Foreign Affairs, Herr Rolf Lahr to raise the

question of another summit of the Six, at the EEC Council of Ministers meeting in Brussels on October 23 and 24. The principle of another summit this year was agreed on during the Rome meeting. West Germany supports the idea of regular governmental meetings of the Six for co-ordinating foreign policy. It is understood that if a second summit did take place, the British bid for Common Market membership would almost certainly be on the agenda. During the Rome meeting it was provisionally agreed that the next summit, if it took place, was to be held in The Hague, but the Dutch government is unwilling to agree to any discussion on political unity without Britain being allowed to take part.

* * *

Turkey and the EEC

Turkey has been an associate member state of the Community since the agreement of Association was signed on September 12, 1963, and this came into force on December 1, 1964. This is aimed at the gradual establishment of a customs union between the Six and Turkey with the eventual objective of making the latter a full Community member. However, the Turkish economy is relatively weak, and full integration will take some time. It is therefore being carried out in three stages.

Turkey has now reached the half-way mark in the first period of five years - which can be extended to nine if necessary - and the joint Parliamentary Committee set up under the Association agreement to discuss its progress and similar matters has just held its second meeting in Turkey this year. The EEC representatives were headed by M. Henri Moreau de Melen, whilst their Turkish opposite numbers were headed by Senator Tevetoglu. Matters discussed included the possibility of co-ordinating Turkish development plans with Brussels, so that no further impediments to harmonisation of the two economies would be created, and the establishment of a regional development plan aimed at stopping excessive industrial growth in towns. The EEC representatives indicated that the Community would be willing to assist Turkey in carrying out the necessary studies.

Another problem still to be resolved is the position of Turkish workers in the EEC (180,000 with nearly 136,000 in West Germany) for they would find it difficult to get similar work for the same pay if they returned. Furthermore, the money sent home by these emigrant workers is an important source of foreign exchange for Ankara.

* * *

Tunisia likely to become associate member of EEC

Italy, hitherto the principal opponent of Tunisia becoming an associate member of the EEC, is unlikely to object in future. Relations between the two countries, somewhat affected by demands for compensation for Italian settlers dispossessed of their land in Tunisia on May 12, 1964, have considerably improved since the

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recent meeting between their two foreign ministers. Following the signature of three treaties in Rome they declared that nothing further stood in the way of the new era in their relationships for which both had been striving since 1962. The Tunisian foreign minister, M. Bourguiba, had brought about this change in the Italian attitude by declaring his country's willingness to compensate the Italian settler for the loss of 30,000 ha. (75,000 acres) of agricultural land. The necessary funds are to be provided under an Italian credit. Another longstanding bone of contention which arose whenever Sicilian fishermen poached in Tunisian waters without Tunisian authority has also been removed. It is hoped that the foundation of a joint fishing company will prevent any future dispute. The two governments hope for an increase in mutual trade. Tunisia, with Italy as her second largest supplier and customer, hopes for an increase in Italian investments, particularly on the petroleum sector. As is known, the Italian state-owned oil company, ENI made the first discovery of petrol there in 1964, thereby obtaining the lion's share of drilling, refining and marketing rights.

* * *

Malta applies to join the Common Market

Reports in June that the Maltese Government was considering applying for membership of the Six (see No 414) have now been borne out. It was announced at the beginning of this week that an application was handed over in Brussels last week, and no objections are expected from Common Market countries. The reception in Malta from business circles varied from those who thought it was a sensible move since a majority of EFTA states were hoping to become full EEC members, to those who believed that EFTA membership should be achieved first, since any EEC negotiations by Britain, Denmark and Ireland and Norway would take some time. The Maltese government considers that EEC entry would create larger markets and boost the island's economy.

* * *

ECSC

On September 15, the ECSC Problems Working Party (formerly COCOR), under the Council of Ministers, examined the plans formulated by Commission experts on solutions to the general problem of rationalising the coal industry. Before deciding on the exact method of dealing with this, the Commission is planning to do a rapid tour of the capitals to sound the reactions of the governments. The general problem of the coal industry will not therefore figure on the agenda for the next ministerial meeting, scheduled for October 2 or 3.

On the other hand, with regard to the domestic coal industry, the national delegates were presented with a definitive document by the Commission which had been in their possession since the end of July.

The ECSC Problems Working Party has approved these proposals in broad terms. Basically, these are designed to stabilise the price of domestic coal at its

present level, (not by means of fixing minimum prices, but by extending the time limit for preparation of prior notification to the Commission by coal companies of changes in price and conditions of sale of domestic coal. In addition to this, particular attention is being given to the question of whether prices may not be lowered by means of additional subsidies.

With regard to domestic coal production capacities, some delegations came to the conclusion that this question should be handled within the broader framework of the Community's coal industry. It is difficult to foresee for example the closure of a certain anthracite deposits, in that reductions in the production capacity of this type of fuel demands the abandonment of considerable amounts of other types of coal.

* * *

INDUSTRY

The Community Industries' Union on Enlargement

It is interesting to note that the theories put forward in our article above, (see Page 1), concerning the 'British problem', have been echoed in the views expressed by the leaders of the European Community Industries' Union, (UNICE), who communicated their views to the press on September 15, after meeting the President, Jean Rey and several members of the Commission. After noting that "Overall, there was a large measure of agreement" amongst those taking part, the press release states significantly that UNICE is anxious to consolidate its positive attitude to the enlargement of the Common Market, having heard that the new member states would have to accept all previous decisions made by the Six without exception. Furthermore, their joining the Community would not be allowed either to prevent or slow up the process of economic integration.

Developing this point of view, the President of UNICE, Herr Fritz Berg, (Germany), stressed that "all the federated members of the Union have now recognised the advantages of Britain's joining the Community". "Of course", he went on to say, "UNICE could not take the place of the governments by acting in favour of Britain's joining, but it could attract the attention of industry in the six countries towards the interesting opportunities which an enlarged Common Market will afford. The technical possibilities of such an enlarged Market had been studied together by the President of UNICE and his opposite number in the Confederation of British Industry". Having said this, Herr Berg, revealed that European industry shares whole heartedly the Commission's point of view when it (the Commission) declares that the prospective candidates for membership of the Community must accept, as it does itself, what is laid down in the treaties. Above all, their joining should not be allowed to slow down the process of integration. One of Herr Berg's assistants added that, "The main economic problems posed by Britain's joining the Market must be overcome during, and not after, the negotiations".

All the same, if UNICE pronounces itself officially and decisively in favour of enlarging the Community, the conditions which it attaches to Britain's joining will be made more stringent, because of what UNICE regards to be of primary importance in the Community - the future progress of integration in the Six. The President's communique concludes: "By and large, we can now consider the problems of setting up the customs union as solved, or at least soluable between now and the final date for its inception. From that time on, the Community authorities and member states must co-operate whole-heartedly in the formation of a real economic union". Herr Berg later became even more incisive: "The Six must act with more dynamism if they want to form a worthwhile economic union. In order to do this, we must not rely merely on the Community institutions, because the problems raised reach the very heart of the sovereignty of the states; their solution therefore demands a reasonable amount of political give and take. We, the industrialists, intend to do all we can to boost the Community's waning zeal for integration, so that the real goals of the European treaties may be reached as soon as possible".

In their discussions with the members of the Commission, the UNICE delegates stressed the implications of a common industrial policy, whose prime aim would be "to create the economic and social conditions best suited to the realisation of the potential of an enlarged Market, both for the industrial firms themselves and for those who work there. More precisely, UNICE presented the Commission with four main demands:

- 1) a more resolutely positive approach to competition and horizontal co-operation.
- 2) the abolition without further ado of all obstacles and discrepancies in company and fiscal law.
- 3) the co-ordination of the member-states "medium term economic policies and even of their general long term policies, the ramifications of which increasingly overlap the limits of the national market".
- 4) the application of the normal rules of the competitive market to public companies, which are largely controlled by the state.

* * *

EUROPEAN INVESTMENT BANK

Loan for Alsatian Fertiliser Plant

On September 12, the EIB signed a Ff 30 million (\$6.1 million) loan contract for 12 years at 6.5% with the Produits et Engrais Chimiques du Rhin-PEC-Rhin, a joint affiliate of Potasse et Engrais Chimiques-PEC, part of the Mines Domaniales de Potasse d'Alsace group and the German Wintershall AG (see Page L). The loan covers approximately 10% of the total cost of Ff 300 million (\$60 million) of an industrial complex to be built at Ottmarsheim, Mulhouse, Haut-Rhin which will produce ammonia,

nitric acid, simple and compound fertilisers. Annual production will total approximately 300,000 tons of compound fertilisers and 100,000 tons of ammonium nitrate, which will be marketed through the parent companies.

This investment by the EIB is considered to be of benefit to the Community, since it associates a French and German firm and should result in increased productivity. It will also help to redress the region's economic problems, which have been faced with difficulties during past years due to changes in the textiles industry and potash industries. The numbers employed in the latter have already fallen to 11,500 from 12,000 and are expected to decline further. The new plant will employ over 400 persons.

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Loan for Turkish Paper Mill

A loan contract for £126 million (\$14 million) has just been signed with Turkey for the construction of a paper pulp, paper and board mill at Dalman, West Anatolia. At a total cost of £693 million (\$77 million) the new factory will have a production capacity of 84,000 tons of chemical pulps and 75,400 tons of paper and board, and should directly employ 940 workers as well as creating a considerable number of forestry jobs in a less-developed region. The mill will be built by the Seka Dalaman Müessesesi, created by the Turkish Cellulose and Paper Mills Operating Authority - SEKA.

Foreign exchange expenditure for equipment will be supplemented by a \$12 million credit from France with a further \$2 million from Italy, and machinery will be supplied by a Franco-Italian group. The 4.5% loan is for 30 years with a 7 year period of grace. It will be repaid at 7% for 16 years with a 4-year period of grace to the beneficiary. The EIB is making the loan under the terms of the Special Section for the account of member states under the EEC-Turkish Agreement of Association.

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BRITAIN & THE E.E.C.

Lord Chalfont Renews the Pledge

On Friday last, speaking at a Foreign Press Association Press conference in London, Lord Chalfont declared that whatever the obstacles placed in the way, Great Britain remained steadfast in its determination to become a full member of the European Economic Community. He added: "I see no reason why, at the meeting on October 23 and 24, the Council of Ministers could not decide whether negotiations should continue."

He went on to reject outright any half-baked ideas of "association" or a "transition period" for Britain. His obvious zeal in his mission was clearly reflected in his speech, as he continued: "We are not beggars or suppliants in this affair. We are not people who could be kept indefinitely waiting outside the door. In my view, time is not on the side of this great movement towards European unity, and delay could be damaging, and dangerous."

The real obstacle to Britain's entry remained the political one, "very strong objections inspired by passion." This, of course, was not surprising; Britain's objectives were also political. We want to take part in a Europe which will have a powerful and united voice in world affairs, a voice equal to, and as powerful as, that of the USSR, the United States and, tomorrow, China.

Lord Chalfont said that Britain had not looked into any alternative solutions, should her application be turned down. "We are ready to join the Common Market at whatever moment, at whatever stage of its development, but we want to get in now, when we will be able to exercise our own influence on its development." In conclusion, he declared that Britain would not be a Trojan Horse, merely for facilitating American domination of European firms.

* * *

TRADE TRENDS

E.F.T.A.:

The latest annual EFTA report, which covers the period 1966 - 1967, has recently been published, and illustrates the changes which have taken place in this organisation during the first seven years of its existence, as well as the new developments during 1966 - 1967.

The Stockholm Convention signed in early January 1960 originally envisaged the removal of industrial tariffs between the member countries over nine and a half years. However, this was speeded up, and the final 20% cut took place on December 31, 1966, although Norway and Finland still maintain some small tariffs, and Portugal, which has a less developed economy, is reducing its tariffs at a slower rate. Despite these exceptions, trade between EFTA partners has more than doubled between 1959 - 1966, and this trend is expected to continue.

Other major events in 1966 - 1967 affecting EFTA were the decision by Britain, Denmark and Norway to seek membership of the Common Market. Sweden has also announced that she intends to become linked with the EEC, although the form this will take is still uncertain, and Finland too is prepared to have a closer relationship with the EEC. The GATT "Kennedy Round" negotiations, which were concluded this summer, will give another boost to world trade, and should also help to offset the tariff discrimination growing up between the EEC and EFTA. During the last four months of the negotiations, the four Nordic members negotiated as a bloc.

INTRA-EFTA TRADE

Exports between EFTA members during 1966 rose to \$7,473 million (+9.4% compared with 1965), and during the first three months of 1967, these rose by another 10.4% over the same period in 1966. All of the EFTA countries increased their imports from each other at a faster rate than their total trade, and there was a noticeable rise in British imports.

During the period 1959 - 1966, Scandinavian trade rose by almost 170%, but during 1966 the growth rate was just over 7%, compared with the 1965 rise, exceeding 17%.

EFTA-EEC TRADE

The increase rate of both exports and imports between the two groups continues to decline. EFTA exports to the Common Market rose by an annual average of 9.2% during 1959 - 1966, but during the latter year there was only a 4.2% increase. Danish exports to the Six actually fell by 1.8% in 1966, and during the first quarter of 1966 exports from EFTA to the EEC were 4.2% down, largely because of the fall in West German demand.

Imports by EFTA countries from the Six followed a similar trend. Although the 1959 - 1966 annual average increase was 9.4%, in 1966 this was 5.6% (Finland - 3.6%). However, British imports from the EEC in 1966 were at a higher rate than the 1959 - 1966 annual average. In the first quarter of 1967, EEC exports to EFTA were only 2.4% up on the same period in 1966. But due to the faster rise in EFTA imports, its trade deficit with the Six rose to a record level of \$3,270 million.

EFTA-US TRADE

Exports to the USA rose by 22.5% during 1966 (1959 - 1966 average annual increase: 8.1%). The increase in exports from Britain, which accounts for nearly 60% of EFTA-US exports, was 25.1%, but all countries benefitted from strong US demand. Only in Norway did exports to the USA rise by less than 10%. However, the figures for the first quarter of this year indicate a growth rate of only 5.8%.

Imports from the USA rose by a total of 7% in 1966, although there were wide differences between member states. There was a fall of 4.5% in the case of Denmark and a drop of 2% for Finland, whilst Swiss and Norwegian imports went up respectively by 13.7% and 16.2%. The first quarter of 1967 recorded a drop of 4.1% when compared with 1966. The total EFTA trade deficit fell in 1966 to \$456 million from the 1965 figure of \$786 million.

Trade with the Rest of the World

EFTA exports to this area rose by 4.9% during 1966, although imports increased by only 2.2%. Britain's share of the latter declined to 69% of the EFTA total, and the rise in her exports to the rest of the world of 2.5% was the lowest in EFTA, with the exception of Denmark and Finland. The EFTA trade deficit with this area fell from the 1965 total of \$1,818 million to \$1,499 million in 1966. During the first quarter of this year, and largely as a result of British trade, EFTA exports rose by 9.1% compared with an import increase of 4.3% over the same period in 1966.

TABLE I								
INTRA-EFTA EXPORTS, 1966								
(in \$ million)								
To \ From	Austria	Denmark	Finland	Norway	Portugal	Sweden	Switzerland	U.K.
Austria		28.4	6.6	9.2	8.0	42.2	148.9	119.2
Denmark	28.7		51.4	110.6	14.2	383.2	64.4	382.2
Finland	15.0	55.8		33.2	5.3	231.4	40.5	214.8
Norway	16.2	151.5	28.2		6.6	447.7	40.7	306.4
Portugal	9.9	8.8	5.9	4.8		35.9	35.4	134.3
Sweden	61.5	304.3	125.5	237.7	21.7		102.8	661.7
Switzerland	136.8	58.7	11.9	17.0	10.8	92.8		311.5
United Kingdom	71.0	551.9	299.8	295.5	119.9	542.4	212.5	
Total EFTA	339.1	1,159.4	529.3	708.0	186.5	1,775.6	645.2	2,130.1

Imports	Austria	Denmark	Finland	Norway	Portugal	Sweden	Switzerland	U.K.	Total EFTA
From EFTA									
1966 (\$m)	370.7	1,126.3	613.3	1,012.6	236.7	1,555.1	613.6	2,345.3	7,882.6
1965-1966	18.3	10.4	8.7	9.5	22.3	9.3	12.0	7.5	9.8
1959-1966	15.6	8.6	14.5	11.2	13.5	14.4	13.9	8.6	11.2
From EEC									
1966 (\$m)	1,355.7	1,028.6	489.3	668.8	349.8	1,650.6	2,378.3	3,090.1	11,011.2
1965-1966	9.0	2.9	-3.6	3.9	11.8	0.5	3.9	10.9	5.6
1959-1966	11.1	8.3	9.2	5.5	9.5	7.6	10.9	10.2	9.4
From USA									
1966 (\$m)	100.9	235.8	96.8	179.6	79.3	426.9	355.1	2,023.9	3,498.3
1965-1966	9.2	-2.0	-4.5	16.2	10.6	2.9	13.7	7.5	7.0
1959-1966	3.7	6.9	11.4	10.0	15.6	7.7	8.3	10.0	9.2
From rest of world									
1966 (\$m)	499.9	599.7	516.5	541.6	346.2	941.2	589.7	9,202.8	13,237.6
1965-1966	10.7	8.9	9.4	12.2	8.9	5.0	11.0	-0.5	2.2
1059-1966	7.6	12.8	7.6	8.7	10.0	6.9	8.3	3.0	4.5
From world									
1966 (\$m)	2,327.2	2,990.4	1,715.9	2,402.6	1,012.0	4,573.8	3,936.7	16,671.1	35,629.7
1965-1966	10.8	6.4	4.3	8.9	12.9	4.5	6.9	3.5	5.4
1959-1966	10.7	9.4	10.9	9.0	11.5	9.6	10.9	5.9	8.0

Imports	Austria	Denmark	Finland	Norway	Portugal	Sweden	Switzerland	U.K.	Total EFTA
To EFTA									
1966 (\$m)	339.1	1,159.4	529.3	708.0	186.5	1,775.6	645.2	2,130.1	7,473.2
1965-1966	15.1	9.5	11.9	9.9	19.1	5.1	9.4	10.8	9.4
1959-1966	16.6	10.3	11.4	11.8	20.4	11.8	12.8	9.7	11.4
To EEC									
1966 (\$m)	751.2	610.6	411.5	379.3	121.2	1,293.2	1,250.3	2,920.5	7,737.8
1965-1966	0.6	-1.8	2.8	5.0	3.8	4.8	5.6	6.4	4.4
1959-1966	6.9	4.9	9.5	8.8	9.1	9.6	9.3	10.9	9.2
To USA									
1966 (\$m)	77.1	190.0	96.0	138.7	70.7	292.1	353.7	1,823.5	3,041.8
1965-1966	15.1	19.9	12.3	8.4	18.0	22.6	22.4	25.1	22.5
1959-1966	4.5	7.9	10.3	7.5	13.9	7.5	9.4	7.9	8.1
To rest of world									
1966 (\$m)	515.7	442.2	459.4	335.8	248.4	911.6	1,039.0	7,786.8	11,738.9
1965-1966	4.8	1.9	-1.8	9.1	5.4	22.3	14.1	2.5	4.9
1959-1966	6.2	7.3	4.7	7.6	7.0	7.0	8.4	3.1	4.3
To world									
1966 (\$m)	1,683.1	2,402.2	1,496.2	1,561.8	626.8	4,272.5	3,288.2	14,660.9	29,991.7
1965-1966	5.2	5.7	4.9	8.3	9.5	9.3	10.6	6.8	7.4
1959-1966	8.3	8.3	8.7	9.8	11.6	9.9	10.0	6.2	7.7

COMMUNITY INDUSTRY

A New European-size Electronics Group

The planned merger of the two leading French electronics groups, the COMPAGNIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT, and the COMPAGNIE DE TELEGRAPHIE SANS FIL-C.S.F., which was announced last week will result in a new company, yet to be named, entering the ranks of the top ten French firms. It will be the fifth European electronics group after Philips, Siemens, AEG-Telefunken and Cie Generale d'Electricite. The move stems from the worsening financial situation of CSF, which has carried out expensive research on the French SECAM colour television system, and last year it had a loss of Ff 138 million. There can be little doubt that French governmental pressure has also played its part, since the latter has always encouraged mergers to strengthen French industry - especially in the new science-based industries - when faced with competition from both the United States and other Common Market countries.

The Banque de Paris et des Pays-Bas, which lost part of its electronics interests after General Electric's acquisition of Machines-Bull during 1966, will be closely involved in the proposed move, since it holds a direct 6.60% interest in CSF and a 1.20% indirect interest, through Ste d'Investissement de Paris et des Pays-Bas. Thomson-Houston Hotchkiss-Brandt's interest in CSF will at first be limited to its business and commercial electronics interests, but this will be extended when the Banque de Paris & des Pays-Bas and its affiliated companies make over their shares in CSF to Thomson-Houston Hotchkiss-Brandt.

THOMSON-HOUSTON was established in 1893 by French manufacturers to exploit patents held by two American engineers, Thomson and Houston. Up to the end of the last war it remained mainly a financial company. Between 1918 and 1939 it gained control of the Ste D'Eclairage Electrique, Ets Ducretet, formed the Cie des Lampes (in conjunction with C.G.E. -Cie Generale d'Electricite) and through one of its subsidiaries founded the Credit Eletrique et Gazier - C.R.E.G. In 1928 it linked with Alsacienne de Constructions Mecaniques to form Alsthom (in which it still has an 11% shareholding), which makes high-tension electro-mechanical equipment.

Today its main interests lie in four spheres: electronics (around a third of turnover from this sector - telecommunications and radar equipment, industrial and nuclear electronics), copper and cables, electrical engineering (domestic appliances such as Frigeco, Brandt, Conord refrigerators, Thomson, Brandt and Vedette washing-machines; razors, cookers, equipment for the food industry and Bonnet cold-storage cabinets, air-conditioning and Horton cinematographic products). The fourth sector covers radio and television (consumer goods such as TV sets, record-players and tape-recorders with the following main brands: Ducretet-Thompson, Pathe-Marconi, Melovox, Radialva, and La Voix de Son Maitre.

It has interests in some thirty companies including Images & Son, Europe No 1, Les Grands Travaux de Marseille, Ste d'Etudes Techniques, & de Travaux, Cie Opera Mundi - Europe No 427

Generale de Radiologie. It controls around 40 factories employing 39,000 persons with an annual turnover of around Ff 3,000 million, although in 1966 there was a deficit of Ff 5.3 million and no dividend was paid. The Thomson-Houston Hotchkiss-Brandt group is also involved in the plan to rescue the French computer industry - the Plan Calcul - through a subsidiary set up in 1965 called Sperac, which makes and develops peripheral equipment. It has a 46% interest in S.E.S.C.O.-Ste Europeenne des Semi-Conducteurs (General Electric has 49%), one of the four main French semi-conductor manufacturers, one of which, COSEM, is a CSF subsidiary.

Thomson-Houston Hotchkiss-Brandt's foreign interests include Demag Thompson Automation GmbH, Koch & Sterzel KG and Thomson GmbH in West Germany, Elettro Domestici SpA and Thomson Italiana Componenti SpA in Italy, Socodi-Ste de Conditionement & de Distribution SA in Belgium, Cablerie Electrique Africaine SA in Algeria, Thomson Electric Co Inc in the United States and Thomson Electronics in South Africa.

The CIE DE TELEGRAPHIE SANS FIL was established in 1918 and has an annual consolidated turnover of Ff 1,433 million. Around 46% of sales come from radar equipment, radio and television transmitters and aircraft instruments. Another 28% is accounted for by electronic components, with a further 8% from sales of Clarville TV and radio sets. CSF has interests in nearly 80 French and foreign companies and control a third of the capital of CFT-Cie Francaise de Television. It has been closely involved in the development of SECAM colour TV system, and has played a leading role in making a cathode ray tube for this system. It controls some thirty factories with a payroll of 28,000 (2,800 executives and engineers) and has three research divisions; the Centre d'Etudes de Physique Electronique et Corpusculaire-C.E.P.C., the Centre d'Etudes de Physique Avancee des Composants et de leur Applications-C.E.P.C.A. and the Departement de Recherche Physico-Chimique-R.P.C.

CSF is also involved in the French "Plan Calcul" since its subsidiary the CAE-Cie Europeenne d'Automatisme Electronique (owned in conjunction with the Cie Generale d'Electricite) merged with a subsidiary of the Schneider group, the SEA-Ste d'Electronique & d'Automatisme to form the Cie Internationale pour l'Informatique-C2I. Its main foreign manufacturing interests include Ducati Elettrotecnica Microfarad SpA, Bologna, Manifattura Intereuropea Semiconduttori Transistori Latina-Mistral SpA, Sermoneta and Cisem Radio, Bologna in Italy; Warnecke Electron Tubes Inc, Des Plaines in the United States; Ceramic Products Ltd, London; Neuberger Kondensatoren GmbH, Munich, and Kestafil-Spezialfabrik Keramischer Bauelemente GmbH, Landshut in West Germany; Ste de Fabrications Radio-Electriques Marocaines (S.F.R.M.) SA, Casablanca, Morocco, Cie Tunisienne d'Electronique "El Tahir" SA, Tunis, Ste Africaine Radio-Electrique SA, Abdidjan, Ivory Coast and L'Equatoriale Electronique SA, Douala, Camerouns.

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ADVERTISING

** A new advertising agency has been formed in Düsseldorf as a joint American and German venture: it is called BRODBECK TITTUS SCHMIDT GmbH, has DM 30,000 capital, and will be run by Messrs Heinz Brodbeck, Willich; Erich H. Tittus, Düsseldorf and Carl W. Schmidt, Leominster, Massachusetts.

AEROSPACE

** The LOCKHEED AIRCRAFT CORP, Burbank, California (see No 390) has chosen Belgium as the headquarters site for its European activities. Its wholly-owned subsidiary LOCKHEED AIRCRAFT INTERNATIONAL INC, Los Angeles has opened a Brussels office under the management of Mr James B. Vosseler.

The American group (1966 turnover of \$2,080 million) has two European subsidiaries: Lockheed, Aircraft Deutschland GmbH, Frankfurt and Lockheed Aircraft International AG, Geneva formed in 1960. It also has an interest in Aeronautica Macchi SpA, Milan.

AUTOMOBILES

** The Frankfurt auto-sales concern, ALFA ROMEO VERTRIBSGESELLSCHAFT mbH (capital DM 700,000), a 74% subsidiary of the Italian motor manufacturer ALFA ROMEO SpA, Milan (see No 420), has opened a branch in Frankfurt-Griesheim on a 32,000 square metre site. This forms part of the group's expansion programme for West Germany, where it already has more than 170 agents and concessionaires (1966 sales of 3,158 vehicles).

The Milan group has an 88% subsidiary in Brussels called Alfa Romeo Benelux SA, which covers the whole of the Benelux market. In France, earlier this year it bought up the shares held by R.N.U.R. - Regie Nationale des Usines Renault, Billancourt (see No 420) in SOFAR-Ste Francaise Alfa Romeo, Paris, thus gaining 100% control of this, which was formed 50-50 in 1963 with Ff 5 million capital.

** The German motor car company DAIMLER BENZ AG, Stuttgart, Untertürkheim (see No 395 - 1966 turnover DM 5,039 million; payroll 84,420) has made an agreement in Czechoslovakia with the overseas trade organisation TUEZX, Prague, to co-operate in the provision of a "Mercedes" after-sales service in the country, consisting of three service stations, mainly for tourists.

The German company had been conducting negotiations with the MOKOTOV organisation, a company which specialises in the overseas vehicle business, for four years without success.

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C

** The French motor car company ANDRE CITROEN, Paris (see No 420) has negotiated an agreement with the Yugoslav company TOMOS, Koper to construct an assembly plant with an annual capacity of 12,000 vehicles in the free port of Koper. This factory produces vehicles under licence from the French company as well as motor-cycles and motor accessories of which a part is sent to France.

Citroen has also now bought up from SA DES AUTOMOBILES PEUGEOT, Paris (see No 407) its 50% holding in the STE Auxiliaire de Fabrications Automobiles (SFA) SA (see No 354) which they formed 50-50 in 1964, (capital Ff 55 million), and to which they made over their Dijon and Mulhouse factories. In so doing, Peugeot, to whom the control of the Mulhouse factory reverts, reinforces its ties with the REGIE NATIONALE RENAULT SA, Billancourt, Hauts-de-Seine (see No 420), which it has been building up meantime.

CHEMICALS

** The Milan company DOTT. ALDO GARZANTI Sas, (see No 270) has taken over its affiliate SOC. ITALIANA ELASTOMERI-SIE DI GARZANTI & CO, Sas, Milan. Dott. Aldo Garzanti is responsible for the marketing in Italy of elastomers, colourants and polyesters made by the American group E.I. DU PONT DE NEMOURS & CO, Wilmington (see No 409).

It recently became the Italian representative of two other American concerns, Allegheny Electronic Chemicals Co, Bradford, Pennsylvania, and Hysol Corp. of Olean, New York. In late 1966 the latter formed a London-based company Sterling Moulding Materials Ltd, in conjunction with Hysol-Sterling Ltd to manufacture epoxy resin electrical insulating products.

** The Milan MONTECATINI-EDISON SpA group, which is currently reorganising (see No 426), is about to make another three merger/absorption moves:

1) The first company to be affected will be MONTESUD PETROCHIMICA SpA, Brindisi (formerly Monteshell Petrochimica SpA - see No 386 - capital Lire 150,000 million), the former 50-50 joint subsidiary of the Montecatini group (before its merger with Edison) and Royal Dutch Shell (see No 378). One of its main functions is to run SINCAT - Soc Industriale Catanese SpA, Palermo (see No 421), a former subsidiary of the Edison group, with petrochemicals complexes at Ferrare, Brindisi and Priolo, Sicily. In this sector, the group recently absorbed SORAP-Sta Raffinazione Petroli SpA, Milan (see No 407).

2) The second is S.F.I.A.-STA FINANZIARIA PER LO SVILUPPO DELLE INDUSTRIE & DELL'AGRICOLTURA SpA (formerly SADE-Finanziaria Adriatica - see No 376), Venice (formerly Milan), which has Lire 41,000 million capital and is a former Montecatini subsidiary.

3) The third is the Venetian glass concern VETROCOKE SpA (see No 303), once a 100% subsidiary of Montecatini (capital Lire 15,000 million) which itself took over the Turin chemicals concern Vego SpA (capital Lire 2,000 million) in 1965.

** The take-over of the Paris chemical company AMMONIA SA by STE DE PRODUITS CHIMIQUES D'AUBY SA, Neuilly, Hauts-de-Seine, is a new step in the already-existing links between the d'Auby group and the French State group CDF-CHARBONNAGES DE FRANCE (see No 424) in the chemical fertiliser sector. Ammonia SA (capital Ff 9.705 million) is a subsidiary (over 80%) of the latter - through its three divisions, Houilleres du Bassin du Nord & du Pas-de-Calais SA, Douai (39.68%), Houilleres du Bassin de Lorraine SA, Merlebach, Moselle (13.09%), and FINLENS-Ste Industrielle & Financiere de Lens SA, Lille (27.61%). In return, CDF will have a substantial interest in the capital of d'Auby when it is increased. At the same time, the chemical firm Ugine-Kuhlmann SA (see No 424) and the finance company Union des Mines-La Henin SA (see No 420), which have respective shareholdings of 11.50% and 3.70% in Ammonia, will become shareholders in d'Auby. The latter will gain the ammoniac and ammonia nitrates plants at Wingles, Pas-de-Calais, owned by Ammonia.

Auby (president M. Paul Paclot - capital Ff 68.62 million) is linked with the Belgian group Carbochimique SA, Brussels, by licensing agreements as well as a joint subsidiary, Tertre-Auby SA, formed in 1952. Its 1966 turnover amounted to Ff 270 million (nearly 90% from fertilisers). Its manufacturing capacity (plants at d'Auby, Nord, Fenchy, Pas-de-Calais, Baupte, Manche and Sete, Herault) was strengthened through the acquisition in 1965 (see No 328) of plants at La Pallice, Charente-Maritime, Issoudun, Indre, Mondeville, Calvados, Voves, Eure & Loir and Lorcy, Loiret, owned by Union Francaise d'Engrais & de Produits Chimiques SA.

The first move in its links with Charbonnages de France was the establishment of a joint sales subsidiary, Engrais de Francaise-Ste Commerciale CDF-AUBY SA, Neuilly, Hauts-de-Seine (capital Ff 500,000 - see No 407).

** KIWERA-KAMINISOLIERUNG & BAUTENSCHUTZ GmbH, Kehl, Rhineland, which exploits the chimney-flue lining process held by the Swiss company KIWERA-KAMINISOLIERUNG AG, Rhinefelden, Basle, has strengthened its interests with the formation of KIWERA WEST SCHORNSTEINISOLIERUNG GmbH, Waltrop (capital DM 20,000), with Frau S. Bluma as manager.

The West German group also controls Kiwera France Sarl, Strasbourg, formed in June 1966 (see No 383), as well as a Brussels branch.

COSMETICS

** The Amsterdam firm VAN ADELSBERG & DE VRIES NV (cosmetics and toiletries) has formed a Berlin sales subsidiary, VAN ADELSBERG & DE VRIES GmbH (capital DM 20,000) with the directors of the founder, Messrs Harry van Adelsberg and Jacob de Vries, as managers.

The latter concern has some 50 people on its payroll, and already had one foreign subsidiary, Ets Van Adelsberg & De Vries NV, Brussels.

ELECTRICAL ENGINEERING

** The wholly-owned Düsseldorf subsidiary L. M. ERICSSON VERKAUFS GmbH of the Stockholm group TELEFONAKTIEBOLAGET L. M. ERICSSON (see No 398), has opened a Frankfurt branch.

The Swedish group, which makes telephone, telecommunications and signaling equipment, has considerable Common Market interests: in France Ste des Telephones Ericsson SA, Colombes, Hauts-de-Seine (which took over Ateliers Vaucanson SA in 1966) and its subsidiary Efco SA, Nanterre, Hauts-de-Seine, formed through a 70-30 association with J. M. Frankel SA, Nanterre and Saint-Malo-Parame; in the Netherlands Ericsson Telefon Mij. NV, Rijen; in Luxembourg an investment company, Elme SA; and in Italy Sielte-Sta Impianti Elettrici & Telefonini Sistema Ericsson, Rome and Genoa and Fatme-Fabbrica Apparechiature Telefoniche & Materiale Elettrico SpA, Rome, through its 51.3% holding company Setemer SpA, Rome (an affiliate of La Centrale SpA, Milan).

** The wholly-owned Frankfurt subsidiary of the New York SPERRY RAND CORP group (through the holding company Sperry Rand International Corp, Lausanne), REMINGTON RAND GmbH (see No 420) has formed links with the Yugoslavian firm ELEKTRONSKA INDUSTRIJA-E.I., Nis, under a manufacturing and sales agreement (which will include know-how) covering Remington razors ("Selectric" and "Special" brands) on the Yugoslavian market. In exchange it will distribute a number of E.I.'s products throughout the world.

The West German firm (capital DM 35.5 million, and around 1,700 employees) already holds a majority share of the Yugoslavian market for electric razors (sales of 250,000 since 1961). The Nis concern has some 16,000 on its payroll, and is the leading Yugoslavian electronics firm, accounting for some 80% of national television set production.

** The Berlin electrical group SIEMENS AG, has now put into effect (see Nos 419 and 422) its decision to form an Austrian manufacturing and sales subsidiary dealing in electronic, mechanical, telecommunications equipment and computers. Called SIEMENS GmbH, Vienna, the new company has a capital of Sch 16 million.

The most recent moves by the West German group in Austria include the signing of a co-operation agreement with the state concern Elin Union AG Für Elektrische Industrie, Vienna, which then took over Wiener Starkstromwerke GmbH (formerly the nationalised Siemens Schuckert GmbH). It has also acquired a 25% interest in a subsidiary of one of the affiliates of the Wiener Kable & Metallwerke AG group.

ELECTRONICS

** The New York electronics concern AUDIO DEVICES INC has formed a wholly-owned subsidiary in France called AUDEV Sarl. This has purchased a factory at Annemasse, Haute Savoie, where it will produce magnetic tape and other computer peripherals.

The American firm is represented in West Germany by the Peine concern, Jürgen Roenspiess & Co KG.

ENGINEERING & METAL

** The Paris member of the London BABCOCK & WILCOX LTD group (see No 422), Ste Francaise des Constructions Babcock & Wilcox SA, is to be the majority shareholder in Babcock Atlantique SA, which it is about to form as a joint venture with CHANTIERS DE L'ATLANTIQUE (PENHOET-LOIRE) SA, Paris (see No 408) and STE FIVES-LILLE-CAIL SA, Paris (see No 414). The new concern will have M. Pierre de Calan, chairman of the founding company, as its president, and its estimated turnover should be in the region of Ff 500 million. It will take over all the manufacturing facilities of both Babcock & Wilcox and L'Atlantique, for boilers, heating plant, nuclear engineering and refrigeration, and will take over Fives-Lille-Cail's manufacturing business in boilers and nuclear heat exchangers.

This move marks a new phase in the long-standing ties between these three groups, the main outcome of which to date was the formation in Paris in 1959 of Ste Fives-Penhoet SA (capital Ff 4 million, shared equally between Chantiers de l'Atlantique and Fives-Lille-Cail, which subsequently formed industrial links with Babcock & Wilcox). It also heralds still closer collaboration, in that it provides for an exchange of directors between the three groups (which between them account for a turnover of some Ff 2,000 million) and the setting up of a permanent council to co-ordinate R & D and investment policy between the three.

Babcock and Wilcox, which will now become a straight holding company, recently took a 30% interest in the formation of Ste Francaise pour l'Etude du Desallement Sarl, Paris (capital Ff 200,000), in which its main associates (with 30% and 25% respectively) are Cie de Constructions Mecaniques - Procedes Sulzer SA, Paris (see No 396) and S.E.E.M.-Ste d'Etudes d'Exploitations Minieres SA, Paris (holding company for Charbonnages de France). One of Fives-Lille-Cail's most recent moves was to take an interest in the German continuous-handling plant concern, Koch Transporttechnik GmbH, Wadgassen, Saar (see No 414).

** The German engineering concern WIEGAND APPARATEBAU GmbH Karlsruhe, which is owned by the Wiegand family, has formed a subsidiary in Paris to sell its evaporating plant, steam jets, vacuum pumps, and refrigerating and crystallisation equipment. The new Wiegand SA Paris (capital Ff 250,000) has M. Jean P. Bannière, Suresnes as president, and he holds a token interest.

** The M. W. KELLOG CO, New York (plant engineers) which has been represented in France by a Paris branch, Ste Kellog since 1956, has now made this KELLOG FRANCE SA. The new subsidiary, based on the premises of the former branch, has Ff 250,000 capital and M. Yves Piute as president. It will deal with all aspects of plant construction from design to start-up.

The American firm is a division of the world's leading manufacturer of rolling stock PULLMAN INC, New York (see No 420). It already has two European subsidiaries: Deutsche Kellog Industriebau GmbH and Kellog International Corp. Ltd, London. The latter was put in charge during 1965 by the Belgian company Carbochimique SA, Brussels - through the branch opened in Brussels during 1965 by Kellog Overseas Corp, Wilmington, Delaware - of the plant to be built at Tertre, Mons which will use a new manufacturing process developed by The M. W. Kellog Co. During July 1967 it formed Kellog Construction Ltd (capital £250) to build and start-up petroleum refinery processes.

** The French civil engineering company POCLAIN SA, Plessis-Belleville, Oise (see No 406) has given its West German subsidiary DEUTSCHE POCLAIN GmbH, Gross-Gerau (capital DM 2 million) a Berlin branch. There are also branches in Cologne, Hamburg, Kehl, Munich, and Nellingen.

The French company's most recent moves include the takeover of Ste Francaise Des Engrais Humiques Fiumex Sarl, Compiègne, which led to an increase of its capital to Ff 55.28 million: the acquisition of 50% interest in Potain Manutention SA (capital Ff 1 million) which was then changed to Potain-Poclain Ltd; and the formation in Hong Kong of Far East Poclain Ltd, in which its Japanese licensee Yutani Heavy Industries Ltd, Tokyo is the majority shareholder.

** KAISER ALUMINUM- & CHEMICAL CORP, Oakland, California, (member of the group KAISER INDUSTRIES CORP - see No 411), which has decided to make Kaiser Aluminium Werke GmbH, its Koblenz manufacturing subsidiary (capital DM 41.6 million) an administration company under the name of Kaiser Aluminium Verwaltungsges mbH, has formed a new manufacturing subsidiary at its own headquarters called Kaiser Aluminium Werke Inc (capital \$5 million). This firm's first move was to open a branch in Koblenz to take over the manufacturing interests of the old company.

In West Germany the American firm also controls Kaiser Aluminium Kabel Werke GmbH, Berlin, formed in 1964 with DM 100,000 capital to make aluminium wires and cables, and Kaiser Aluminium & Chemical (Europe) GmbH, Frankfurt also set up in 1964 with DM 20,000 capital as an information service on the Common Market for all the European subsidiaries of the group.

** The Belgian manufacturer of civil engineering air compressors SA ETS. DELLOUE & CIE, Ans, Liege (see No 415) has extended its Benelux interests by forming a Dutch subsidiary DELLOUE NEDERLAND NV, (capital Fl 100,000), which is headed by its own director M. R. G. Delloue. It recently opened a Luxembourg branch office at Capellen.

** Recent negotiations (see No 424) between the two Ruhr metal groups HUETTENWERKE OBERHAUSEN AG, Oberhausen (in which the majority interest is held by the Haniel family) and AUGUST THYSSEN HUETTE AG, Duisburg, Hamborn (53% controlled by Fritz Thyssen Stiftung, a 30% interest being held by Thyssen Vermögens Verwaltungs GmbH), have led to an agreement under which Hüttenwerk Oberhausen will be absorbed by August Thyssen Hütte, which itself was formed in 1963 by the merger of the former August Thyssen Hütte and Phoenix Rheinrohr.

The new group will also take in Thyssen Röhrenwerke AG, Düsseldorf, Niederrheinische Hütte AG, Duisburg, Deutsche Edelstahlwerke AG, Krefeld, and Handelsunion AG, Düsseldorf. The overall payroll will then stand at DM 115,000, and production of crude steel, at the 1966 level, will be around 10 million tons (i.e. 18% of West German production and 12% of the EEC total) for a turnover close on DM 8,000 million.

** The Dutch J. B. VAN HEIJST & ZONEN NV, The Hague, which is owned by the Heijst family, and which has been in difficulty for some time, has started negotiations with its steel supplier the Ijmuiden group KON NED HOOGOVENS & STAALFABRIEKEN NV (see No 424) with a view to being taken over by it.

The former manufactures radiators, central heating boilers, and steel door and window frames (trademark "Veha"); it employs about 1,000 people in its factories at Head Office, Wierden, Hengelo and Ossenzijl, and in 1966 made a turnover of Fl 50 million. In Belgium it has a manufacturing and sales subsidiary called NV Veha, (Golbendonk), while in West Germany it controls J. B. Van Heijst & Zonen GmbH, Cologne (formerly in Hamburg), and it also has an assembly line in Dublin, Eire.

** The American company TRIDAIR INDUSTRIES, Redondo Beach, California (aeronautical equipment), has formed a West German manufacturing and sales subsidiary BROWNLIN CORP GmbH, Zeppelinheim (capital DM 200,000), with Mr. Gilbert W. Speed as manager. The American group already has a London subsidiary, Brownline Ltd (factory in Middlesex), which has a capital of £100. The American company was itself founded in 1963 as Trident Industries. Its subsidiaries in the United States include Brownline Corp, Calfax Inc., Miner & Associates Inc, Aero Tool Co, Solenoid Devices Inc, etc., and it employs some 500 people.

** The French water treatment firm PERMO SA, Saint-Cloud, Hauts-de-Seine (see No 377), has taken over S.P.T.E.-STE PROVENCE DE TRAITEMENT DES EAUX SA, Marseilles, and as a result has increased its capital to Ff 5 million.

Permo's recent moves include in February this year, raising the capital of its Belgian subsidiary Aquafilter SA (formed in 1964 - see No 252), from Bf 1.5 to 2.5 million. It is an almost wholly-owned subsidiary of the Degremont SA, Saint-Cloud concern, which is controlled by the Ste Generale de Belgique SA, Brussels, group and its shareholders, and the Cie de Pont-a-Mousson SA, Nancy, and Ste Lyonnaise des Eaux & de l'Eclairage SA, Paris, groups (see No 426) are also going to become shareholders.

** The West German company KOCHS ADLER NAEHMASCHINEN WERKE AG, Bielefeld (see No 265) which is a 90% interest of Frau Ursula Oether has signed an agreement with the Swedish HUSQVARNA VAPENFABRIKS A/B, Huskvarna under which the former will market the latter's deluxe sewing-machines in West Germany, through close co-operation with its Frankfurt subsidiary DEUTSCHE HUSQVARNA GmbH. In exchange the Swedish group's London subsidiary VIKING HUSQVARNA LTD will act as general agent in Britain for the medium-quality sewing machines made by its new German partner.

The latter (capital DM 7 million) has 2,110 employees on its payroll and annual turnover around DM 42 million. It also makes weaving, knitting and calculating machines, typewriters and domestic appliances. There is a Paris subsidiary called Adler France Sarl (capital Ff 200,000): in the Netherlands it is linked on a joint basis with Vinc. Weijer's Schoenmachines NV, Drunen in Adler Naaimachines Nederland NV, Drinen, whilst it is associated with the Japanese manufacturer Riccar Sewing Machine Co Ltd, Tokyo through a financial, sales and technical co-operation agreement in a joint subsidiary Adler Riccar GmbH, Bielefeld.

Husqvarna (capital Kr 40 million - 5,100 on payroll) has considerable Common Market interests: Husqvarna Products Suedois SA, Brussels, Husqvarna Zweeds Import Kantoor NV, Amsterdam, Ets Blondel, Paris and Bianchi Mare, Milan.

** The West German manufacturer of machine tools and plastic and wood working machinery, MONTANWERKE WALTER AG, Tübingen, has formed a Viennese sales subsidiary, Montanwerke Walter Werkzeugvertriebs GmbH, (capital Sch 200,000, manager Sig Franco Mambretti, who occupies the same post in another Austrian concern Dampfsägwerk Kundl GmbH, Kindl, Tyrol).

The founder (capital DM 3 million) has some 1,000 workers on its payroll and is linked by a co-operation agreement with the Italian concern U.S.A.P.-Utensileria Speciale Alta Precisione SpA, Fino Mornasco; president is Sig. Giovanni Mambretti.

** STE MINIERE & METALLURGIQUE DE PENARROYA SA, Paris (see No 412 - a member of the ROTHSCHILD FRERES SA group) has formed a Paris sales subsidiary called STE FRANCAISE DE MINERAIS & METAUX SA (capital Ff 1 million) with M. Pierre Mayer as president. The new company will take over the business previously carried out - before its merger with Rothschild Freres (see No 394) - of Minerais & Metaux SA on whose premises it is now based.

In 1967, PENARROYA (president Baron Guy de Rothschild) will complete a three year investment programme costing a total of some Ff 300 million. This figure includes investments worth Ff 150 million in France, Ff 85 million in Chile, Ff 70 million in Italy and Ff 30 million in Spain.

** Italian investors, represented by M. Gianfranco Dionisi, Vicen, have formed a precious metal (mainly gold jewellery) trading company in Düsseldorf called DIONISI & CO KG.

** ALUMINIUM KONTOR ITALIANA Srl, Milan, which was formed in 1962 as a joint venture by the West German firm JULIUS & AUGUST ERBSLOH ALUMINIUM-WALZ & PRESSWERKE KG, Wuppertal, . Barmen (see No 26), and the Italian concern SFISEC-STA FORNITURE INDUSTRIALI SPEZIALI & CO Srl, Milan (see No 404), has been appointed the Italian representative for products made by its German founder (semi-finished aluminium products, sheet, hoops and thin). The German founder, in association with its own backer, Metallwerke Erbslöh GmbH, Wuppertal, also controls the Paris company Erbslöh-Aluminium Sarl. For its part, the Italian founder is also linked with another West German concern Metalloxyd GmbH, Cologne, and Anofol Srl, Milan.

FINANCE

** BANQUE NATIONALE DE PARIS-B.N.P. SA, Paris (see No 416), has formed a company to administer joint investment funds for company savings schemes. This is called Ste Epargne Gestion, Paris, and its chief directors are Messrs Pierre Balley, René Saliege and Jacques Celier, members of the finance board of BNP.

One of the BNP's recent moves was to make an agreement with Credit Industriel & Commercial-CIC SA, Paris, and the First National City Bank, New York, under which the former will honour cheques issued by the Parisian branch of the American bank (to a limit of Ff 750 a week and by bearer only).

** The negotiations initiated some time ago (see No 421) with the aim of setting up an Austro-German-Yugoslav credit establishment, by the West German Bank BfG-BANK FUER GEMEINWIRTSCHAFT, Frankfurt, the Austrian BANK FUER ARBEIT & WIRTSCHAFT, Vienna, and the Yugoslavian FOREIGN TRADE BANK, have now resulted in the formation in Vienna of INTERNATIONALE HANDELS- & TREUHANDGES mbH. The new concern's Sch 4.5 million capital is shared equally between the three founders, and it is intended to promote co-operation between Austrian, West German and Yugoslavian industry.

BfG already has links with the Austrian bank (in which it holds 2% of the Sch 150 million capital) within the Swiss Bank Internationale Genossenschaftsbank, Basle, along with three other firms.

** The Luxembourg company INTERTRUST SA (capital Lux F 5 million), which specialises in the sale of investment trust certificates, has formed a Frankfurt promotion company called INTERTRUST GmbH BUERO FUER ANLAGE-BERATUNG. The new concern has DM 100,000 capital, and its managers are Sig Ernesto Bongiovanni, Bergamo, and Herr Wilhel, Schupp, Zurich.

Intertrust was formed in March 1963 with the backing of the Italian finance company INTESA-Sta Mobiliare Finanziaria SpA, Bergamo, which now holds a 40% interest. The other shareholders are two American concerns: Hugh W. Long & Co Inc (25%) and Investors Management Co Inc (5%), both based in Elizabeth, New Jersey; and the Swiss finance establishment Zentravest-Holding AG, Chur and Tracanda AG, Zurich (each with 10%), the Luxembourg branch of Credit Industriel d'Alsace & de Lorraine SA, Strasbourg (see No 331), and M. Marcel Reckinger (each with 5%).

FOOD & DRINK

** SICA FRANCO-EUROPEENNE DE PRODUITS ALIMENTAIRES-SIFREPA has been formed through a reorganisation of the fruit and vegetable interests of the UNION DES CO-OPERATIVES AGRICOLES DU LOT, SENAVALO-Ste d'Equilibre et de Normalisation Agricole de la Vallee du Lot and ETS DELER, Agen. This will cover factory supplies, production development plans, investment policy and a joint marketing policy using a single brand name.

The new group, which expects to achieve a turnover of some Ff 30 million before the end of March 1968, will control over half the French tinned peas and beans market, and will be the second tomato canning concern in France behind UPC-Union Provencale de Conserves. It will also handle celery and will control 35% of the Agen plums market, as well as making all types of jam. The Union Co-operative du Lot already makes its own wood and metal packaging containers.

** WILHELM WEBER, Pfungstadt, Herse, (capital of DM 3.3 million to be increased) one of the leading West German confectionery companies, intends to extend the scale of its Common Market interests. It employs some 450 people, with 250 engaged in production work, whilst a fleet of over 5,000 vans ensures delivery of its 40 varieties to retailers. The firm's founder has studied industrial confectionery techniques in the United States, and the American BORDEN group has a minority shareholding through its confectionery subsidiary DRAKE BAKERIES. Through an agreement with the Dutch firm of Van Melle, its products are exported to Eastern France, with distribution carried out by Mons-en-Baroeul, Nord. Weber's products are also distributed in the Netherlands, and at a later date it intends to begin production in Belgium and France.

In 1958 the company had DM 2.1 million turnover, which had by 1966 risen to DM 24 million. Forecasts indicate that turnover will reach DM 32 - 35 million in 1967, 45 million in 1968 and 75 million in 1970. During the last ten years some DM 5.5 million has been invested and in the coming 12 months another DM 5 million will be spent on doubling production capacity. Most of the capital thus used comes from Weber itself, and it is understood to have a profit level well above the West German average for the sector of 3 - 5%.

** STE DES PRODUITS SERVIFRAIS, Fecamp, a subsidiary of the Fecamp fishing group, which specialises in marketing and freezing fish products, has made a distribution agreement with RIVOIRE & CARRET covering "Rivogel" frozen foods. Servifrais has made a similar agreement with BONDUELLE, giving it the exclusive selling rights in France for "Bonduelle" frozen vegetables packed for use in catering establishments and in the home.

** A new European purchasing group called EUCO has been set up in Hamburg to boost the sales of its members, from 10 European countries. The group is dominated by the Hamburg-based purchasing co-operative EDEKA with 42,000 members, whilst the Swiss group USEGO (3,000 members), which already co-operates closely with Edeka, also forms part of the new organisation. Others involved are: Cenco, Belgium., Kesko Oy, Finland., British Isles Co. and Four Square Food, Britain., Unika, Netherlands., Koff Kjøp, Norway., Adeg, Austria., Conauta, Spain.

A new label with an international appeal will be created to replace the various existing company brand names. Working parties with members from each country will meet to discuss the application of the scheme and it is understood that Euco has already had contacts with producers in California, Australia and Formosa aimed at exploiting the vast scope of the group's possible purchasing power.

OIL, GAS & PETROCHEMICALS

** As a result of an agreement, made (through its Hamburg subsidiary BP BENZIN & PETROLEUM AG - see No 418) with the West German petrochemical group WINTERSHALL AG, Celle (see No 423), BRITISH PETROLEUM LTD now has a large interest in oil prospecting in West Germany. The German group has sold half of its shareholding in 14 concessions covering 1,950 sq. kms.

One of Wintershall's most recent moves in the chemical fertilisers sector has been the formation, 50-50 with Potasses & Engrais Chimiques-Pec SA, Paris (86.5% subsidiary of Mines Domaniales de Potasses d'Alsace SA, Mulhouse - see No 398), of Produits Chimiques & Engrais du Rhin-Pec-Rhin SA, Ottmarsheim, Haut Rhin (initial capital Ff 20 million, later to be increased to Ff 120 million). The new company will build and manage a chemical fertiliser plant making 300,000 tons p.a. of compound fertilisers and 100,000 ton of ammonium nitrates. A Ff 30 million loan at 6.5% for a period of 12 years has been made towards the total cost of the plant (Ff 300 million) by the European Investment Bank.

** The American GULF OIL CORP, Pittsburgh, Pennsylvania, group (see No 384) has acquired from the ROYAL DUTCH SHELL group (see No 422) a 25% interest in the wholly-owned subsidiary of the CIE DE RAFFINAGE SHELL (SUISSE) SA, Cressier (see No 329). The Cressier company was controlled by the Dutch concern through Shell (Switzerland) AG, Zurich (capital Sf 60 million); it had Sf 40 million capital and had been owned until 1966 by Royal Dutch Shell and the Italian group Montecatini SpA.

The Dutch group recently formed a South African company called Shell Eksplorاسie Suid-Afrika (Pty) Ltd, Johannesburg, which will act as its representative in an offshore drilling programme carried out jointly with British Petroleum Ltd, Mobil Oil Co and CFP-Cie Francaise des Petroles SA.

** The Paris group C.F.P.-CIE FRANCAISE DES PETROLES (see No 419) will acquire a 40% interest in the new \$20 million refinery which is to be build at Batrun in the Lebanon. The remaining shareholdings in the new venture are held by the Lebanese state (20%) and private interests.

In the Middle East the French group has already acquired a 10% interest in Petroleum Development (Oman) Ltd (85% subsidiary of Royal Dutch Shell through Shell Transport & Trading Co Ltd, London), which will enable it to spread its supply sources in the area. It already holds 23.75% in Abu Dhabi Petroleum Co Ltd, Irak Petroleum Co Ltd, Qatar Petroleum Co Ltd.

** The Milan oil company SAROM-STA AZ. RAFFINAZIONE OLII MINERALI SpA (see No 378) has backed the formation of a Swiss didistribution company PETROLIFERA STABIO SA, Lugano (capital Sf 2.5 million), whose president is Sig Brenno Galli. Directors of the new concern include Sigs Bruno Rifesser, Alberto Mara and Umberto Rossi, Milan.

The Italian company, which already had a Berne subsidiary SAROM 99 AG (capital Sf 2.5 million), is mainly concerned with the running of its refinery at Rayenne (5.2 million tons capacity p.a.). With Lire 12,000 million as capital, it is also interested in all other sectors connected with oil products.

** The Milan company CONTINENTALE ITALIANA SpA has increased its capital from Lire 4,500 million to Lire 4,900 million following the takeover of its subsidiary IMMOBILIARE SODI-FEDI SpA, Milan. Continentale Italiana is the wholly-owned subsidiary through the Swiss holding company Conoco AG, Zug of the American oil group Continental Oil Co Inc, Houston, Texas (see No 405), and is sister company to Continental Oil Co of Italy SpA, Milan on whose premises it is based.

PAPER

** The Dutch manufacturer of wrapping paper, corrugated cardboard and sticky paper VROMEN & PAPIERFABRIEK "DOETINGHEM" NV (see No 403) has formed an almost wholly-owned sales subsidiary, VROMEN CELTONA NV Evere, Brussels (capital Bf 100,000).

The founder (Fl 4 million) has over 500 people on its payroll and in the Netherlands it is linked with Papierfabriek de Hoop NV, Eerbeek, in the cardboard manufacturer Fabriek Voor Papierverwerking Fameza NV, Brielle.

PHARMACEUTICALS

** Laboratoires Rohrer SA, Paris (capital Ff 2 million - see No 425), has now been established as an almost wholly-owned subsidiary of the American pharmaceutical and chemical group WILLIAM H. ROHRER INC, Fort Washington, Pennsylvania (see No 387), although a shareholding as been given to the French company Laboratoires Fournier Freres SA (capital Ff 3 million) on whose premises the new

company is based. The technical director of Fournier Freres, M. Pierre Blonde, is also the president of the new venture, and its board includes MM Pierre and Patrick Fournier.

The American company already has Common Market interests through an 18% Italian subsidiary, Rohrer Italiana SpA (formerly Farmaselecta Laboratorio Chimico Farmaceutico Biologico SpA). The president of the latter is Mr John W. Eckman, Fort Washington, and its managing director is Mr Albert Marsili, Fort Washington, both of whom are members of the new French company's board.

PLASTICS

** The leading European producer of plastic-backed materials, SOMMER SA, Paris is continuing to expand its West German sales network, and has given its Frankfurt subsidiary SOMMER PRODUKTE GmbH (capital DM 850,000) a Stuttgart branch. SOMMER SA (1966 turnover Ff 239 million) recently took part in the formation of Ste Preco SA (capital Ff 2 million - see No 421). Other companies involved in this move were Sta Del Linoleum SpA, Milan Pirelli France SA, Paris; Dreyfus & Cie Srl, Paris; and Montvilliers SA, Paris.

** The West German manufacturer of floor coverings, linoleum and plastic products, RHEINISCHE LINOLEUMWERKE BEDBURG RICHARD HOLKOTT GmbH & CO KG, Bedburg, Cologne has formed an Austrian sales company called RHEINISCHE LINOLEUMWERKE BEDBURG RICHARD HOLTKOTT VERTRIEBS GmbH, Vienna (capital Sch 100,000) with Herr Manfred Wolzt of Vienna as manager.

The founder has sales agencies in Munich, Berlin, Essen and Hamburg as well as a majority shareholding in the Cologne Poppe & Wirth AG (capital DM 2.4 million), which has interests in the same sector and an annual turnover exceeding DM 22 million.

PRINTING & PUBLISHING

** Through its subsidiary BERLITZ SCHOOLS OF AMERICA INC, the New York publishing group, CROWELL COLLIER & MACMILLAN INC is assured of a majority holding in Ste. Internationale des Ecoles Berlitz SA, Paris. The president of the latter M. R. J. A. Montfort, Eaubonne, has been nominated vice-president of the American group. Ecoles Berlitz, which concentrates on teaching modern languages to adults, has several branches of its own, but also works extensively through local firms who act as intermediaries under franchising agreements. It has a subsidiary in Switzerland, Ste d'Expansion Berlitz à l'Etranger SA, Geneva, which is also presided over by M. Montfort.

The New York group recently secured control of the American publishing company (books and teaching records), Berlitz Publications Inc, and holds shares in the Japanese company Berlitz School of Languages of East Asia Inc, Tokyo.

** RADIO MUSIC INTERNATIONAL Sarl, Paris (capital Ff 20,000) has been formed to acquire, manage, issue and sell musical, literary and artistic works. With M. J. Pierard as manager it is an almost wholly-owned subsidiary of RADIO-MUSIC INTERNATIONAL Sarl, Luxembourg (capital Lux F 100,000). This is in turn a 95% subsidiary of Cie Luxembourgeoise de Telediffusion (see No 401) having as manager M. Gustave Grass, secretary-general of RTL-Radio-Tele-Luxembourg. M. Grass is also president of R.T.M.-Radio-Tele-Music-Belgique SA, Brussels (see No 325).

The Luxembourgeoise de Tele-Diffusion group is linked in the latter with the Agence Havas SA group, Paris through Information & Publicité Benelux SA, St-Josse-ten-Noode, and it also controls - through Information & Publicite Paris, I.P.L.-Information & Publicite Luxembourg Sarl . .

SHIPBUILDING

** The merger agreed in principle (see No 358) between three West German shipyards, and due to come into effect by the end of 1968 at the latest, may well be speeded up: there is a plan to establish a management company, which would lease the three firms and thus give them an immediate single management and board.

The shipyards in question are: 1) DEUTSCHE WERFT AG, Hamburg a 53.28% interest of the Gutenhoffnungshütte Aktienverein, Nuremberg group with 31.02% held by Allgemeine Electricitätsges. AEG-Telefunken, through its 98% subsidiary Elektrofinanz AG, Berlin (see No 422); 2) KIELER HOWALDTSWERKE AG, Kiel, owned by the West German state; and 3) HOWALDTSWERKE AG, Hamburg which also belongs to the West German state through the Salzgitter AG, Salzgitter group.

TEXTILES

** The French textile group M. J. WILLOT & CIE SA, Wasquehal, Nord share capital 70-30 with the Republic of Niger of the F CFA 600 million capital of SONITEX-STE NIGERIENNE DES TEXTILES. This has just been founded to build and exploit a textile plant (spinning, weaving, bleaching and dyeing) at a cost of some F.CFA 1.8 million. The M. J. Willot & Cie SA group is now in the process of merging with the ETS. Agache SA, Perenchies, Nord group (see No 419).

** The Dutch textile groups KONINKLIJKE TEXTIELFABRIEKN NIJVERDAL TEN CATE, Almelo (see No 402) and BLIJDENSTEIN-WILLINK NV, Enschede (see No 384) have been linked since 1964, through a co-operation agreement covering linings, in a joint subsidiary PERMESS NV, Borne (see No 267 - capital Fl 500,000). This link has now been extended by the formation of a Belgian manufacturing and sales company Permess NV, Etterbeek (capital Bf 1 million), which is almost wholly-owned by the Dutch concern of the same name, although both founders have a token shareholding; it is based on the premises of the long-established sales subsidiary Nijverdal-Ten Cate Belgie NV, of the Nijverdal Ten Cate group.

** The Belgian manufacturer of woven and tufted carpets ETS. LOUIS DE POORTERE SA, Aalbeke (capital and reserves of Bf 500 million) has formed an Italian manufacturing subsidiary. The new LOUIS DE POORTERE L.D.P. ITALIA Srl, Gerenzano, Lombardi is the sister company of Louis de Poortere France SA, Lys-lez-Lannois, Nord (capital Ff 3.531 million) the French subsidiary of the Belgian group.

** UTEXBEL-USINES TEXTILES REUNIES DE BELGIQUE SA, Brussels is taking over ANC. ETS A. SAMAIN SA, Ronse (capital Bf 10 million) and as a result will increase its capital from Bf 44 to 62 million. Utexbel (formed by the Lagache group in 1929) has spinning, weaving and manufacturing plant at Renaix, Mouscron and Ghent, with around 1,500 on its payroll.

** The Swiss firm ATELIER 49 AG, Killwagen, (capital Sf 400,000) which specialises in womens' and babies' clothes, has formed a Dutch sales subsidiary called ATELIER 49 NEDERLAND NV, Amsterdam. Fl 50,000 of the authorised capital of Fl 70,000 has been paid up equally by the Swiss founder and M. van den Berg, Hilversum.

** A co-operation agreement covering technical matters and sales has been reached between two West German textiles firms, KONIGSBERGER AG, Aachen, and LEOPOLD SCHOELLER JR. & CO KG, Düren. The move has been effected by the former acquiring a substantial interest in Leopold Schoeller. Despite this, the latter, which employs over 600 persons, remains controlled by the Schoeller family.

TOURISM

** Sig Michelle Sindona - who heads the FASCO ITALIANA DI M. SINDONA, Milan, group (see No 412) - has carried out the reorganisation of its interests in tourism. CISIT-CENTRO INTERNAZIONALE PER LO SVILUPPO DELLE INIZIATIVE TURISTICHE SpA, Milan (see No 250), has doubled the capital of its subsidiary Organizzazione Trasporti Internazionali O.T.I. Pierbusseti Trasporti SpA after the latter merged with its sister company Organizzazione Turistica Internazionale Pierbusseti Viagi & Crociere SpA.

CISIT also controls Mediterranean Holidays SpA (see No 421), which it formed in 1964 in association with the Belgian group Banque Lambert SA, Brussels.

TRADE

** Indonesian investors have backed the formation of the Rotterdam import-export firm which will deal in rubber, tea, coffee, spices, chemical products, leather goods, textiles and machinery. With Fl 1 million capital INDONED NV is headed by M. C. Subianto and Mme M. Tedjokusumastuti.

** The Rotterdam consumers co-operative CO-OP NEDERLAND NV (see No 395) has carried out the reorganisation of its structures and has made its subsidiary GYRATH'S SIGARENFABRIEKEN NV, Valkenswaard (capital Fl 420,000) into a property and investment company. Now called CO-OP BELEGGING MIJ (capital Fl 125,000), and headed by M. W. van Pelt, this has had its head office moved to Rotterdam. It stopped making its own cigars and tobacco in 1960, but it has been solely concerned with supplying these products to members of the CO-OP group.

The latter, which is now building a new distribution centre at Utrecht, had a 1966 turnover of Fl 232 million. Its recent moves include a 30% interest in the formation of Euro-Coop Biswiefabriek NV, Utrecht, in association with four other Common Market co-op groups to manufacture "EB" biscuits.

** The German chain store group RUDOLF HUSSEL AG SUSSWAREN, Hagen-Bathey (see No 345), has formed a chocolate and confectionery sales company, CHOCOLAT LOBELIA GmbH, Bremen. With DM 20,000 capital, this has Herren Herbert Eklöh and Jörn Kreke as managers, who also occupy the posts of president and managing director of the founder.

The latter (capital DM 7.5 million) has an annual turnover of some DM 80 million. In West Germany, it controls Frielo-Kaffee Friedrich Lohr, Hamburg, and Peeck's Schokoladen Werner Peeck GmbH, Berlin. In Switzerland, where it controls Intercandy AG, Zurich, the "Lobelia" brand is marketed by Chocolat Lobelia Sarl, Morges, Vaud, both formed in 1957 with a capital of Sf 21,000 by MM Maurice and Emile Better.

VARIOUS

** A new Dutch company, WETZLAR IVORY NV, Amsterdam (capital Fl 1 million), has been formed to manufacture billiard balls and equipment as well as ivory products. This move has been carried out by the Wetzlar, Amsterdam, family, and two Zurich firms headed by Dr. Hans-Alfred Wetzlar, a Dutch citizen living at Cannero, Italy. The two firms are Wetzlar & Cie H.A., which specialises in ivory and mother-of-pearl, and Wetzlar & Co GmbH, covering the import/export business for Chinese and Japanese products.

A similar move by these firms resulted in the formation of the Milan import/export company Wetzlar di Paolo Franzetti Sas (see No 240).

** ASKO FINNTER-NATIONAL SA (formerly ASKO FINN INTERNATIONAL SA - see No 376), the Belgian subsidiary of the Finnish furniture and office equipment group ASKON TETHAAT OY, Lahti, has given complete control of the Dutch firm MEUBELFABRIEKEN AWA-ETAPP NV, Borne (see No 369), and changed its name to FINNASKO NV. The new subsidiary was formed as a joint venture in 1966 (capital Fl 750,000) by the Dutch firm Meubelfabrieken A.W.A. NV, Almelo, and the Swedish Etapp Möblier A/B, Solvesburg. M. R. E. P. van den Hante, who heads the Belgian subsidiary and formed the French subsidiary Asko France SA, Paris (see No 296), has been appointed president.

LATE FLASHES

ELECTRONICS: SYSTRON-DONNER, Concord, California (electronic instrumentation) has formed a wholly-owned Belgian subsidiary called Systron-Donner International SA at Woluwe-St-Pierre (capital Bf 250,000).

The American company is represented in West Germany by Rohde & Schwarz KG, Munich (see No 390), and it has outright control of three American firms: Alpha Scientific Laboratories Inc, Edcliff Instruments Inc and Hyperion Industries Corp. It has about 1,000 on its payroll, and in 1966 made a turnover of \$13 million.

ENGINEERING & METAL: SA DESIGN GROUP NV, Brussels (capital Bf 150,000) has been formed to promote industrial design as a result of moves by THE DESIGN GROUP LTD, London which holds a direct 40% interest. Other founders are ORSONA SA, Geneva (capital Sf 150,000) which has a 56.7% interest and the DESIGN GROUP (NEWCASTLE) LTD, Newcastle-on-Tyne with a token shareholding.

ENGINEERING & METAL: Technical and sales links will be established if negotiations between the German metal and engineering group RHEINISCHE STAHLWERKE AG, Essen (see No 420) and the Czech engineering SKODA (see No 386) and MOTOKOV (see this issue and No 275) are successful.

If finalised the agreement is expected to cover heavy motor vehicles and civil engineering equipment, and at a later date will be extended to include steel production, heavy engineering and rolling-stock.

FINANCE: The Panama financial group I.O.S.-INVESTORS OVERSEAS SERVICES LTD (see No 426) has started up its French administrative subsidiary INVESTORS OVERSEAS SERVICES FRANCE (I.O.S.) Sarl, Ferney-Voltaire, Ain by raising its capital from Ff 10,000 to Ff 10 million, and its name has been changed to SERVICES ADMINISTRATIFS I.O.S. FRANCE Sarl.

The Panama group recently made an offer for the Geneva insurance and re-insurance firm Nouvelle Cie de Reassurances SA (capital Sf 14 million) which has now been withdrawn. However it has now started talks with another Geneva insurance concern "Providentia" Societe Suisse D'Assurances Sur La Vie Humaine (authorised capital Sf 12 million - 50% paid-up).

FINANCE: PLAFINANCE NEDERLAND NV, Amsterdam (capital Fl 10,000) which is headed by the Munich economist and financial analyst William Hall Thoman, has just been formed jointly by the Amsterdam finance and management company BEHEERMIJ. PHARAS NV (see No 304) and PLAFINANCE (LUXEMBOURG) SA.

The latter (formed in Luxembourg during August 1966 - capital Lux F. 5 million) is the almost wholly-owned subsidiary of the finance concern Plafinance Company Establishment, Vaduz, Liechtenstein, which also has a Zurich branch.

OIL, GAS & PETROCHEMICALS: The Glasgow group BURMAH OIL CO LTD (see No 412) has disposed of its 51% holding, acquired in 1963 as a result of its take-over of Lobitos Oilfields Ltd, London in the Dutch oil refining concern NEDERLANDSE RAFFINADERIJ, VAN PETROLEUMPRODUCTEN NV, Haarlem, (capital Fl 3 million). This company is primarily concerned with refining oil products for the cosmetic and pharmaceutical industries. Burmah Oil has sold its interests to the Schoorl family who thus gain complete control of the company.

As a 24.5% shareholder in British Petroleum Co Ltd, the Glasgow firm is keen to have a refinery on the Continent close to the North Sea, and is considering entering into negotiations with Dutch or Belgian oil companies, such as Albatros-SA Belge pour le Raffinage de Petrole, Antwerp (see No 384) which is its 13% affiliate.

VARIOUS: Swiss investors headed by Herren Klaus and Wolfgang Hermes, Solingen, have formed the Dutch Company DUCADO NEDERLAND HERMES & HERMES NV, Kaag-Alkremado, (capital Fl 100,000). This firm is concerned with selling, exporting and importing watch movements, jewellery, silver, cutlery and similar goods.

A company in the same field, DUCADO ITALIANA HERMES Srl (see No 308) has the same backers.

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Askon Tethaat Oy	Q	Four Square Food	L
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Dionisi & Co KG	I		
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Rheinische Stahlwerke	R		
Rivoire & Carret	K		
Rohrer	M		
Rothschild Freres	I		
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Tomos, Yugoslavia	C		
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Vetrocoke, Venice	C		
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