Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT *TEL. 25202/4 TELEX 95114*

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e
TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER .. PAUL WINKLER
EXECUTIVE EDITOR .. CHARLES RONSAC
MANAGING EDITOR .... ANDRE GIRAUD

SWITZERLAND

54 Rue Vermont GENEVA
TEL: 33 7693

ITALY

72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX

4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

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THE WEEK IN THE COMMUNITY

March 10 - March 17

THE COMMON MARKET

Frigid Friendship

Although last week's visit by the West German Chancellor to President de Gaulle - the first in this year's round of talks between the two countries under the 1969 Treaty of Friendship - produced little in the way of dramatic news, it served to highlight the differences of opinion existing between the West German and French governments, arising partly from the fact that France's position within the Community since last year has been weakened and partly as a result of the monetary crisis in November when West Germany resisted pressure to revalue the DM and so revealed her new-found political strength.

The results of the meeting between the two leaders and various ministers were largely what had been expected, and at least there was no serious clash. Nevertheless one of the more interesting facts to emerge is that the French President is seriously considering moves which would aim at creating a "European" Europe, independent from, but allied to the United States. This would operate in the economic, political and defence spheres but make no concessions at all to the principle of supranationality. Basically these proposals are not very different from those put to Mr. Soames, for the French President continues to maintain that if the Community were enlarged to include more than six countries "it would lose its value and purpose". However, this should not prevent the creation of a wider "European" Europe, and for this reason he had suggested discussions along these lines with Britain, but his offer had been misunderstood. The countries which President de Gaulle apparently envisages including in this "European" Europe are Britain, Scandinavia, Austria, Turkey, Switzerland, Spain, and Greece. He is believed to have proposed to Chancellor Kiesinger that because of their special relationship, France and West Germany should begin "privileged discussions" along these lines. Apart from the fact that West Germany is a supporter of British entry into the Community as it now stands, and favours a supranational approach, the suggestion of such "privileged discussions" would intensify fears in the Benelux countries and Italy of the so-called "Paris-Bonn" axis, and strengthen their insistence upon British entry.

The discussions did however achieve progress on a common approach to the development of the Lorraine-Saar region, whilst it was also agreed that the new national oil company being backed by the West German government would be encouraged to strengthen its ties with French oil firms - a move by Bonn to appease French disgruntlement over the C.F.P. - G.B.A.G. affair. It was also agreed that steps would be taken to develop monetary cooperation on the lines of the report drawn up by the Commission's vice-president M. Raymond Barre.

The decision by the two governments to build the European airbus, the

A-300 B with or without Britain was not unexpected. According to French figures its construction would ensure 60,000 jobs during 10 years for the French aerospace industry alone, and if it were not built there would be serious unemployment problems. The situation is somewhat similar for the German industry, although the workforce employed there is considerably smaller. If Britain pulls out, on the grounds of cost or because she had decided to back the rival BAC-311 to be built by the British Aircraft Corporation, the British member of the Airbus consortium Hawker-Siddeley may still make a contribution to the A-300 B. But it is likely that in such circumstances Dutch and Italian firms would be invited to participate. It has also been suggested in Paris that the Luftwaffe might decide to build the swing-wing version of the Dassault Mirage, because of the problems in trying to construct the M.R.C.A.-Multi-Role-Combat Aircraft in conjunction with Britain, the Netherlands and Italy, but this is still a matter of surmise.

Despite the French President's desire for closer political coordination within Europe, he made it quite clear to the Chancellor that France would refuse to attend any more meetings of the Western European Union ("Britain's back door" into the EEC) until the so-called violation of the WEU Treaty had ceased. Here there was cool impasse, as Germany sees the W.E.U. as a valid consultative body. Paris will probably use as further evidence of W.E.U. "collusion" the statement by the Italian Foreign Ministry on March 18 after a Rome meeting of the Foreign Minister, Signor Nenni and his Dutch counterpart Dr.Luns, which said that "ultimately the WEU should be integrated into an enlarged EEC". Last Wednesday, March 12, the fourth meeting of the WEU permanent Council was held in London without any French representatives attending. Although no formal communique was issued afterwards the meeting is reported as having discussed the Biafra question and heard a preliminary report from the sub-committee which was appointed at the previous session to deal with the legal and political aspects of the procedural clash between Britain and France. The decision by Britain to appoint Lord Chalfont, Minister of State in the Foreign and Commonwealth Office will hardly help to improve matters and in any case France has now said she will boycott the next meeting of the WEU Council on March 26 and the Ministerial Council due to be held in The Hague in early May.

The German decision to support the WEU meetings is unlikely to be revoked for some time, and their attendance is a further sign of the change in the relationship between Paris and Bonn. Previously they had nearly always kept to a middle course with the aim of offending no one, and if they had refused to back the moves to revitalise the WEU's activities, these would have fallen through.

Britain's efforts to strengthen her ties with West Germany, who should nevertheless remain on good terms with Paris, have been illustrated recently by the agreement in principle to build a gas centrifuge plant to provide supplies of enriched uranium and thus reduce Europe's dependence on the United States. It should not be overlooked that the Netherlands, which claims to have a world lead in this field, is a member of the three-power consortium, and that she is the strongest supporter of British entry. Italy may also participate in this project.

The record of the British government in the field of European technological cooperation does not however inspire confidence within the EEC. Admittedly costs can escalate, and given the domestic economic situation it is easier to bring pressure to bear on what seem unnecessary or prestige "European" projects. But the impression is sometimes given to European observers that Britain's contribution is dictated by any number of factors with the exception of a belief in effective European cooperation. The efficiency and cost of such projects is all important, and Britain really should undertake an effective public relations campaign in Europe to explain the reasons for her decisions.

* * *

SOCIAL MATTERS
Employment Ministers Getting Serious

The social affairs ministers of the Six had their first Council meeting since last July on March 13: discussion of the state of the labour market is de rigueur at these gatherings, but this time a note of increased earnestness became apparent.

The meeting began with a look at a Commission report concerning the affinities between Community social policy and policy in other economic sectors, and it was agreed that social problems should neither be disregarded in such contexts nor on the other hand ever dealt with in a vacuum. The Commission's report was in fact rather vapid, and was of interest only when it came to comments on the labour market. A new problem here is that since the abolition of work permits in the Community, much vital statistical data has been lost, and the ministers agreed with the Commission that there was an urgent need for gathering data on employment by some other means. Accordingly, it was decided that some sort of bulletin be started, enabling member states quickly to exchange practical information on labour market trends and the supply of trained personnel. This should be started soon, and its content and coverage steadily increased. The Commission will be asked to gather the data required, digest it and disseminate it rapidly around the Community.

From this, the Council went on to its consideration of the labour market as such, again using the Commission's country-by-country study of this year's labour market prospects (assuming a growth rate of 5.5% in Community G.N.P.). This is an exercise that the Social Council always indulges in, but this time they expressed the intention, in future, of having far more specific and apposite discussions on current labour market problems. They therefore called upon the Commission to prepare a report on personnel training, on the problem of disabled workers and the influx of workers from third countries.

Next item on the agenda was the report on the state of work on the programme agreed in June 1967 and February 1968 between the Council and the Commission, concerning the furtherance of cooperation between member states on social matters, as laid down in Article 118 of the Rome Treaty.

The ministers then went on to discuss the possibility of convening a Community conference on labour, taking in member states, the Commission and representatives of the trades unions. Two allied problems however arise in connection with this:

1) There is a division between certain states like the Netherlands and others such as France and Italy, in that the former want a real Community conference of the type described, whereas the latter are more in favour or merely an intergovernmental conference, with the states inviting only those unions that they chose to have present.

2) What this in fact conceals is the old bone of contention: Paris and Rome wanting to have the C.G.T. and the C.G.I.L. (Communist unions) present, and the Dutch totally opposed to this. Again, the Free and Christian unions (C.I.S.L. and C.M.T.), who boast of being old-established "Europeans" refuse point blank to sit at the same conference table with the Communists, at least for the time being.

Thus the meeting had recourse to the usual formula, with M. Louis Major, Belgian Labour Minister, suggesting that this question be referred to the next meeting, in the hope that in the meantime the unions themselves will be able to hit upon some formula. But truth to tell nobody seems to be in any great hurry to get such a conference under way, and indeed it is not terrible clear just how much could be gained anyway. Again, the Council for one fears that even if the conference did come about, the whole project could be wrecked by just one party refusing to participate.

At least the meeting's agenda served to bring the proceedings to a valid conclusion, as the last matter discussed was the problem of social security benefits for migrant workers in the Community. For some time, this matter has been hanging fire, but the ministers have now made some progress, formulating new guidelines on the applicability of the regulation concerned, alignment of legislation on unemployment benefits, old age and disability pensions, death indemnities and family allowances. The Council passed these topics to the permanent representatives, who are to draft a report on the same by the next social council meeting. It would indeed be a significant step forward if the Six succeeded in formulating a single regime of social security for all workers and their families moving about within the Community.

A date for the next Social Affairs council meeting has yet to be fixed, but it is hoped that it will be no later than July, which would seem to promise a greater frequency, and perhaps more purposeful future for this particular side of EEC Council activity.

EUROPEAN PARLIAMENT:
Rey Keeps Pushing

Last week's meeting of the European Parliament in Strasbourg was dominated by three main events, the election of a new president, and speeches by the Commission's president M. Jean Rey along with that of Vice-President Levi Sandi dealing with social matters within the Community.

The retiring president of the European Parliament was M. Alain Poher, who is likely to be the last president of the French Senate in its present form, as this is due to disappear if the referendum in France on April 27 is successful. M. Poher was succeeded last Tuesday by an Italian Christian Democrat, Signor Mario Scelba after no less than four votes. The first time he was unable to get an absolute majority, but at the fourth vote, he was able to win by 52 to 50 out of 129 parliamentarians present, when he defeated a Belgian Liberal candidate, M. Rene Lefebvre. Signor Scelba who is aged 68 and a former lawyer, was Minister of Posts and Telecommunications (1945), Minister of the Interior (1947 and 1953) and was Prime Minister during 1954-1955 at the time of the Messina negotiations, which resulted in the creation of the Rome Treaty. He was again Minister of the Interior from 1960 to 1962, and has been a member of the European Parliament since 1959, as well as presiding over its Political Commission for the past two years.

M. Rey presented the Commission's general report and stressed that 1968 has been "a year of political crisis". Nevertheless the Community had been able to make progress in some fields, especially as regards agriculture and the common commerial policy. Dealing with the present difficulties he attacked the use of the veto as "an ill-chosen, paralysing and out-dated mechanism" which impeded the smooth operation of international organisations. He called on member states to drop this approach and asked them instead to examine together the various difficulties confronting the Community. M. Rey considered that steps to strengthen the EEC should include "providing the Community with its own budgetary resources, enhancing the power of the institutions and the merger of the Treaties".

On the problem of enlarging the Common Market, M. Rey stated that this could not be overcome by closing the door to Britain and expressed his doubts as to the value of the proposed "commercial arrangements" which the Council of Ministers are still trying to deal with. He did not think that if the Community was enlarged it would become a free trade area, for the candidate countries should accept the Community as it stood with its common policies, aims and institutions. "This raised problems but in the Commission's view these could be solved".

M. Rey also referred during his speech to the students who during the voting for the new president of the Parliament, had demonstrated in favour of direct universal suffrage for elections to the Parliament. This subject was in fact taken up and a resolution adopted calling upon the Council of Ministers to work out and agree the necessary convention first put to the Ministers in 1960. Under existing procedural rules, if this is not done within two months, the Parliament can take the matter to the European

Court of Justice.

A former French Prime Minister, M. Rene Pleven called for a summit of the Six to clear the air and rid the Community of the distrust and quarrels created by the row over enlargement. This was backed by the Gaullist spokesman, M. Michel Habib Deloncle, who reiterated previous statements that "the Gaullists were not in principle opposed to enlargement of the Community, but that the problem and its consequences should first be studied in depth by the Six". This is an often used approach,for as soon as anyone suggests a study in depth the Gaullists find reasons for not agreeing to such procedure.

A first in the history of the European Parliament was the active presence of seven Communist Party members, from Italy. Their spokesman, Signor Giorgio Amendola stated that the Communists had always been opposed to the Community, because it served to keep Europe separate and divided into two military blocs. The present crisis was the consequence of the relationship based on military blocs which had been established between the Community and the United States. He said there was a need to eliminate the military blocs, for cooperation with European states having economic and social systems different from those of the Six and for the establishment of the unity of the Left. Signor Amendola also called for a revision of the Rome Treaty with the aim of ensuring respect for national independence and national legislatures.

The European Parliament attacked the Mansholt proposals and called for an increase in the price of butter. The Commission's Vice-President, Signor Levi Sandri set out the state of Community social policy. He called for a community employment policy, made necessary by the ever-increasing integration of national economies, increased competition and technical progress. This meant that there was an urgent need for a reform of the European Social Fund, a matter which has been put aside by the Council for a considerable length of time.

* * *

COMPETITION

Services: Commission Clears Machine-tool Trade Fair Ban

The Commission has decided that a limitation on machine-tool manufacturers in Community and seven other European countries (including the United Kingdom) taking part in trade fairs is not contrary to the Community's competition rules. This is the first EEC decision under the competition rules affecting an international agreement on the supply of services, as distinct from the supply of goods.

The rules of the European Machine Tools Exhibitions (EMTE), which are held every two years in Brussels, Hanover, Milan and Paris in turn, by the European Committee for Cooperation by Machine-Tool Industries, prohibit member companies of the Committee's 12 national associations from exhibiting their products at other trade fairs or exhibitions in the alternate years when no machine-tool fair is being held. The national associations comprise the leading machine-tool manufacturers in each country.

The first principle under the competition rules examined by the Commission was whether this ban restricted competition in as much as organizers of non-specialized fairs had their offers of exhibition space in the alternate years refused by machine-tool manufacturers and distributors. Secondly, the Commission questioned whether the ban had the effect of limiting trade in machine-tools in that, every other year, these products could not be freely displayed at all fairs in the various countries.

However, even if competition on these two counts were found to be restricted in the terms of Article 85 : 1 of the Rome Treaty, especially with regard to a restriction on trade between the Community countries, the Commission considers the agreement could be approved under Article 85 : 3.

The Commission has concluded that:

- The present proliferation of trade fairs and exhibitions is often uneconomic, and the European Machine-Tool Exhibitions help to rationalize the organization of fairs;
- The EMTEs offer considerable advantages, not only to machine-tool manufacturers, but also to their customers who, every two years, can acquaint themselves, in one place and under the same conditions, with the whole range of machine-tools produced in Europe;
- The restriction of competition resulting from the limitation on exhibiting in the EMTE rules remains within the minimum limits necessary to obtain the desired rationalisation, and, besides, effective competition exists in the Common Market between the organizers of trade fairs and between the sellers of machine-tools.

The importance of the Commission's decision extends beyond the machine-tool industry, for many other organizations arranging international trade fairs have rules comparable to those of the EMTE.

* * *

FREEDOM OF ESTABLISHMENT
A "Community Pill"?

The Commission has just submitted to the Six its proposals aimed at bringing about freedom of establishment for pharmacists throughout the Community, and harmonising the different national legislations controlling the sector.

The seven directives deal with the manufacture, wholesaling and retailing of medicines, and the reciprocal recognition of pharmacists' training courses and qualifications. If instituted they would result in freedom of movement for medicines and pharmacists. This particular question is one of the most thorny aspects of freedom of establishment for the liberal professions, a sphere where the Six have slipped some way behind the timetable set in the Treaty of Rome.

It is expected that the Six will make similar proposals governing freedom of movement for doctors during the next few weeks.

* * *

CONSUMERS

Price Variations in the Community

Since 1966, the Statistical Office of the European Communities has, in April and October of each year, carried out a survey of the actual prices of about 250 items in the six Community countries. The survey is to provide a reply to the following question: "How much must a consumer pay if he wants to buy the same product in the six Community countries? Is this amount the same in all countries or do the prices of certain products differ from one country to another?".

The latest figures available (April 1968) show that prices were particularly low for the following products: in Luxembourg for meat; in France for foodstuffs and black-and-white film; in the Netherlands for textiles, household goods and petrol; in Germany for domestic electric appliances, radio sets, motor-cars and petrol; in Italy for washing machines and refrigerators; in Belgium for photographic apparatus and supplies. Prices were, by contrast, comparatively high in Germany for foodstuffs, cleaning products, beauty and toilet preparations and pharmaceuticals; in France, for textiles, domestic electric appliances, radio and television sets and petrol; in the Netherlands, for motor-cars and photographic apparatus and supplies; in Italy,for foodstuffs and petrol.

The differences between the country with the lowest and that with the highest prices were sometimes wide. The maximum price difference for the average of the products considered fell from 59% in April 1967 to 54% in April 1968. A comparison of the mean price difference, by contrast, shows that from April 1967 to April 1968 there was no uniform tendency towards price alignment for the different product groups.

If the index 100 is assigned to the country with the lowest price level for the product group considered, the mean price differences in April 1968 for the different product groups are as set out in the Table overleaf.

Price differences for foodstuffs have become smaller for two reasons. Meat prices went up in Luxembourg, where they had been lowest. In Italy, by contrast, where the level had been highest, prices of some products declined, while the increase in others was weaker than in other countries. Prices in this field therefore moved towards the average. The same was true for textiles and clothing. In the Netherlands, where the

Mean Price Difference by Product Group - April 1968

(figures in brackets show max-min for April 1967 survey)

Product Group	Germany	France	Italy	Nether-lands	Belgium	Luxembourg
Foodstuffs	110	102	118 (122)	102 (100)	105	100
Textiles	104	129 (140)	112	100 (100)	117	117
Household goods	117	115	118	100 (100)	108 (117)	112
Domestic Appliances	100 (100)	140 (137)	115	112	119	115
Radio, TV sets	100 (100)	151 (156)	133	133	141	131
Cleaning products	122 (125)	116	115 (125)	100 (100)	115	108
Paper Goods	100 (100)	113 (119)	107	111	112	110
Photographic apparatus, supplies	110	109 (124)	110	111	100 (100)	112
Motor Cars	100 (100)	118	113	123 (124)	111	105
Petrol	100	129 (138)	129 (138)	100 (100)	113	107

Source: Price survey carried out in April 1968 by the Statistical Office of the European Communities.

price level had been lowest, prices for certain articles increased more than in France, which registered the highest prices. For other articles, the prices charged in France were lower in April 1968 than in April 1967. In domestic electric appliances, price differences widened from April 1967 to April 1968. This is due to the fact that in Germany, the country with the lowest price level, they declined more than in the other countries. For radio and television sets, there were signs of an alignment on the lowest level, since prices fell throughout the Community. As the decline was sharper in France than in Germany, the price difference as between France and Germany was in April 1968 smaller than the 59% registered in April 1967. There was little if any change in the differences in motor-car prices between April 1967 and April 1968. In the Netherlands, motor-cars were still 23% more expensive than in Germany. With regard to petrol prices, price differences narrowed as part of a general levelling up: in the countries where petrol costs most, prices remained unchanged, while there was an increase in the countries where they had been lowest (Germany, Netherlands).

The Commission's efforts to establish the reasons for price differences have so far been confined to the studies made by IFO. The surveys carried out by the consumer organisations, notably on seven articles, have yielded virtually no results. The Commission is, however, determined to establish - using new methods - the reasons for price differences between the six countries of the Community.

* * *

TRANSPORT

C.T.P.: First Phase Almost Complete

Double taxation of road haulage traffic across EEC internal frontiers is now the only matter that remains to be resolved in the first programme of transport policy harmonisation that the Six set themselves in December 1967. The bulk of the ministerial work on this package was completed last July (see No 471).

Double taxation was one of the three issues that were to be resolved by the transport ministers' Council meeting on Marth 18 and 19, and the other two points - working conditions for lorry drivers and "normalisation" of accounting systems on the railways of the Community - have now been agreed. The delay over working conditions has been caused partly by the fact that talks are also being conducted on a wider European basis in Geneva under the European Road Transport Agreement, with a view to achieving a multi-national pact in this sector. Now, however, the Six will present their legislation for lorry drivers as a fait accompli for inclusion in any such agreement. The details and main objectives of normalising railway accounting were agreed a year ago, in fact (see No 452), but the Council has now ratified this, and work can go ahead on the implementation of the decision, which should tend to obviate various competition-distorting factors that still linger. The Council also agreed on the aligning of the Six's definitions of what could be demanded of road, rail and inland waterway transporters in return for any subsidies they might be granted.

* * *

AGRICULTURE

Dr. Mansholt's Visit to Australasia

Dr. Mansholt can expect to be welcomed with mixed feelings when he arrives in New Zealand on March 28 and in Australia a week later to discuss world agricultural trade. New Zealand is particularly anxious to secure world agreement on dairy produce and both countries are disturbed at the declining volume of many of their exports to the EEC. New Zealand's total exports to the EEC showed only slight increase in value in 1967/68 (NZ $84.4m) compared with the previous season (NZ $83.3m.), while Australia's two main Common Market customers, Italy and West Germany, made catastrophic reductions in imports of dairy produce, frozen meat and wheat, as may be seen from the following table. Australian apples, oats and barley were the only products of which exports to the EEC remained steady.

It is sometimes stated that Australia and New Zealand have failed to find new markets to replace their traditional dependence on the UK, but the criticism seems unjustified, particularly regarding Australia who is not primarily dependent on the UK as an outlet for exports of dairy produce, beef and veal, mutton, lamb, wool, wheat and sugar.

Australian and New Zealand export markets 1966/67
(as % of total exports of each commodity)

	Australia	New Zealand
Butter	UK 71, Japan 7	UK 84, Japan 4
Cheese	Japan 32, UK 14	UK 67, USA 16 West Germany 5
Other dairy produce	Japan 20, Malaysia 15 Ceylon 9	Japan 28, UK 21, Malaysia 9, Phillipines 9, USA 7
Beef and veal	USA 73, UK 25, Japan 2	USA 68, UK 15
Mutton	USA 30, Japan 29, Canada 18 UK 7,	Japan 67, UK 24
Lamb	Canada 41, UK 23, USA 10	UK 92, Canada 2
Wool	Japan 34, UK 11, Italy 10 France 6	UK 21, USA 15, Japan 13 France 12, West Germany 6, USSR 5
Fruit (fresh and dried)	UK 49, Canada 12, West Germany 12	UK 60, Belgium 10 West Germany 9
Wheat and flour	China 34, Middle East 10 India 9, UK 6, Pakistan 6 Japan 6, Europe 3.	Net importer
Raw sugar	Japan 37, UK 28, Canada 10 USA 10, New Zealand 7	Net importer

Wool is the dominant export to the EEC (and is not affected under the CAP). Other commodity exports to the EEC are relatively small, although there is an expanding market for New Zealand lamb (sales are limited by various restrictions in individual EEC countries; for example, in West Germany, quotas apply to lamb imports). A disquieting feature of the EEC scene according to a report by the Australian and New Zealand Bank, is the large surpluses of some temperate foodstuffs which are being generated under the CAP and which are competing in third markets with Australian and New Zealand produce. This applies especially to butter, cheese and other milk products (competing in the UK market) and fresh fruit and grains (competing in the UK and other markets).

	Australian and New Zealand exports to EEC (in $ A m. and $ NZ. m.)							
	Australia				New Zealand			
	1957/58		1967/68		1958		1967/68	
Butter	1	0.3	-	-	0.5	0.7	0.3	0.4
Cheese	-	-	-	-	0.5	0.7	0.7	0.8
Beef & veal	1.2	0.3	0.1	-	0.3	0.4	0.9	1.1
Lamb & mutton	-	-	0.1	-	0.1	0.1	1.3	1.5
Wheat & flour	-	-	13.2	3.7	-	-	-	-
Sugar	-	-	-	-	-	-	-	-
Fruit (fresh dried & canned	1.7	0.5	19.4	5.5	0.7	1.0	1.5	1.8
Wool	284.4	77.7	194.3	54.6	57.4	81.1	56.2	66.6
Other products	77.8	21.2	128.7	36.2	11.3	16.0	23.5	27.8
Total	366.1	100.0	355.8	100.0	70.8	100.0	84.4	100.0

The major Australian/New Zealand farm exports are likely to be affected by the CAP (and its resultant surpluses). Sugar is an important Australian export which could be threatened by rising EEC production, although exports to the UK market are protected under the Commonwealth Sugar Agreement which was renegotiated in December, 1968. Under the Agreement the UK undertakes to purchase 335,000 tons of Australian sugar annually at a price of £43 10s a ton. A recent amendment altered the previous 1974 expiry date, and the Agreement will not be subject to renegotiation in the event of (a) the UK joining the Common Market (b) if this does not occur, in 1977 or (c) before 1977 if three years notice is given of any intention to terminate the Agreement. Under a new world sugar agreement which became operative...

in January this year, free world prices have risen quite substantially above levels ruling earlier. This agreement could mean an increase of some £A30m in the annual value of Australian sugar exports.

Fresh apples are another commodity which receive preferential treatment in the UK market, but there is the prospect of increased competition, mainly from France and Italy. Expanded production in these countries is expected to have an impact, not only on direct Australian and New Zealand sales to EEC - mainly in West Germany - but also in other markets, such as the UK and Sweden.

The outlook for trade in butter is very bleak. At present, the EEC butter surplus stands at about 300,000 tons; large quantities are being dumped in the UK. Unless suitable remedial action is taken, this surplus could soar to 750,000 tons by 1972. The present annual quota for New Zealand and Australian butter in the UK is 176,000 tons and 72,200 tons respectively. These quotas are currently being reviewed in respect of the year commencing April 1. Planned increases in UK butter production by 1972, referred to earlier, will not improve overall prospects, and will probably be the subject of future consultations between the UK and its major suppliers. Prospects for cheese are also grave. In the EEC, large quantities of surplus milk have been channelled into cheddar cheese production. In 1967, the Community emerged with a surplus of 30,000 tons.

Despite an overall deficiency in EEC meat production, the 20 per cent tariff applying to imports of beef, lamb and mutton is a factor limiting the long term expansion of the meat trade with the EEC. Australian meat exports to the EEC reached 12,000 tons in 1965/66 but fell to 4,800 tons in 1966/67 due to the combined effect of higher North American and Japanese prices - which led to a diversion of exports to these markets - and increased competition from South American and Yugoslav supplies. During 1967/68, exports declined further to 2,400 tons. New Zealand's annual meat shipments to the EEC have remained at about 7,000 tons from 1966 to 1968, with lamb and mutton accounting for over half the total.

High target prices for EEC wheat (and favourable weather) resulted in a post-war record harvest of about 70m tons for 1968. France provided nearly half of this total. Resulting surpluses are competing with Australian exports, especially in the Netherlands and China. In June 1968, French carry-over stocks stood at 2.3 million tons. The negotiation of an International Grains Agreement during 1968, establishing a minimum price for wheat exports, is expected to have a stabilising influence on international trade in wheat. Australia is anticipating a boom harvest of about 530 million bushels (this compares with the previous record of 467 million bushels harvested in 1966/67), and is faced with the prospect of keen competition in available export markets.

Australian and New Zealand trade with EEC
(in percentages of total trade)

	1950		1960		1968	
	Exp.	Imp.	Exp.	Imp.	Exp.	Imp
Australia	18.6	6.2	18.9	11.7	11.7	12.8
New Zealand	12.2	2.2	16.7	7.0	10.7	7.1

The possibility of the UK becoming a member of the EEC makes it imperative for Australia and New Zealand to expand their already considerable markets outside Europe. EEC surpluses and increased agricultural output in the UK would seriously threaten their European markets. This factor, coupled with concern over protectionist developments in the Common Market and even in the US, will give the Australasians plenty of talking points in their discussions with Dr. Mansholt.

* * *

No Decision Yet on EEC Prices for 1969/70

The EEC agricultural ministers failed to reach any decision on the 1969/70 prices at their meeting on March 10 and 11. They seemed to be split between two solutions, one, to make as few changes as possible in the present price structure, the other to instigate changes in the support policy as soon as possible. The Belgian, Luxembourg and Italian representatives supported the first formula, West Germans, Dutch and the Commission the second, while the French advocated an intermediary policy.

In the dairy sector Belgium and Luxembourg wished to retain the corrective adjustments - these guarantee producers in these two countries as well as France higher prices for butter and skimmed milk powder than the theoretical EEC intervention level. The Italians opposed any reduction in prices or the introduction of a tax to finance the disposal of surpluses since it was not fair that Italian farmers should be penalised as Italy was the only country in the Community not producing more milk than consumed. The Dutch and the Germans favoured a reduction in the guaranteed milk price for the next season, the Germans by the introduction of a tax, as mentioned above, and the Dutch by reducing the butter intervention price by DM 1 per kg, which would only be partially offset by increased support for skimmed milk and mean a real reduction in the butter price of Pf. 22 per kg. The Commission held to its earlier proposals, namely, a 30 per cent reduction in the price of butter and an increase of about 80 per cent for skimmed milk though maintaining that no permanent solution would be possible unless structural reforms were introduced in the very near future. M. Boulin, the French agricultural minister, proposed that no changes should be made in prices and support mechanism for milk and meat at the beginning of the new season on April 1. This would only be an interim measure lasting till, say, July 1 by which time the Council would have completed its discussions on agricultural support. Dairy products should not be treated independently of other livestock products, i.e. without offering farmers some compensation. Measures should be introduced to encourage meat production, including a slight rise (3%) in the beef cattle prices from $68 to 70 per live 100 kg, a more drastic increase would mean reduced consumption. The French compromise solution is likely to be adopted at the next meeting on March 24 and 25.

The ministers appear less inclined to adopt the Commission's proposals for arable products, and the present prices will probably be retained for another season. The rise in surpluses and support expenditure in any case is less acute for these products than for dairy products and any changes in the price policy, even if agreed before the autumn, would not have any practical effect before the 1970/1 season. Dr. Mansholt warned of the dire consequences of this indecision. If, for example, sugar prices and quotas were not reduced FEOGA support expenditure would rise by at least $40 m., making sugar relatively (i.e. per producer) the dearest product in the EEC. The French said they would accept a slight reduction in the price for sugar within the quota and in the quota itself providing the latter were not a linear reduction, i.e. affecting French and Belgian quotas to the same degree as the German and Italian ones.

* * *

E.C.S.C.

Breakdown of 1969 Coal Consumption

Statistical illustration of the Commission's provisional report on the ECSC coal situation in 1969 (see No 503, p.7) is now available, and the breakdown of coal consumption by the various sectors in the Community, that promises to put the market in balance this year is given in Table II below. In the first table, we have the Commission's breakdown of the Six's total energy consumption in the years 1967 - 1969, and the fairly wide variation in consumption increase that is anticipated this year (between 0.2% for Luxembourg, and 10.0% for the Netherlands).

Table I: The Six's Energy Consumption, 1967 - 1969 (Million tons, coal equivalent)

	1967	1968	1969	1968-69% Variation
Belgium	42.7	46.4	49.1	+ 5.8
France	166.8	175.9	188.5	+ 7.2
Germany	252.6	266.5	276.8	+ 3.9
Italy	118.1	126.3	136.3	+ 8.0
Luxembourg	5.3	5.7	5.7	+ 0.2
Netherlands	46.7	51.9	57.1	+10.0
EEC Total	632.2	672.7	713.5	+ 6.1
Adjusted for Temperature Variation:	640.0	678.0	713.0	+ 5.2

As far as the distribution of coal for consumption is concerned, we should first state that for coking as such (where there is some danger of under-capacity - see No 503), a diminution of about 1.5% (from 65,850,000 tons in 1968 to 64,845,000 this year) is expected this year, as consumption of coke in all sectors except steel continues to decline. Again, although the use of coal at power stations promises to rise by some 5.4% this year, energy consumption at the same time is likely to show an increase of something like 9%, such that coal is very much waning here also, from a 47% share of this market last year to probably 45.2% in 1969.

Although it is generally accepted that oil and natural gas are steadily ousting solid fuel - an inevitable course - the fact nevertheless remains that in Germany and France power stations are making greater use of solid fuel than before. In the former, measures taken in 1966 to ensure markets for coal and the increasing use of lignite in fact mean that some 80% of all generating station firing is in solid fuel form, while in France about two-thirds of power station fuel is coal, and the consumption figures there are expected to be higher this year than last, because of the May-June crisis. Elsewhere in the Community, coal consumption in Belgium will fall this year in both absolute and relative terms, giving way before other energy sources, whilst in the Netherlands natural gas is likely to increase in consumption by a good 150%. In Italy, a different situation obtains: coal only accounts for about 13% of power station firing, but can be obtained more cheaply than any competing fuels, such that the gross figure this year is likely to top the 2 million t.c.e. mark.

With steel production continuing to increase, coke requirements in this sector will rise accordingly, by some 1% probably. As domestic fuel, coal is declining fast, of course, probably by something like 7% in 1969. This would bring its share of this market (accounting for 20% of all solid fuel consumption) down to 26% this year, despite the fact that overall domestic fuel requirements are to rise by 5.6% in terms of energy. However, anthracite and graded nonbituminous coals on average account for some 65% of deliveries of solid home fuels in the Community, a figure which runs as high as 85% and 95% respectively in Belgium and the Netherlands. Coal in this form, although demand for it is declining, tends to be more resilient to rival forms of fuel than ordinary coal. The reason for this is that, like furnace coke, the equipment is already there: a home boiler is still the predilection of many EEC consumers, and it is this piece of equipment, almost more than the fuel it consumes, that inclines householders to adhere to solid fuel consumption rather than go over to one of the rival forms of energy at home.

Under the Commission's classification "miscellaneous industries", however, we find the decline in coal consumption as pronounced as anywhere. Needless to say, the biggest drift towards natural gas (-13.5% in coal consumption) is seen in the Netherlands, but consumption of solid fuel overall in this sector will fall by 9.1% this year, and of coal specifically by 5.9%. The most rapid rate of decline, however, is registered on the railways and in consumption by the extractive and processing industry itself, especially by gasworks as such.

Table II: Breakdown of Coal Consumption 1967 - 1969 (Million tons. coal equivalent)

	1967	1968	1969	1968 - 69 % Variation
Coking Plant	84.333	85.830	87.050	+ 1.4
Power Stations	57.082	59.540	62.760	+ 5.4
Domestic Fuel	20.803	19.000	17.670	- 7.0
Agglomerates	10.149	9.900	8.935	- 9.7
Miscellaneous Industries	16.253	15.250	14.345	- 5.9
Gasworks	4.245	3.400	2.540	- 25.3
Railways	3.353	2.430	1.640	- 32.5
Producers' Consumption	4.712	4.220	3.890	- 7.8
Various	1.745	1.400	1.400	-
TOTAL:	202.675	200.970	200.230	- 0.4

* * *

EURATOM

European Parliament Scraps Budget

The Council of Ministers having fought hard, in the face of the crisis that is eroding the Six's nuclear community, to contrive some sort of agreement on the proposed Euratom budget for 1969, the European Parliament has now rejected this. In a sense, the fact that it will now be tossed back for further ministerial discussion, probably, does not matter unduly. The object of the exercise is to keep the ball in the air, and as long as the Six keep talking budgets Euratom preserves its tenuous cohesion. Indeed, this was certainly no more than a "mini-budget" proposal, and the various delegations only gave their assent to it in the first place because it was designed as a stop-gap, pending the real settlement of Euratom's future and "new look" within the pluri-annual research programme, the first draft of which the Commission is to present next month. As yet, the Commission has only just started work on this, but it is believed that the new programme will concentrate firstly on the advanced state of research in certain nuclear spheres, which is demanding far more close cooperation between the research centres and the industries concerned than has been achieved so far. The Commission, doing its best to save these research centres, will also present its ideas on various ways in which the centres could be put to use for non - or para-nuclear research.

* * *

TECHNOLOGY

International Cooperation a Step Closer

The Community's Scientific & Technological Cooperation Committee (the former Marechal Group) is now putting the finishing touches to its report on possible areas of international cooperation in the seven priority sectors agreed by the Six last year: advanced metallurgy, transport innovations, data processing, meteorology, oceanography, pollution and telecommunications. This Committee has seven sub-groups, covering these fields, and these have been hard at work, since the Dutch lifted their veto on the work of this group, (see No 491), studying some fifty research projects that could be tackled on a basis of international cooperation. These have been classed not on grounds of economic and technical priority, but according to how far work on them has already been pursued. Thus the Committee will lay before the Council of Ministers some fifty schemes, presented according to whether they could become cooperative ventures almost immediately, or whether more information on them is still required.

In the first category we find in particular R & D projects having some sort of public service element in them - not surprisingly, as it is here that agreements between government representatives and specialists can be most easily forged. Where we have fields of more vital concern to industry itself, we have first to organise contacts between those concerned, and this can at times be a tricky process, as government officials are often chary of presenting a project unless they are quite sure that it will find all the support they feel it needs, while industrialists are equally reluctant to show their hand until they know what might for them be in the cooperation thrust at them by the Community's officials. Nevertheless, there has already been a round of liaison with representatives of industry, and none of the Brussels spokesmen were in any doubt as to the constructive spirit and readiness to cooperate that came over during the talks - this went for industry as much as the government men spoken to.

We still have not in detail the various projects that the Marechal Group has in mind, but it is known that there will be imaginative schemes in all of the seven sectors. In data processing, for instance, the development of a new generation major computer is expected, plus the creation of a European data-feeding and retrieval network, connecting all major computer complexes with their users. In transport, we may expect to see the emphasis on electronic systems applications in road transport, hovercraft, gas turbine rail propulsion, and inter-city travel. In advanced metallurgy, a key target may well be the development of new super alloys for use in major generating turbines, new materials for the chemical and petrochemical industries, semiconductors and other high-specification constituents for the electrical and electronics sectors.

It will then be left to the Council to decide which of the various projects put forward should be proposed to non-member countries with a view to starting extended international cooperation. The Marechal Group's report will be studied by the Medium-Term Economic Policy Committee during its next meeting, scheduled for April 1, after which it will go to the Council, for the ministers to decide which of the projects should take priority and which are best suited for immediate cooperation.

* * *

AFRICAN ASSOCIATION
Eighteen and Six: Problems Ahead

To the immediate difficulties facing the Community will be added the problem of renegotiating the Yaounde Convention when there is a Ministerial Council of the Association due for March 26 in Brussels. The Yaounde Convention which links the Six and the eighteen Associated African States, was signed in 1963 and expires on May 31. Preliminary background negotiations have been under way for some time, and although at the start the main difficulties seemed likely to arise because of the scope of African demands, it now appears that it is the differences of opinion existing between the Six which will cause the most problems. Nevertheless both groups of partners back the continuance of the principle contained in the Yaounde Convention.

There are three main points which are likely to result in disagreements between members of the Six. Firstly there is a difference of opinion between some member states and the Commission regarding reciprocity for the entry of African products into the EEC and vice versa. The Commission favours total reciprocity, but certain EEC states are against complete freedom of entry for Community products into the Eighteen. As a second point there is disagreement between the Six as to what changes should be made to tariffs relating to tropical products imported from non-associated third states. Thirdly uncertainty exists over agricultural products grown in the Eighteen which compete or might compete with similar products grown within the EEC. Should the system pertaining to the present convention be readopted as such, or should certain modifications be introduced? This latter approach has been proposed by the Commission.

For the African countries involved in the negotiations, and they have adopted a joint front, under the President of the Niger Republic, M. Diori Hamani, two main questions need to be resolved before the new convention can be satisfactorily finalised. The first concerns the need to find outlets for their tropical agricultural produce within the EEC. It is unlikely that mere promises that the Six will "try to do their best" for the Eighteen will suffice, and suggestions have been made that the African countries will attempt to have written into the new agreement firm guarantees covering their export prices. Regarding their agricultural products which might compete with home-grown EEC products, the Eighteen want their exports to be exempt from the duty paid by EEC imports coming from third countries. The other main question is the problem of industrialisation. Both sides agree that the present situation is not satisfactory, for the creation of so-called "substitution industries" developed mainly to cope with local demand runs into the problem that local purchasing power and needs are often insufficient to absorb the long production runs required to make the plants in question function on a worthwhile basis. It is felt that the establishment of basic industries, capable of competing on export markets with industrialised countries would be a more profitable approach in this context.

Connected with this last question is the pressure from the Eighteen for an increase from the present $ 750 million to at least $ 1,000 million in the funds available to the European Development Fund - E.D.F. This provides capital for the development of economic, social and industrial infrastructures within the Eighteen, and operates on a five-yearly basis.

The meeting on March 26 will probably enable both sides to clarify their respective positions, along the lines set out above. But the likelihood is that the new Convention when it is finally agreed will be more realistic - or liberal - than the existing Convention, if only because of the growing pressure from the third world in general for better treatment regarding the assistance they are given, allied to the industrialised countries' obvious self-interest in improving the economic lot of the developing countries.

* * *

EUROPEAN DEVELOPMENT FUND

Another $ 3.473 m. Granted

On March 11, the Commission approved three new grants from the Second E.D.F. totalling $ 3,473,000, bringing the total commitments to date to some $ 586,077,000 for 296 financing decisions.

1. Senegal: Approximately $ 1,134,000 to extend peanut-growing resources in the Sine-Saloum region by an additional 7,300 hectares to produce a total of 12,400 tons of commercial peanuts by 1973.

2. Senegal: $ 1,205,000 to back an applied agronomic research programme for four years. With assistance from Euratom it is hoped to produce better varieties of millet, thus cutting the existing deficit in home millet production.

3. Togo: Some $ 1,134,000 has now been made available to complete the grading and bitumen-surfacing of the last 40 kms of Atakpame-Badou road in the Plateaux region, launched with Community help in 1964.

MONNET COMMITTEE GAINS FRENCH SUPPORT

The Independent Republicans, who are loosely allied to the present Gaullist majority last week announced that they had joined the Action Committee for a United States of Europe headed by Mr. Jean Monnet, one of the founders of the Common Market. This is a significative step, as it is a further sign of the split between the Independent Republicans and the Gaullists and comes only a few months after the decision by the three main British political parties to join the Committee. This already included representatives of the main Community parties, with the exception of the Communists and Gaullists.

The leader of the Independent Republicans is the former French Finance Minister, M. Valery Giscard d'Estaing, who will be their representative on the Monnet Committee. His party has taken an increasingly critical line over Gaullist policy towards European unity, especially in the monetary sector, and only recently called for British entry to counterbalance the growing strength of West Germany within the Community. Cooperation with Britain in defence matters and the operation of a joint Anglo-French nuclear deterrent is another of their aims.

STUDIES AND TRENDS

RECENT DEVELOPMENTS IN THE TEXTILE FIBRES INDUSTRY

by H. Hoerkens

Director, Farbwerke Hoechst

In 1968 it was estimated that world consumption of textile fibres used for the manufacture of clothing, and this includes natural fibres (cotton and wool) as well as artificial and synthetic fibres amounted to some 20.2 million tons. However this does not cover all other textile raw materials whose main uses lie in packaging and the industrial sectors. Last year's figure was thus some 7% up on 1967, when the increase over 1966 had been very much lower.

Table 1 WORLD CONSUMPTION OF TEXTILE FIBRES (in 1,000 tons)

	1966	1967	1968	% 1968	% 1968-67
Cotton	11,120	11,320	11,450	57	1
Wool	1,540	1,463	1,524	7	4
Cellulosic Fibre	3,338	3,307	3,500	17	6
Synthetic Fibre	2,479	2,862	3,750	19	31
Total	18,477	18,952	20,224	100	7

Although the increase in the consumption of natural fibres has been small and below the overall average, the picture has been quite different for artificial and synthetic fibres, including cellulose fibres. Today these account for 36% of all textile consumption. 1968 was also the year when synthetic fibres first exceeded in quantity world production of traditional cellulose fibres, to account for 19% of all textile consumption, in second place after cotton.

Total world production of entirely synthetic fibres during 1968 amounted to 3.75 million tons (+31%) over 1967 (see Table 2). Only twice during the past decade - in 1962 and in 1959 - have plastic materials recorded a faster growth rate. A better idea of the size of this increase is given if one remembers that 900,000 tons is equivalent to the production of all Western Europe - less Britain - or is the same as total world production in 1961. It is also double the size of the increase in the output of plastic materials recorded in 1967.

In 1967 production of staple rose by slightly more than yarn and the ratio of staple to yarn is today around 48-52, whilst in time it is expected to settle around 50-50.

There was an increase of 44% in "Trevira-type" polyester fibre, making it top amongst textile raw materials. In 1968 world polyester fibre production exceeded 1 million tons for the first time. It was also a good year for the production of "Dolan" polyacrylonitrile fibre, as world output also rose by 35%. During 1968 the share of polyester fibres continued to rise, and accounted for 29% of world production, whilst conventional synthetic fibres (polyamide) dropped to 43%. It is virtually certain that the next few years will see polyester fibre heading the production figures for synthetic fibres, as existing plans already indicate that by 1970 many countries will be able to manufacture more polyester fibre than polyamide.

But as in the past, the overall world situation is greatly influenced by the leading industrial nations, and three countries account for two-thirds of world production: the United States (38%), Japan (18%) and West Germany (10%).

Throughout Western Europe and especially within the Common Market, expansion has taken place at a faster rate than the world average. This has been particularly the case for polyester fibres, where the increase of 47% means that the EEC now accounts for 27% of world production.

There was an increase of 359,000 in West German synthetic fibre production, a rise of 100,000 tons over the previous year. This 43% increase, placing West Germany well ahead of other major producers, has been especially noteworthy for the sudden upsurge in the polyester fibres sphere, and even more so in the yarn sector. In 1968, West Germany became the first major producer where output of polyester fibres exceeded that of polyamide fibres in the synthetic fibres sector. In this connection, it is also worth noting that West Germany heads both the United States and Japan for the production of polyester fibres used for texturising.

The figures quoted in Table 3 apply only to the clothing sector and do not include the considerable amounts used for carpets. During the past year there has been a 43% increase in Western European textured fibre production, totalling some 195,000 tons. One-third of this amount was accounted for by polyester fibres. But this trend has not been the same in every country for the production of textured polyester fibres has been greater in the Common Market than elsewhere in Western Europe. West Germany remains the chief producer of textured fibres, especially for those using polyester fibres.

Table 2 PRODUCTION OF ENTIRELY SYNTHETIC FIBRES
(in 1,000 tons)

	1966	1967	1968	% 1968-7
World Production	2,479	2,862	3,750	+ 31
of which Yarn	1,352	1,514	1,957	+ 29
Staple	1,127	1,348	1,793	+ 33
Polyamide	214	1,314	1,615	+ 23
Polyester	589	753	1,085	+ 44
Polyacrylic	457	541	728	+ 35
Others	219	254	322	+ 27
as %				
Polyamide	49	46	43	
Polyester	24	26	29	
Polyacrylic	18	19	19	
Others	9	9	9	
of which W. Europe	772	855	1,146	+ 34
of which Yarn	426	471	625	+ 33
Staple	346	384	521	+ 36
Polyamide	383	413	523	+ 27
Polyester	193	214	308	+ 44
Polyacrylic	158	187	266	+ 42
Others	38	41	49	+ 20
as %				
Polyamide	50	48	46	
Polyester	25	25	27	
Polyacrylic	20	22	23	
Others	5	5	4	
of which EEC	536	586	780	+ 33
of which Yarn	288	313	414	+ 32
Staple	248	273	366	+ 34
Polyamide	255	273	347	+ 27
Polyester	136	145	213	+ 47
Polyacrylic	116	139	192	+ 38
Others	29	29	28	- 3
as %				
Polyamide	48	46	44	
Polyester	25	25	27	
Polyacrylic	22	24	25	
Others	5	5	4	

Table 3 Western European Production of Textured Fibres (in 1,000 tons)

	1966	1967	1968	% 1968-67
EEC	66	82	120	+ 46
EFTA	37	47	63	+ 34
Others	2	7	12	+ 71
Total W. Europe	105	136	195	+ 43
of which				
Polyamide	70	82	114	+ 39
Polyester	28	43	65	+ 51

In 1967 artificial and synthetic fibres for the first time accounted for more than 50% of textile consumption. The principal reason for this success lies in the wearing and utilisation qualities of these modern fibres. Also for the first time in 1967, the share of synthetic fibres (26%) was greater than that of artificial cellulose fibres (24%). The decisive breakthrough was made both in the clothing and household textiles sector.

It is now quite clear that the future of the artificial and synthetic fibres industry is closely linked to that of the textile industry and vice-versa. Cooperation between these two sectors has produced worthwhile results during the past few years. 1967 was a period of recession, but in 1968 the West German clothing and textile industries were able to do well and achieved results comparable to those of 1966. There was a satisfactory growth in the output of the textile industry, in turnover and in orders.

The clothing industry slowly recovered during 1968 from the effect of the unfavourable economic situation encountered in the previous year, when a decline of 10.5% was recorded in some cases. But since September 1968 there has been a marked change. Capacity has been better utilised than during the first half of the year and in some sectors, there have been problems in trying to cope with demand. The results for the autumn, as well as the preliminary results covering Christmas sales appear to indicate that the clothing industry has also recovered.

Since the results have been reasonably good, it is certain that over 1,000 Dm will be spent on new investments during the coming year, so that the industry's high level of modernisation and rationalisation is likely to improve rather than remain static. On the technical side, the West German textile industry is today amongst the highest-ranked of its competitors. An example of this is that during 1967, the 5,000th Sulzer loom was installed.

The external trade situation changed considerably between 1967 and 1968. In 1968 textile imports (excluding raw materials) were worth some Dm 6,300 million an increase of 23.5% over the previous year. Exports however continued to grow, and were worth Dm 5,000 million, a rise of 19% over 1967. This import deficit was also considerably up on the 1967 figure, having risen to 44%, although remaining below the 1966 figure of Dm 2,100 million.

According to figures covering 1968 issued by the Federal Statistical Office, private consumption showed an increase of 6.5% over 1967, to reach around Dm 300 billion, and slightly over half of this benefited the retail trade. For textile retailers, there was an increase of some 4% (Dm 31.3 billion compared with 30.1 billion). But economic growth in 1969 is not likely to repeat the performance of 1968, although it is expected that private consumption will rise by substantially the same figure. Nevertheless the actual strength of demand will depend above all on effective cooperation throughout the textile industry, and on the way retailers promote their products.

This means that there are grounds for being optimistic regarding the outcome for 1969, even though the recent decisions by the Federal Government may make any accurate forecast difficult. The introduction of an export tax is a new idea for countries operating a "liberal" economy, and it means that there is a further factor creating uncertainty when attempts are made to forecast and plan future trends. Up till now, West German exporters had always been able to rely on governmental policies aimed at encouraging and promoting exports. They had based their decisions on this approach, and had thus consolidated their position in a number of markets. But today they are beset by a certain amount of uncertainty.

During the course of 1967 both clothing and textile exporters were able to boost sales considerably. The Common Market had become a virtual "home" market, and no longer a true "export" market, and for this reason they were harder hit than most by the import-export taxes.

The encouragement given to imports, in addition to the restrictions imposed on exporting, has stimulated pressure on the domestic market where profit margins were already very low. Past experience shows however that export markets which have been won with difficulty and at the cost of numerous sacrifices are not abandoned lightly, so that exporters are likely to cut their sales profits even further rather than lose their markets. For both the clothing and textile industry, this situation might result in less funds for investment purposes, with all the obvious disadvantages.

Table 4
PRODUCTION OF ENTIRELY SYNTHETIC FIBRES IN THE USA & JAPAN (in 1,000 tons)

	1966	1967	1968	% 1968-67
USA	938	1,058	1,447	+ 37
of which Yarn	528	550	748	+ 36
Staple	410	508	699	+ 38
Polyamide	484	477	597	+ 25
Polyester	224	322	491	+ 53
Polyacrylic	160	180	237	+ 31
Others	70	79	122	+ 54
as %				
Polyamide	52	45	41	
Polyester	24	30	34	
Polyacrylic	17	17	16	
Others	7	8	9	
JAPAN	460	578	685	+ 19
of which Yarn	200	256	298	+ 16
Staple	260	322	387	+ 20
Polyamide	146	188	214	+ 14
Polyester	121	152	181	+ 19
Polyacrylic	99	126	159	+ 26
Others	94	112	131	+ 17
as %				
Polyamide	32	33	31	
Polyester	26	26	27	
Polyacrylic	22	22	23	
Others	20	19	19	

EUROFLASH - HEADLINES

BELGIUM	FIRST NATIONAL BANK OF CHICAGO forms 2nd EEC branch	L
	GENERALE DE BELGIQUE buys HUDSON 25% in EUROLEASE for control	L
	ESSO CALIFORNIA's Chevron subsidiary to build refinery	Q
	BEECHAM GROUP to build Bf 400 million antibiotics plant	Q
FRANCE	LEROY-SOMER and FAURE link for work on robot vehicles	B
	PHILLIPS PETROLEUM seeks F 4 m. stake in LEFEBVRE coatings	C
	Swedish S.K.F. takes over GENERALE DE ROULEMENTS	J
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	E.M.I. rationalises music publishing and records interests	S
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NETHERLANDS	ATLANTIC RICHFIELD to build 72,000 t.p.a. propylene oxide plant	D
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CONTENTS

ADVERTISING

** MEARS CALDWELL HACKER LTD, London has formed a Dutch advertising, printing and publishing subsidiary called M.C.H. CONTINENTAL NV (capital Fl 10,000), based in Tilburg.

AUTOMOBILES

** CIE EUROPEENNE D'ETUDE, DE DEVELOPPEMENT & D'EXPLOITATION DE VEHICULES ELECTRONIQUES SA has just been formed in Paris with F 200,000 capital and MM Andre Tranie and Robert Sorrazac-Soulage as president and director for R & D in and promotion of electronically controlled vehicles, mainly for works transport and urban services.

The board comprises the companies L.S. (LEROY-SOMER) Sarl, Angouleme, Charente (see No 453), joint subsidiary of MONEURS LEROY Sarl, Angouleme, and STE MECANIQUE & ELECTRIQUE DE RHONE (SOMER) SA, Lyons (now merging), and ETS BERTRAND FAURE SA, Puteaux, Hauts-de-Seine.

** The Paris group STE CITROEN SA (see No 501) is to extend the industrial and commercial links it made at the beginning of 1968 (see No 442) with the Italian G.T. and racing car concern OFFICINE ALFIERI MASERATI SpA, Bologna and Modena (see No 481), into the finance sector, as foreseen. (see No 470).

This move will not affect the industrial independence of the two groups, which cooperate closely in the technical and distributive spheres (Citroen concessionaires in certain countries - e.g. France - provide facilities for Maserati importers), although it does take the form of a 60% controlling interest in the Modena concern by the French group.

** In order to facilitate the financing of its foreign operations, the REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 502) has formed RENAULT FINANCE SA, Lausanne (capital Sf 20 m). In 1968 the French group exported some 432,000 vehicles (53.5% of production) and its existing Swiss subsidiaries include Renault-Holding AG, Zug (capital Sf 54 m) and the sales company Renault (Suisse) SA, Regensdorf, Zurich (capital Sf 5 m) which has a Geneva branch.

BUILDING AND CIVIL ENGINEERING

** The newly-formed Paris company CIGRASA FRANCE Sarl (capital F20,000) is controlled by the Belgian concern CIGRASA Sprl, Molenbeek-St-Jean, Brussels. With M. Fernand Goffin as manager, this will trade in building materials, especially ornamental chimney-breasts.

In April 1968 the founder linked on an equal basis with Binje & Weemaes Sprl, Molenbeek-St-Jean to form a company manufacturing and selling building materials, Dimaco SA (capital Bf 1 m.)

** The British EUROPEAN LAND INVESTMENTS LTD, London, has wound up its Brussels subsidiary European Land Investments SA, which it controlled in association with its Belfast subsidiary INTERNATIONAL LAND INVESTMENTS LTD, and appointed MM. Midgen and Leroy as liquidators.

The dissolved company, formerly named WARING & GILLOW SA (capital reduced in June 1968 to Bf 10 m.) traded in cabinet work, tapestry, works of art, novelties, castings and porcelaine ware, and was active in the property sector.

** S.E.G.T.P. RENE BOURILLON Sarl, Harfleur, Seine-Maritime (capital F 1 m) has agreed to be absorbed by another civil engineering concern ENTREPRISES QUILLERY SAINT-MAUR SA, St-Maur, Val-de-Marne (capital F 19.32 m).

Entreprises Quillery S int-Maur has a turnover of close on F 200 million, and was formerly Ste Francaise d'Entreprises de Travaux Sofet SA, which a few months ago absorbed St Auxiliaire Pour l'Exploitation de Materiel-Sapem Sarl, Entreprises Quillery SA (both at St-Maur) and Ste Antillaise de Travaux & d'Entreprises S.A.T.E. SA, Fort-de-France, Martinique. The assets thus acquired (gross) have been estimated at F 9.78, 112.55 and 6.97 million respectively, thus bringing the capital of the surviving company up from F 1.25 to 19.32 million.

** PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 466) is negotiating for a 25% stake in ENTREPRISE JEAN LEFEBVRE SA, Neuilly, Hauts-de-Seine, which (capital F 16.2 m) produces floor coverings (from petroleum, coal and steel by-products for roads, airports, wharves, yards etc.) It has some F 200 million turnover and runs 23 factories and production centres, being known best for its "Salviacim" coatings (patented by its subsidiary Salviam SA), "Pyrostrat", "Sealasphalt", "Flexigritt", "Flexi-Verglas "etc.

CHEMICALS

** The Belgian group S.B.A. - STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES SA, Renory-Ougree (see No 497) and the American RALPH M. PARSONS CO, Los Angeles, California (see No 485) have agreed to terminate the agreements made early in 1967, whereby the latter received world rights and know-how from S.B.A. for manufacture of nitrate fertilizers (see No 412).

It is by dint of fresh negotiations with the Los Angeles firm's subsidiary PARSONS INTERNATIONAL (branch at Deurne-Antwerp, formerly at Cointe-Liege) that S.B.A. has in effect retrieved its right to negotiate concessions for its processes.

** LE JOINT FRANCAIS Sarl, Bezons Val d'Oise (connections, rubber and plastic mouldings - see No 461), wholly-owned subsidiary of the Paris group C.G.E. - CIE GENERALE D'ELECTRICITE SA (see No 496) has made over its manufacturing and trading interests (based to Benzons,Val d'Oise) to a new subsidiary named CIE FRANCAISE DU JOINT Sarl, Paris (capital F 1.25 m). This covers rubber and asbestos sheet joints. The new company has M. Georges Flouest as its first manager.

** The American chemical engineering concern D.M. WEATHERLY CO, Atlanta, Georgia, has opened a branch in The Hague to represent it throughout Europe, including the United Kingdom.

** The American group THE SHERWIN-WILLIAMS CO, Cleveland, Ohio (see No 490) has taken over the brush concern SCHMITZ & LUDWIG & CO FABRIK TECHNISCHER BUERSTEN KG, Frankenberg, Eder. This has Dm 520, 000 share capital, and with 150 employees has representatives in the Netherlands, Switzerland, Norway, Britain etc.

The American concern has a turnover in excess of $ 400 million from manufacture of paints, lacquers, varnishes etc. In Europe it already has two direct subsidiaries: Sherwin-Williams (Europe) SA, Antwerp, formed in 1963, and Ralston Verf NV, Utrecht, formed in December of last year, which in its turn controls the Utrecht manufacturing concern, Verfchemie Zeist NV, and the Belgian trading company Ralston Paints NV, Schaerbeek, Brussels.

** The American oil group ATLANTIC RICHFIELD CO, Philadelphia, Pennsylvania (see No 501) plans to build a 72,000 t.p.a. propylene oxide plant in the port of Rotterdam at a cost of about Fl 110 million. Atlantic Richfield, which recently opened a works of the same capacity for this product at Bayport, Texas, run by Oxirane Chemical Co (joint subsidiary with Halcon International - itself linked with Scientific Design Co, New York, which developed the new process used in this works) will thus become the second largest producer of this material in the Netherlands, after Dow Chemical Co, Midland, Michigan (see No 501), which has its plant at Terneuzen.

** SPIES-HECKER & CO KG, Köln-Raderthal (coatings, varnishes and underseals) has formed an almost wholly-owned Milan subsidiary, ITALPERMANAL Srl (capital Lire 900,000 - president Herr Heinz Probst, holding 1%).

The parent company, which also makes "Unitherm" heat and fire proof coatings, is headed by Herren H. Probst, R. and J. Hecker (also holding 1% in the new subsidiary) and H.J. Carstens.

** The British P.M.D. CHEMICALS LTD, Coventry, Warwicks (chemical products and electrolytic coatings for electronic components) has opened a sales branch in Paris to its Brussels subsidiary P.M.D. CONTINENTALE SA, (see No 386).

The latter was formed early in 1965 with Bf 1 million capital and Mr. R.F. Manylor as manager: it is the British firm's first Common Market establishment.

** AQUITAINE-ORGANICO SA, Courbevoie, Hauts-de-Seine (89.5% subsidiary of S.N.P.A. - STE NATIONALE DES PETROLES D'AQUITAINE SA, part of the State group, E.R.A.P. - see No 484) has decided to form an American subsidiary called AQUITAINE CHEMICALS INC (sales and later manufacturing) to exploit the success of its "Rilsan" polyamide.

S.N.P.A. has an existing subsidiary in the USA, Aquitaine Oil Corp (A.O.C.) (oil prospecting). This in turn holds a 6.25% stake in THE OIL SHALE CORP-TOSCO which operates a plant extracting oil from bituminous schist in Colorado (50,000 barrels a day capacity).

** HERBOL-WERKE HERBIG-HAARHAUS AG Cologne (see No 497) has recently formed HERBOL NEDERLAND NV, Cruquius, Haarlemmermeer (authorised capital Fl 100,000 - 20% issued) to trade in lacquer, varnishes etc. Messrs. Klaas Zwolsman and Siegfried Seel are the first directors of the new company.

The founder has been controlled (73%) since late 1968 by B.A.S.F. - BADISCHE ANILIN - & SODA-FABRIK AG, Ludwigshafen (see No 501) and it is a 25 % affiliate of the Leverkusen group, Bayer AG (see No 503).

** The Bremen insulator concern KAEFER GESELLSCHAFT FUR ISOLIER-TECHNIK mbH has formed a sales subsidiary in Vienna, KAEFER ISOLIERTECHNIK GmbH, with Sch 100,000 capital and Mme Annelotte Koch, Bremen, as manager.

The parent company has Dm 4 million capital and with a payroll of 200, turns over more than 70 million p.a. Its two main subsidiaries are in Bremen: Kaefer & Co, and Feinblech-, Holz- & Kunststaffbau KG and Koch Verwaltungs GmbH.

** SHEBY SA (see No 496), Paris subsidiary of the French REICHHOLD-BECKACITE SA, Bezons, Val d'Oise, has taken over ETS MIGEOT FRERES - STE INDUSTRIELLE & CHIMIQUE DE L'AISNE-SICA SA, Chauny, Aisne, which makes pigments, colorants and constituents for plastic: stannous and antimony oxides etc. The Paris concern is an affiliate of the American group REICHHOLD CHEMICALS INC, White Plains, New York, being controlled by the PIERREFITTE SA group, both directly and through Soparchim SA (see No 465).

** Two Dutch varnish, lacquer and paint concerns, together employing 100 persons have decided to merge. These are A.W. SABEL NV, Saandam and NV VERF - VERNISFABRIEK FA. W. PAULUSSEN, The Hague (see No 296). The latter has an interest in Paulussen France Sarl, Morthemer, Vienne.

** The Dutch group KON ZOUT ORGANON NV, Arnhem has now formally acquired control of the West German lacquer and industrial paints firm LESONAL-WERKE CHR. LECHLER & SOHN NACHF LACK- & LACKFARBENFABRIK KG, Stuttgart-Feuerbach (see No 498). This has 900 employees and a turnover around Dm 100 million.

Zout Organon which has been strengthening its stake in the foods sector has thus made a similar move in the lacquer and industrial paints sector, where its own 1967 turnover amounted to Fl 100 million. There are two other West German subsidiaries, controlled Sikkens-Groep NV, Sikkens Lackfabriken GmbH, Emmerich and Sanapol Werke GmbH, Bendorf, Rheinland.

CONSUMER DURABLES

** The Italian interests of the New York group RHEEM MANUFACTURING CO (see No 469) have been strengthened by an agreement signed between the storage heaters and gas water heaters concern RADI SpA, Rovereto and Riva, Trento, and its Italian subsidiary COMMISSIONARIA INVICTUR SpA (see No 445).

The latter was formed in late 1967 by another subsidiary of the American group RHEEM SARIM SpA, Melzo, Milan, in order to market "Invictus" domestic appliances. As a result of the new move, its name has been changed to RHEEM RADI SpA, (branches in Melzo and Rovereto, Trento) and with Sig Mario Radi as president, its capital has been raised to Lire 5 million.

DATA PROCESSING

** Under an agreement signed between two associated European companies COMPUTER ANALYSTS & PROGRAMMERS LTD, London and CENTRE D'ANALYSE & DE PROGRAMMATION - C.A.P. SA, Paris (see Nos 498 and 495) and the American company BOOLE & BABBAGE INC, Palo Alto, California, the first two have formed a joint subsidiary called CAP EUROPE SA, Luxembourg, which will market under licence all of Boole & Babbage's "SMS 360" software system.

The Luxembourg company, which is headed by Mr. Philippe Dreyfus, was formed a few weeks ago with a capital of Lux F 4 million. From its two founders it received their joint interests in Cie d'Analyse & de Programmation SA, Geneva, as well as a majority control - made over by the French founder - in Centre d'Analyse & de Programmation Belgique SA, Brussels.

** The American computer time sharing firm UNIVERSITY COMPUTING CO, Dallas, Texas, has strengthened its European interests by gaining control of a Swiss firm operating in the same sector, AUTOMATION CENTER INTERNATIONAL SA, Wettingen, Argau (see No 363), which until now belonged to WALTER HAEFNER HOLDING SA, Zurich. Automation Center has computer facilities in Düsseldorf, Hamburg, Frankfurt, Stuttgart, Munich, Nuremberg, Paris, Grenoble, Lyons, Milan, Brussels, Vienna and Basle.

In 1968 University Computing formed a subsidiary in The Hague called University Computing Co (Nederland) NV, which also has a branch in Rotterdam.

ELECTRICAL ENGINEERING

** The West German firm ADAM BAUMUELLER GmbH, Marktredwitz (capital Dm 1.5 m - 1,200 employees - electrical motors) has formed an Austrian sales subsidiary in Vienna bearing its own name. With a capital of Sch 450,000 this has Herren Alexander Baumüller and Johann Wustinger as managers.

** The agreements signed in late 1968 in Milan (see No 493) between the Czech external trade organisation STROJEXPORT, Prague and its Italian representative MOTORMAC ITALIANA SpA, Milan, covering the sale of engines, electrical and electro-mechanical equipment, have resulted in the formation of a 51/49 subsidiary MEZ ITALIANA S SpA, Milan (capital Lire 10 m). President of the new concern is Sig A. Tavecchio, who is a also president of the founder and holds a 40% stake in the new company along with Sig S. Battaglia.

On the Czech side control of Mez Italiana is shared (17% each) between Strojexport and Mez concerns in Mohelnice and Frenstat.

** An agreement signed between the Paris concerns ELAUL SA and PELLAM SA has resulted in the formation of a joint Belgian subsidiary, HELPELEC SA (capital Bf 50,000). Under M. J. Vomboocke, Schaerbeek this will trade in portable and security lighting equipment throughout the Benelux countries.

** The London-based ROTAFLEX (GREATBRITAIN) LTD (lighting equipment) intends to strengthen its share of the Belgian, Dutch and French markets and is to establish a Brussels sales subsidiary.

Headed by Mr. Jack Frye and Mr. Bernard Stern, the British company is also a licensee of the American LIGHTOLIER INC, Jersey City, New Jersey.

** BELL TELEPHONE MANUFACTURING CO SA (see No 459), Antwerp member of the New York group I.T.T. - INTERNATIONAL TELEPHONE & TELEGRAPH CORP (see No 499) has improved the financial standing of its subsidiary I.V.A.C. - INTERNATIONAL VISUAL AID CENTER SA, Anderlecht, by reducing its capital and then raising it to Bf 30 million to cover expansion.

I.V.A.C. is directed by M. P.L. Janssens, and came under the control of Bell Telephone late in 1967. It makes teaching machines and audi-visual aids, plus traditional school accessories (maps, models, chemical laboratory equipment etc.) and more recently aids such as language laboratories, film projection equipment etc.

** EUROLAB SCEINTIFIC NV, Vlaardingen, has just been formed in the Netherlands with an authorised capital of Fl 50,000 (20% issued) to trade in scientific and laboratory equipment as well as chemical products. The new concern is a 50% subsidiary of PROVINCIAL BOND & MORTGAGE CORP, Freeport, Bahamas, and its directors are Messrs I.R. Parker and P. van der Haye. The remaining 50% is held by Mr. Theodore R. Parker, an American living in Freeport, Bahamas.

** The West German manufacturer of electrical batteries, transformers and equipment VARTA AG, Hagen and Frankfurt (see No 501), which is a member of the QUANDT group (see No 500), has extended its Common Market sales interests by forming a direct Milan sales subsidiary called VARTA Srl (capital Lire 900,000). This will be run by Herr Kurt Neumann, a German living in Milan.

** The British company TELEFLEX PRODUCTS LTD, Basildon, Essex (electrical and electronic control equipment for the car and aerospace industries - see No 397) is to re-organise its Common Market interests by closing down its Italian subsidiary MARTIN DYNAMICS SpA, Beverate-Brivio, Como and Milan (see No 300). Mr. H.B.Burrage will be in charge of the move.

** The German switchgear and signalling equipment concern PISTOR & KROENERT, Brügge, Westphalia, has formed a trading company in the United Kingdom named PISTOR & KROENERT (U.K.) LTD (capital £6,000).

ELECTRONICS

** The American electronics company MICROWAVE ASSOCIATES INTERNATIONAL INC, Burlington, Massachusetts, has decided to open a Brussels branch which will be run by Mr. V.G. Chigas, Chelmsford, Massachusetts and whose managing director is M. E.O.C. Vyvey, Brussels.

The founder is a subsidiary of Micro wave Associates Inc (1967 turnover $27.2 m from radar and telecommunication components). There is an existing British company, Microwave Associates Ltd, Luton, Bedford.

ENGINEERING & METAL

** ETS J. MOREAU-JIMO SA, Brussels (see No 342) has sold its 50% stake (held directly and through Elimo-SA, Brussels) in AIRFLAM BENELUX SA (capital Bf 8.2 m) to its partner in the company, AIRFLAM-LE CHAUFFAGE DOMESTIQUE MODERNE SA, Paris (see No 499). As this now has complete control, the company has been moved to Auderghem and M. Simon Gigot has been put in charge.

** The Italian machine-tool manufacturer GRAZIANO & CO Snc, Tortona, Alessancria (parallel lathes - capital Lire 100 m) has formed a Frankfurt sales subsidiary called GRAZIANO DREHBÄNKE GmbH (DEUTSCHLAND) (capital Dm20,000) with Sig Wilmer Graziano as manager.

The Italian firm has a French agent, Graziano-Giorsetti, Beausoleil, Alpes-Maritimes.

** The Dutch company M.L. POLAK & ZOON NV, Middelburg is behind the formation in Essen of a new concern trading in non-ferrous metals, M.L. POLAK & ZOON DEUTSCHLAND GmbH (capital Dm 20,000) with Messts Eduard Tak and Benjamin Wallage, Middelburg as managers.

** ETS POSSO SA, Paris (metal goods for the film industry, winding-spools) has decided to form a Swiss manufacturing and sales subsidiary covering the EFTA countries. Called POSSO VALLORBE SA, Vallorbe, this will be controlled by French capital.

The founder (headed by M. Pierre Posso - capital F 4 m) has a Frankfurt subsidiary called Posso-Rada Metallwarenfabrik GmbH.

** The Paris CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA group (see No 502) has sold to the Arbel family the 7% stake it held in the railway equipment firm ETS. ARBEL SA (see No 401). This was held directly and through its subsidiary SEPGIF - STE D'ETUDES DE PARTICIPATIONS & DE GESTION INDUSTRIELLES & FINANCIERES SA.

With a capital of F 15.14 million, Arbel had a 1968 pre-tax turnover of F 141.49 million. Its main interests lie in the manufacture of rolling stock, especially large capacity automatic unloading trucks and a die-stamping works.

** Following the closure in Paris of STE MULDER VOGEM FRANCE SA (see No 500), the bankruptcy of the Amsterdam engineering group MULDER-VOGEM NV and its holding company MULDER-VOGEM INTERNATIONAAL NV, has resulted in the closure of five other subsidiaries: 1) NV HIGH VACUUM MULDER-VOGEM NV, Amsterdam, a 50-50 subsidiary until 1967 with the American company Vacuum Equipment Corp, Hingham, Massachusetts (a member of the ROBINTECH INC, Mount Kisco, New York group); 2) CRYOTRANSFERT NV, Amsterdam, (branch at Nieuw-Vennep), a 50-50 subsidiary until 1968 with the America Integral Process Systems Inc, Rosemount, Illinois (a member of the Jupiter Corp group); 3) CRYO TRANSPORT PRODUKTEN NV, a 50-50 subsidiary until 1968 with its own main shareholder Van Leer's Vatenfabrieken NV, Amsterdam; 4) ONTWIKKELINGSCENTRUM MULDER-VOGEM NV, Amsterdam and 5) MULDER-VOGEM PRODUKTIE NEDERLAND NV, Amsterdam.

** The Japanese company SATOH ARGICULTURAL MACHINE MFG CO LTD, Tokyo (mainly power cultivators), which until now was represented in France by LYPLEX SA, Lyons, will now be represented by the newly-established SATOH-EUROPE SA, Lyons (capital F 325,000), whose president is M. Michel Soez.

** The American company FRIALATOR INTERNATIONAL SA (headed by Mr. D.M. Pitman - materials handling, sorting, filling equipment and conveyor machines for the food industry) has formed an Antwerp sales subsidiary FRIALATOR INTERNATIONAL SA (capital Bf 100,000), which is run by Mr. W. Calluy. The founder has been represented since 1967 on the British market by a sales subsidiary Frialator (International) Ltd, London, which is headed by Mr. B.J. Jervis, director of the new Belgian subsidiary.

** CIE EUROPEENNE DE FERRAILLES NOVAFER SA (formerly CIE INDUSTRIELLE DE REALISATIONS METALLURGIQUES SA), which was formed by the recent re-organisation of the CIE FRANCAISE DES FERRAILLES - C.F.F., Paris (see No 493), which had already taken over five other companies in the group (see No 463), has now taken over three more: 1) STE DE TRAVAUX ENTREPRISES & FOURNITURES POUR ADMINISTRATIONS - S.O.T.E.F.A. SA, Paris (capital F 1.5 m - gross assets valued at F 19.47m); 2) GRENOBLE NETTOYAGE SA, Grenoble (capital F 10,000) and 3) TOUT EST NET SA, Mureaux, Yvelines (capital F 10,000). Following this move, Cie Europeenne de Ferrailles Novafer has raised its capital to F 9.39 million.

** The re-grouping of the dust extraction activities of TUNZINI-AMELIORAIR SA, Paris (see No 501) have been completed with its subsidiary PRAT-DANIEL SA, Rueil-Malmaison, Hauts-de-Seine, changing its name to TRAITEMENT DE L'AIR & DES GAZ PRAT-DANIEL-POELMAN SA (capital F 5.5 m). This will first take over the assets in this sector of two other subsidiaries, STE AIR INDUSTRIE SA, Paris, and STE SCHNEIDER POELMAN SA, Charenton, Val-de-Marne, valued gross at F 6.04 and F 2.55 million.

** INDUSTRIAL MARKETING CORP SA, Brussels, has taken a direct 50% stake in the formation of CIE EUROPEENNE DE DEVELOPPEMENT INDUSTRIEL (C.E.D.I.S.A.) SA, Brussels (capital Bf 10 m). President of the new company is M. Felix Leblanc and the managing director is M. Dano Ackerman, who holds the same post in the main founder concern. 43% of the remaining stake in the new company, which will operate in the research, development, manufacture and sales of engineering and related products is held by another Brussels firm PRECIMETAL SA.

** S.K.F. -CIE D'APPLICATIONS MECANIQUES SA, Clamart, Hauts-de-Seine (a member of the Swedish group S.K.F.-SVENSKA KULLAGERFABRIKEN A/B, Gotheburg (see No 503) has strengthened its interests in the low-price and material-handling bearings sector by gaining control of CIE GENERALE DE ROULEMENTS SA, Levallois-Perret, Hauts-de-Seine. This has some 50 employees for a turnover of F 5 million.

One of the Swedish group's most recent moves in France was the acquisition during June 1968 - through its Clamart subsidiary (see No 462) of La Technique Integrale SA, Paris (trnasmission and control equipment).

** The Milan company MA. R. IN Sas (headed by Signor C. Cavicchi) has signed an agreement with the AEO CORP, Bryan, Ohio (see No 467) appointing it the Italian representative for the American firm's special pumps used in industrial varnishing, extrusion, lubrication and high-pressure washing. The Milan firm is already the Italian agent and distributor for WESTINGHOUSE ELECTRIC CO, New York and ZERO MANUFACTURING CO, Washington, Missouri.

The American group has as Milan representatives Rimassa (pneumatic tools) and Brevetti Signode Labea Srl (seperating and anti-bonding agents made its "John P. Fox" division Monrovia, California). It has a Belgian manufacturing subsidiary, Aro SA (plant at Tamines - see No 251) and sales companies in West Germany (Lintorf-Dusseldorf), Switzerland (Lucerne) and London.

** A 50-50 agreement has been signed in Belgium between the heavy boiler and industrial ventilation firm, ETS BERRY SA, Lille, Nord (see No 488) and the builder of pumps and compressors CREPELLE & CIE SA (see No 413). As a result a plant construction and sales subsidiary firm has been formed called SABERAIR SA, Josse-ten-Noode, Brussels (capital Bf 200,000) with M. J. Crepelle as president.

** The Italian firm G. PANDOZI & FIGLI Srl, Trezzano s. Navigo, Milan (ticket and label printing, control and distribution equipment) has backed the formation in Milan of R.C.S. - REGISTRATORI DI CASSA SVEDESI SpA (authorised capital Lire 500 m - Lire 1 m issued). The actual formation was carried out by the Liechtenstein holding company EUROBUSINESS INVESTMENT ESTABLISHMENT, Vaduz, and the new concern will specialise in importing accounting machinery and cash registers from Sweden.

The founder is represented on the board by Sig Carlos and Giannemilio and it is the Italian agent for several Stockholm firms, including Hugin Kassaregister A/B (see No 394), Svenska Dataregister A/B (a member of the American Litton Industries Inc group - see No 499) and Almex A/B. The director of the new company is Mr. L.V.Nordenhall, Stockholm.

** The American company E.J. LONGYEAR CO, Minneapolis, Minnesota (drilling, mining and civil engineering equipment) has opened a Milan branch to its affiliate company LONGYEAR INTERNATIONAL (NEDERLAND) NV, The Hague, which is headed by Mr. G.A. Golson (see No 457).

This latter was formed in 1968 on a 50-50 basis with CHRISTENSEN DIAMOND PRODUCTS CO, Salt Lake City, Utah, through its subsidiary based in Celle, West Germany. Christensen Diamond Products has several joint European subsidiaries shared with E.J. Longyear, these are in Celle; La Verriere, Yvelines; Scheveningen.

** The two Dutch group KON. NED. HOOGOVENS & STAALFABRIEKEN NV, Ijmuiden (see No 501) and BILLITON NV, The Hague (see No 500) have jointly taken 50% interests in two U.S. aluminium companies: UNITED STATES EXTRUSIONS CORP (USEC) and ALWIN SEAL INC, which between them employ some 230 personnel for a turnover of $8 million. This move reflects the two Dutch firms' current efforts to concentrate in this sector, where they already have a number of joint interests, which they plan to pool under a single joint subsidiary, being formed under the name of HOLLAND ALUMINIUM NV (see No 486).

** The Frankfurt DEGUSSA group - DEUTSCHE GOLD - & SILBER SCHEIDENSTALT VORM ROSSLER AG (see No 503) has formed a new subsidiary for the home market that will specialise in engineering and plant installation for protection against air pollution. This is called DECATOX GmbH, Frankfurt, and is a 50-50 venture with SCHILDE AG of Bad-Hersfeld (Degussa's 51.02% subsidiary - see No 497), having Dm 500,000 capital. In 1968, the group's consolidated turnover came to Dm 2,360 million.

** PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA has joined 49-51 with PROGRES INVEST, Belgrade in forming a Franco-Yugoslav company in Belgrade (capital equivalent to F 900,000) to build chemical works to use the French partner's processes.

Progres Invest (see No 500) recently signed an agreement with two subsidiaries of CIE DE SAINT-GOBAIN SA, Neuilly, Hauts-de-Seine (Saint-Gobain Techniques Nouvelles SA, Courbevoie, and Participations Chimiques SA, Luxembourg), which gave it rights to use these same processes.

** GEVEKE WARMTETECHNIEK NV, Amsterdam subsidiary of the group GEVEKE & GROENPOL NV (see No 447) has formed a subsidiary at Braaschaat in Belgium named Geveke Warmtetechniek Belgie NV (capital Bf 3 m.) to trade in and assemble heating and air conditioning equipment.

Geveke & Groenpol, which employs some 3,200 people for a turnover of Fl 230 million stems from the merger in Amsterdam of Groeneveld, Van der Poll & Co's Electrotechnische Fabriek - Groenpol NV with Geveke Technische Ondernemingen NV.

** The German optical instruments concern EMIL EHINGER, Friburg - Brisgau has formed a subsidiary in its own name in Vienna to import and sell its equipment. This has Sch 100,000 capital, and is managed by Herr Wolfgang Schultze-Wolters.

FINANCE

** THE FIRST NATIONAL BANK OF CHICAGO (see No 503) has decided to open its second Common Market branch in Brussels and this will be under Mr. Joseph L. Lasey. The first was established in Frankfurt during 1966 (see No 368).

The Chicago bank already an 11% Common Market affiliate, Slavenburg's Bank NV, Rotterdam, as well as a London branch opened in 1964, and a 20% stake in the International Commercial Bank Ltd, London.

** A banking group headed by LEHMAN BROTHERS INTERNATIONAL LTD, New York (see No 460) the BANQUE DE PARIS & DES PAYS-BAS SA, Paris and the BANCA COMMERCIALE ITALIANA SpA, Milan (see No 490) has just formed an "open-end" Luxembourg investment fund dealing in Canadian, American and Italian securities called AMERITALIA SA (authorised capital $ 10 m) with Mr. Charles E. Bohlen as president. This has a 55% parent company which will provide management and investment advice, AMERITALIA ADVISORY CO SA (capital $ 100,00 - president Signor Braggiotti).

The Milan bank already has a Luxembourg subsidiary called Banca Commerciale Italiana Holding SA (capital $ 10 m - end 1968), and it is linked to the Banque de Paris & des Pays-Bas in the "closed end" investment company dealing in American and Canadian securities. (see No 486).

** The New York concern HUDSON LEASING CORP (of the ZILKHA group) has sold the remaining 25% of its stake (see No 340) in the Belgian EUROLEASE - STE EUROPEENNE DE LOCATION & DE FINANCEMENT SA, Brussels (see No 498) to its orginal partners in the venture, the main one of which now is the STE GENERALE DE BELGIQUE SA, with 66.6%

Eurolease was formed late in 1962, has Bf 110,750,000 capital, and in 1968 bought up for leasing various items to a value of over Bf 190 million. Its minority shareholders are: Sofina SA, Ixelles, Brussels; Cie Belge d'Assurances Generales SA, and La Royale Belge SA. Its main Belgian interests are in the leasing, finance and transport equipment concerns Intrans SA, Mons (see No 482) and Algeco Belgique SA, Brussels.

** MORGAN GUARANTY TRUST CO, New York, is to strengthen its Italian banking interests in April by opening a subsidiary in Rome to its Milan affiliate BANCA MORGAN VONWILLER SpA (capital doubled to Lire 2,000 m. in 1968 - see No 471). The new concern will be headed by Messrs Donald W. Wresley and B. Persone.

** Sig Primo Varricchio is president of the newly established Milan finance and investment company S.I.A. - STA INTERNAZIONALE D'AFFARI SpA (authorised capital Lire 50 m). With Lire 1 million issued, almost all has been backed by the Swiss holding company Finanziaria San Giorgio Holding SA, Lugano, which is run by an Iranian citizen living in Milan, Mr. Harom Matalom and Mr. G.F. Sattin.

** The CIE FINANCIERE IPPA SA, Brussels (member of the Belgian HALLET group) has rationalised its interests by absorbing PLACEMENTS MOBILIERS FREDERIC JACOBS SA, Antwerp its own 5% shareholder. As a result its capital has been raised to Bf 542.08 million.

Ippa is the former Exploitation & Gerance SA, Brussels which was made into a management and investment concern by its parent company, the Ste Hypothecaire & Caisse d'Epargne d'Ippa SA (see No 497) with capital raised to Bf 825,000. It then acquired control of its parent company, a move which lead to its capital being increased to Bf 514.58 million. Frederic Jacobs was formed as the result of the reorganisation of the Banque Frederic Jacobs & Cie Scs which made over its banking interests to the Caisse Privee Paul Van Den Bosch, Jean Cruysmans & Cie Scs, Ixelles-Brussels, the remainder of its assets to two new Antwerp investment companies, Financiere Frederic Jacobs SA and the company now being absorbed Placements Mobiliers Frederic Jacobs.

** The Paris medium - and long-term credit bank INTERUNION - UNION INTERNATIONALE DE FINANCEMENT & DE PARTICIPATIONS SA (see No 503) has formed an investment subsidiary in Curacao, Dutch West Indies, named Interunion Antilles NV (capital $ 3.8 m).

Interunion was formed late in 1968 (see No 488), and recently raised its capital to F 20 million. Control is shared 30-70 between various French and foreign banking and finance groups: 1) on the French side: Banque de l'Union Europeenne Industrielle & Financiere and Cie Financiere de l'Union Europeenne SA (joint 20%), and FIDEC - Ste Desmarais pour l'Industrie & le Commerce SA (10%); 2) Foreign: Marine Midland Overseas Corp, New York (20%), and with 10% each - Banque de Bruxelles SA; Bayerische Vereinsbank AG, Munich, and Royal Bank of Canada International Ltd, Nassau, Bahamas; 5% each - La Centrale Finanziaria Generale SpA, Milan; Banque Belge pour l'Industrie SA, Brussels; Banque Commerciale de Bale SA, Basle, and Hambros Investment Co AG, Zurich.

** The Amsterdam banking group ALGEMENE BANK NEDERLAND NV (see No 501 - existing Zurich affiliate, Algemene Bank Nederland In Der Schweiz AG - capital Sf 10 m) will now have a second affiliate called ALGEMENE BANK NEDERLAND (GENEVE) SA. This has been established by renaming the BANQUE SUDATLANTIQUE SA, Geneva whose president was Mr. P. Willem Rost Onnes, Amsterdam, also president of the HOLLANDSCHE BANK UNIE NV, Amsterdam until this was taken over by Algemene Bank Nederland NV (see No 441).

FOOD AND DRINK

** The London group ALLIED BREWERIES LTD (see No 491) has strengthened its Dutch interests by acquiring through its subsidiary NV BIERBROUWERIJ DE DRIE HOEFIJZERS, Breda, control of the Amsterdam distillery HOUWELING-WARNINK NV.

Owned until now by the Houweling family, this employs 80 persons in manufacturing and selling drinks and liqueurs, in particular "Warnik's Advocaat", which is distributed in Britain by the London group.

** A link-up in the French biscotte industry is taking place between the GENERALE DE PANIFICATION (G.P.) SA, Romainville (see No 491) and PRIOR NORD SA, Wambrechies, Nord.

Generale de Panification (capital F 3 m) is the former Ets H. Pelletier & Fils & Cie, which acquired its present name following the takeover of Ste de Produits de Regime Darry SA, Pierrecourt, Somme and together they cover some 15% of the biscotte market (consolidated turnover F 55 m). Prior Nord was formed in July 1959 as SA Produits Lison & Prior, as the joint subsidiary of Ets Mery Rougier & Cie SA, Marseilles (which made over its "Prior" biscotte interests) Reo Beschuit & Koekfabriek NV, Barendrecht, Rotterdam and Ets Lestarquit SA, Wambrechies-lez-Lille, Nord (which made over its "Lison" biscotte interests - factory at Quesnou-sur-Deule, Nord).

** NV HENS VOEDERS, Schoten, Antwerp (animal feedingstuffs - affiliate of the American group CARGILL LINC, Minneapolis Minnesota - see No 475) has formed the CENTRE DE CONDITIONNEMENT D'OEUFS DESMEDT - C.E.C. SA (capital F 5m).

The founder recently absorbed another concern in the same sector, ABATAVIA NV, Herentals (gross assets Bf 9.65 m).

** The West German spirits firm PETER ECKES KG, Nieder-Olm (see No 425) has formed a Swiss holding company called ECKES GmbH, Glarus (capital Sf 600,000) with Herren Ludwig Eckes and John Khayat as managers.

The group (1967 turnover Dm 315 m +) already heads the Swiss company, Spreada AG, Burgdorf, Berne (capital Sf 400,000) and there is an Italian subsidiary Fratelli Pizzinini Srl, Trent. In 1967 it acquired complete control of Hulstkamp & Zoon & Molijn GmbH, Düsseldorf after buying out the 20% initial stake held by the Dutch distillery Hulstkamp's Distilleerderij, Rotterdam.

** The Dutch group KON, ZOUT-ORGANON NV, Arnhem (see No 501) is about to expand its food products division, which accounts for some 21% of turnover (Fl 1,760 m.) by taking over the Koog a.d. Zaan concern KON. FABRIEKEN T. DUYVIS JZ NV. (see No 491).

This company employs some 1,500 people, and itself recently gained control of the Vlaardingen firm ZWWRVER"S VERENIGDE MIJEN NV (vegetable oil refining, margarine and edible fats) together with its subsidiaries Oliefabrieken J.M. Zwerver NV and Rotterdamsche Margarine Industrie J.M. Zwerver NV, Vlaardingen. To its new parent company it will also bring controlling interests in the Dutch NV Oliefabrieken "De Toekomst", Wormerveer; Wilco Conserven NV, Assen (plus its German subsidiary Wilco Holland Conserven GmbH, Rellingen) and a stake in NV Centrale Europese Conserven Industrieen - C.E.C.I., The Hague. Abroad, it has to offer also interests in Kon. Fabrieken T. Duyvis Jz GmbH, Hamburg, and in the French Mayolande SA, Seclin, Nord, a joint venture with Eeckman Sarl of Seclin.

** The Dutch trading concern HANDEL MIJ. KIAN GWAN NEDERLAND NV, Amsterdam, has formed a specialised subsidiary dealing in meat and meat-based products, HOLLANDVLEES NV, Ederveen (authorised capital Fl 200,000 - 37.5% issued). Directors of the new concern are Messrs Jacob Rabbie and K. Swierstra.

** NV VEREENIGDE VELUWSCHE MELKPRODUCTENFABRIEKEN, Nunspeet, (Dutch member of the Swiss foods group, OURSINA SA, Konolfingen, Berne - see No 500) has gained control of the Dutch baby cereals firm, P. MOLENAAR & CO's MEELFABRIEKEN NV, Westzaan (45% of the market - capital Fl 1 m - 30% issued). This has some 50 employees and a Belgian subsidiary, Molenaar's Kindermeelfabrieken SA.

The Nunspeet firm, which intends to integrate its new subsidiary's sales network into its own organisation, has thus extended its interests in children's foods sector. A few months ago it launched "Alete" ready-to-eat meals for children, made by its West German sister-company, Alete Pharmazeutische Produkte GmbH, Munich. Its main competitor, Nutricia NV, Zoetmeer (see No 330) controls 90% of the Dutch ready-to-eat market with its "Olvarit" brand products.

** The Belgian firm ETS JOSEPH SOUBRY NV, Roulers (see No 259 - headed by M. Pierre Soubry) has formed a Dutch subsidiary, SOUBRY NEDERLAND NV, Rijsbergen (authorised capital Fl 100,000 - 25% issued). This will trade in flour-based products, prepared meals, sauces and patisserie.

The founder (over 300 employees) has a 50% stake in Foodpack SA, St-Josse-ten-Noode (packaging and sales of food products).

** The Belgian chocolates and confectionery concern MAISON HENRI CORNET SA, Anderlecht ("Lutti" brand) has agreed in principle to pool its business interests in the Common Market with the Puurs group CONTINENTAL FOODS NV.

The latter has Bf 150 million capital, and was formed in 1968 by private Belgian interests, taking in several spheres of food manufacturing: vinegar, condiments and dessert products. Control is divided between IMPERIAL PRODUCTS NV, Antwerp, and DEVOS-LEMMENS NV, Puurs, both of which have several foreign subsidiaries, especially in the Netherlands (Alkmaar and Amsterdam) and France (Looz-lez-Lille, Nord).

GLASS

** Headed by Herr W. Gutermuth and Sig Onorato, the Italian and German glass fibres firm VITROPAN GLASVEREDELUNG GmbH, Frankfurt, has formed a Milan sales subsidiary called VITROPAN Sarl (capital Lire 15 m). The remaining stake in the company is held by GEFIL DI ROMANO ONORATO Snc, Milan, which is run by Sigs Mario Onorato and G.C. Zampironi.

** The Paris glass firm HENRI DESJONQUERES SA has gained a large stake in the West German GLASHÜTTEN-WERK ERNST W. MÜLLER GmbH, Kipfenberg (pharmaceutical containers - capital Dm 1 m - turnover Dm 7 m - 250 employees).

The French company (capital F 19.34 m) belongs to the Desjonqueres family and a minority shareholder is the B.S.N. - BOUSSOIS-SOUCHON-NEUVESEL SA group (see No 502), which recently failed in its takeover bid for Cie de Saint-Gobain (see No 493). The Paris company controls 40% of the French pharmaceutical glass container industry and has a turnover of around F 110 m. It employs some 2,000 persons in its factory at Mers-les-Bains, Somme. Its West German agent is Stella KG, Martinstahl, Rheingau.

INSURANCE

** LA SUISSE, STE D'ASSURANCES SUR LA VIE SA, Lausanne, Vaud, has opened a branch in Tours, Indre-et-Loire, which will be run by M. Robert de Saint-Victor, Tours.

** AMERICAN ADVISORY AGENCY ESTABLISHMENT, Vaduz (vehicle sales and related financing and insurance operations - capital Sf 20,000) has opened a branch in Belgium at Waterloo under M. George P. van Ducke. In 1965 the founder backed the formation in Paris of AMERICAN ADVISORY AGENCY SA (see No 301), which is a 96.4% interest of the American insurance broker M. George Fattell.

OIL, GAS & PETROCHEMICALS

** The Italian subsidiaries of four foreign oil companies (three American and one Belgian) have linked on an equal basis to run storage and distribution facilities for aircraft fuel and lubricants at the Milan international airport.

A joint subsidiary called M.A.R.S. - MILAN AIRPORT REFUELLING SERVICE SpA (capital Lire 1 m) has been formed. President is Mr. H.C. Keeley and the companies involved are GULF ITALIANA SpA, TEXACO SpA, CHEVRON OIL ITALIANA SpA and FINA ITALIANA SpA, Milan.

** Mr. Nathan Cohen, Rotterdam, is president of the newly-established Belgian company INTERNATIONAL COAL SERVICES - I.C.S. SA, Romsee (capital Bf 5 m), which will trade in, pricess and transport coal, oil, chemical, petrochemical and gas products. The new company has been established by CHARBONNAGES DE WERISTER SA, Romsee, an affiliate of the NAGELMACKERS FILS & CIE Scs, Liege, group (see No 428). At the same time, Mr. Cohen has been appointed president of another new company Benechar SA, Romsee (capital Bf 2 m), which will carry out similar operations. This is a 94% interest of Harteveld Hoos & Heijermans NV, Rotterdam, with a token shareholding held by Enceekolan Rotterdam NV, Rotterdam.

In 1967 Mr. Cohen took a 90% interest in the formation of a company dealing in petroleum products, Imobra Nederland NV (authorised capital Fl 1 m - 20% issued). The remainder was held by Beleggingsmij Elcee NV, Rotterdam (formerly Elceestaal NV), which later became an investment company after having made over its commercial interests to another new concern ELCEESTAAL NV (the second to have this name), run by Mr. Levy Cohen.

** The American MURPHY OIL CORP, El Dorado, Arkansas, which has had two Milan subsidiaries since late 1968, MURCO ITALIANA SpA and ODECO ITALIANA SpA (see No 496), has established two branches in Milan to two other affiliate companies, Odeco Exploration Co, Wilmington, Delaware, and El Dorado Exploration S.A. Co, Wilmington. This move is intended to pave the way for oil and gas exploration on the Adriatic continental shelf. Both branches are run by Mr. G.M. Fedderson, London, and have an operating fund of Lire 1 million each.

PLASTICS

The American petrochemical group UNIVERSAL OIL PRODUCTS CO, Des aines, Wisconsin (see No 459) has strengthened its West German interests by forming a bsidiary UOP KUNSTSTOFFE GmbH, Egerpohl (capital Dm 3.6 m). This will manufacture d sell plastic goods, especially aerosols and will be managed by Mr. George Kroning, La rosse, Wisconsin.

The group already has a West German subsidiary Uop Fragrances Riechstoffe nbH (see No 418). In France its two subsidiaries Ets Antoine Chiris Cie de Produits romatiques Chimiques & Medicinaux SA, Paris, and De Trevise SA, Colombes, Hauts-de-ine, adopted the same name in January 1969: Uop Fragrances SA.

The Dutch concern NV PLASTICS BUITENPOST, Leeuwarden, has formed subsidiary called NV BOERSMA PLASTICS NV, Leeuwarden (capital Fl 500,000) to which has made over manufacturing and sales facilities for plastic products, paints, lacquers d chemical goods and car accessories.

The American company POLYMER CORP, Reading, Pennsylvania (nylon oulding and spinning, P.T.F.E. and other plastic and resin products - see No 372) has rengthened its Common Market sales network by forming a direct Belgian subsidiary lled POLYPENCO BELGIUM SA, Brussels (capital Bf 500,000). This will be run by Mr. chel A. Bardsley, Almelo, Netherlands.

The American group has no financial links with the Canadian rubber group LYMER CORP, Sarnia, Ontario, which already has several European subsidiaries under own name or under POLYSAR (see No 416). Polymer's existing European interests lude sales subsidiaries in Yerres, Essonne, formerly at Boulogne-Billancourt, Hauts-de-ne, Cologne, and since 1967 it has controlled the knitting machine group Textiel Machines ading NV, Almelo.

COSDEN OIL & CHEMICAL CORP, Big Spring, Texas (see No 376) has cided to build a polystyrene plant at Calumet City, Illinois. This will be supplied with v materials from the plant at Carville, Louisiana run by Cos-Mar Inc, which is the joint osidiary of Cosden and Borg-Warner Corp, Chicago. When the new company comes into rvice, Cosden will have an annual polystyrene production capacity of around 100,000 tons.

Cosden, wholly-owned subsidiary of AMERICAN PETROFINA INC, which is itself 8% interest of the Belgian group PETROFINA SA through AMERICAN PETROFINA LDING CO, is also affiliated to the New York group W.R. GRACE CO.

'RINTING & PUBLISHING

Sig Gian Giorgio Speiss, Lugano, Switzerland, is the sole director of the vly-formed Milan record firm and musical publisher P.D.U. ITALIANA SpA (capital Lire ı). This has been established by the Liechtenstein investment company PLATTEN-JCKARBEITUNG ULTRAPHONE AG, Schaan.

** The Paris group GAZOCEAN SA (see No 498), which specialises in shipping liquified gas, has signed a cooperation agreement with the Norwegian company operating in the same sector GAS TRADERS A/S, and this has resulted in the formation of Ocean Gas Traders on the Paris group's premises. A recent move by the French firm (affiliated to both BANQUE DE PARIS & DES PAYS-BAS SA, Paris, and the New York merchant bank CARL M. LOEB, RHODES & CO) was the formation in Tunis in conjunction with INSTITUT CHIMIQUE MAGHREBIN - I.C.M. of GABAS-CHIMIE-TRANSPORT. This will organise the transport of Tunisian hydro-carbon to Mediterranean countries.

Gas Traders was formed by a link-up between the Norwegian companies REDERIET ODFJELL A/S, Bergen, CHRISTIAN HAALAND, Haugesund, SIG. BERGESEN D.Y. & CO, Oslo and Stavanger and INTERNATIONAL GAS CARRIERS A/S, Oslo (affiliated to the Oslo group Kvaerner Industrier A/S).

** The STANDARD OIL CO OF CALIFORNIA group (see No 486), which is represented in Belgium by a subsidiary CHEVRON PETROLEUM CO NV, Brussels, intends to build a 5 million t.p.a. refinery at Felny, south of Brussels, which should come on stream during July 1971.

Standard Oil Co of California recently began to build an extension to its refinery at Pernis, Netherlands, which is run by its subsidiary CHEVRON PETROLEUM MIJ. (NEDERLAND) NV, The Hague. This will raise the refinery's capacity to 12.5 million t.p.a. and the work is being carried out by the Dutch subsidiary of the American plant construction group Badger Co Inc, Cambridge, Massachusetts.

PHARMACEUTICALS

** The British BEECHAM GROUP LTD, Brentford, Middlesex (chemicals, cosmetics, pharmaceutical and cleaning products - see No 459), which already has a Belgian subsidiary BEECHAM SA (see No 366), intends to build a factory at Heppignies, Charleroi. This will manufacture penicillin-based products, employing some 500 persons and costing around Bf 400 million. The British group's most recent European moves have included the formation of a manufacturing subsidiary in Milan (capital 400 m - formed as Laboratori di Milano SpA) and the establishment of a Zurich sales subsidiary Beecham AG (capital Sf 500,0(

** The French company LAIT MONT BLANC SA, Rumilly, Hauts-Savoie (see No 500 - a member of the Swiss foods group OURSINA SA, Konolfingen, Berne - see this issue) has gained control of STE LABORATOIRE ETIENNE Sarl, Paris. This makes products to deal with stomach illnesses, including "Lyo-Bifidus", "Bismuquinol" and "Bifigidene".

** M. Charles Henri Genot is director along with MM A. Roux and P. Gregori of a new subsidiary formed by the Paris pharmaceutical group LABORATOIRES DAUSSE SA (capital F 14.93 m - see No 425). The new subsidiary will carry out research into chemical, pharmaceutical, dietetic and cosmetic products, and develop manufacture process. It is called CENTRE DE RECHERCHE THERAPEUTIQUE - C.R.T. SA, Paris (capital F 100,000).

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** The London group E.M.I. - ELECTRIC & MUSICAL INDUSTRIES LTD (see No 498) is to rationalise its Italian interests in the music publishing and record sector by having EMI ITALIANA SpA, Caronno, Pertusella (see No 447) take over LA VOCE DEL PADRONE ITALIANA SpA, Pomezia, Rome (see No 407). The latter was formed in 1964 by EMI Overseas Holding Ltd, Hayes, Middlesex, and in 1967 it took over the Milan-based La Voce del Padrone Columbia Microphone SpA. For its part E.M.I. Italiana formed a new Milan concern a few months later called Edizioni Musicali La Voce del Padrone Srl under Mr. Ch. Alexander.

** The Paris publisher DUNOD SA (capital F 4.75 m) has formed a Liege subsidiary DUNOD BELGIQUE SA (capital Bf 1 m - 88.5% covered by physical assets). The new venture will publish and trade in books, reviews, periodicals and newspapers etc.

The French firm has had a Paris subsidiary since July 1965, when it established a branch called LIBRAIRIE POLYTECHNIQUE BERANGER under M. George Dunod.

** The Dutch press holding company NV ASSOCIATIE VAN UITGEVERS VAN DAGBLADEN & TIJDSCHRIFTEN - A.U.D.E.T., Nymegen (see No 450), in rationalising, has formed two new companies, for publishing the Catholic dailies "Dagblad De Stem" and "De Nieuwe Limburger". The first is called NV UITGEVERS MIJ DE STEM, Breda (directed by Mr W. Harkx) and the second is NV UITGEVERS MIJ DE NIEUWE LIMBURGER, Maastricht (F. Pompen): both have Fl 1 million authorised capital, 35% paid up.

A.U.D.E.T. has, since their concentration a few months ago headed the publishing concerns Uitgeversmij Neerlandia NV, Utrecht, and Uitgeversmij De Gelderlanden NV, Nymegen.

TEXTILES

** The New York concern BURLINGTON BALFOUR MILL HOSIERY CO, a member of the Greensboro, New Jersey textiles group BURLINGTON INDUSTRIES INC (see No 497) has granted an exclusive agency covering Italy, France, Luxembourg and Switzerland to the Milan company, SISLEY ITALIENNE DE HENRI MICHEL DE LUCIA & CO Sas. This concern was formed early in 1967, is controlled by M. F. Souhami of Paris, and has as its director Sig H.M. De Lucia, who has a 40% stake.

** Two West German textile concerns NINO GmbH & CO KG, Nordhorn (see No 232) and ERBA AG FUR TEXTILINDUSTRIE, Erlangen (see No 334) have formed a joint subsidiary called TRUSHA TEXTIL GmbH, Frankfurt (capital Dm 100,000), which will be responsible for promoting the sale of their ready-made clothes and shirts. Nino, which is run by Herr Bernhard Niehves, has over 5,500 employees and a turnover of around Dm 280 million. Erba (capital Dm 30 m) has as main shareholders the Wolf group, as well as two banks, Berliner Handels-Gesellschaft, Frankfurt (30% - now merging with Frankfurter Bank AG - see No 500), and Fürstl. Thurn- & Taxis'che Generalkasse, Regensburg (over 10%). With some 5,000 employees, this has an annual turnover of around Dm 180 million.

** The rationalisation of the Dutch textile firm KON. VEENENDAALSCHE STOOMSPINNERIJ & WEVERIJ. NV, Veenendal (a 76% subsidiary of the London group STAFLEX INTERNATIONAL LTD - see No 499) has resulted in the sale of its sheet and pillow case manufacturing interests to WISSELINK'S TEXTIELFABRIEKEN NV, Enschede. This is a subsidiary of NV Stoomspinnerij Twenthe, Almelo, and will make over its sales interests in this sector to another subsidiary now being formed.

** The West German textile firm GERRIT VAN DELDEN & CO oHG, Gronau, Westphalia (see No 502) has strenghened its interests in Austria by forming GERRIT VAN DELDEN & CO GmbH, Vienna (capital Sch 100,000). With Herr Hendrik van Delden as manager, this has been formed to take a shareholding in the Austrian company MACO SPINNEREI & ZWIRNEREI WALEK & CO KG (branch at Wiener Neustadt). Gerrit van Delden recently formed an Austrian management company Gerrit van Delden & Co Beteiligungs GmbH, Vienna (see No 489).

The West German company is linked by technical agreements with Glanzstoff AG Wuppertal (a member of the Dutch group A.K.U. - Algemene Kunstzijde Unie NV., Arnhem - see No 500) and it has also recently taken a majority stake in LUDWIG-POVEL & CO KG, Nordhorn, to give it control of a group whose turnover in 1969 should reach Dm 350 million (see No 502).

** The Dutch textile firm NV NOWEDE, Ede (knitwear) has opened a Belgian branch called NV NOWEDE BELGIUM", which will be run by Messrs. Gerardus H. Nowee and Frans B. De Gols. With an authorised capital of Fl 500,000 (30% issued), the founder employs some 80 persons and is run by Mr. Johannes Nowee.

** The American company PROVIDENCE PILE FABRIC CORP, Woonsocket, Rhode Island (furnishings - see No 379) has acquired a 50% stake in the Belgian company TISSAGE DE CRYSE-FACON SA, Brussels and changed it name to S.A. QUAKER.

With Mr. G. Capouillez as president, this was formed in 1965 with the backing of the Antwerp group UNION FINANCIERE D'ANVERS-BUFA NV (see No 500), which still has a large shareholding. In 1964, Providence Pile Fabric formed Quaker Textiles (France) Sarl., Paris.

** The French textile group AGACHE WILLOT SA, Perenchies, Nord (which is headed by STE FONCIERE & FINANCIERE AGACHE WILLOT SA - see No 502 and this issue) has made an agreement which will give it 50% control of SAINT-FRERES SA, Paris (turnover F 400 m - jute and linen yarns - textiles, rope, nets and plastic packaging - see No 496). This will be carried out in a double operation: 1) the purchase from the Saint family of the 23% stake it holds in Saint-Freres; 2) the acquisition of recent assets in its group which will now employ some 20,000 persons for a turnover exceeding F 1,300 million.

Agache Willot has some 30 factories throughout France and Belgium, making bandages, medical products, household line, velvet and cotton goods for the clothing industry.

** The Dutch textile group SWAGEMAKERS-BOGAERTS NV, Tilburg (see No 445) has strengthened its French interests by gaining control of FILATURES D'AQUITAINE SA, Pessac, Gironde (capital F 2.2 m). The Dutch company a few months ago formed a Paris sales subsidiary called FILES D'AQUITAINE Sarl (capital F 100,000 - with branch at Pessac, Gironde) to market throughout France its own products (chiefly synthetic and woollen yarns,) as well as those of the Italian group Manifattura Lane G. Marzotto & Figli SpA, Valdagno, Vicenza (see No 456) and those of the Belgian company La Herseautoise SA, Herseaux, Courtrai.

** As a result of their cooperation agreement (see No 494), the Dutch textile company NV VERENIGDE NEDERLANDSE CONFECTIEBEDRIJVEN VENECO, Middelburg has taken over CONFECTIE INDUSTRIE JOH. VAN DER WERFF & CO NV, Rotterdam and raised its own capital to Fl 2.6 million (authorised capital Fl 4 m).

Veneco was itself formed by the recent merger of NV Confectiefabriek Heka v/h Van Heek, Rijssen and NV Zeeuwsche Confectie Fabrieken, Middleburg. Overall it now has some 900 employees.

** The French textile group AGACHE-WILLOT SA, Perenchies, Nord (see page T) is to form a subsidiary - in association with the Republic of Mali - called I.T.E.M.A. - INDUSTRIE TEXTILE DU MALI. This will run blanket manufacturing facilities to be built near Bamako at a cost of some F 100 million.

The group's other African interests include, Industrie Cotonniere Centrafricaine SA, Bangui in the Central African Republic, whose production plant has been operating since early 1968 and Sonitex- Ste Nigerienne des Textiles SA, Niamey where the production facilities are still under construction.

TOURISM

** The STE DE REALISATION & D'EQUIPEMENTS TOURISTIQUES DANS LES ETATS DE L'ETENTE-SORENTENTE SA (capital F 250,000 - supervisory board president M. Pierre Beck) has just been formed in Paris to build the necessary tourist infrastructure in a number of French-speaking African countries, who are represented on the board: the Ivory Coast, Dahomey, the Niger Republic, Togo and the Upper Volta.

Companies represented on the board include U.T.A.- Union des Transport Aeriens SA, Paris (1968 pre-tax turnover F 581.44 m - see No 395); AIR AFRIQUE SA, Abidjan, Ivory Coast; CEGEPAR- Cie Generale de Participations & d'Entreprises SA (an investment company of the Banque de Paris & des Pays-Bas - see No 494); the BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE (B.I.A.O.) SA, Paris (balance-sheet total end 1968 - F 1,291 million - see No 498) and SODETAM - Ste Pour Le Developpement Tourisme En Afrique & A Madagascar SA, Paris, whose own shareholders include the B.N.P. - Banque Nationale de Paris SA, Credit Lyonnais SA, B.I.A.O., the American Express Co, New York and Agence Havas SA.

TRADE

** An import-export concern trading mainly with Turkey called MONTEBELLO-IMPORT-EXPORT Scs has been formed in Milan with a branch in Leghorn. Its share capital of Lire 2 million belongs to the Swiss holding company, IKOL AG, Zug, and two Turkish citizens living in Milan, Messrs I.C. Kohen and N. Galimidi are the managing partners.

TRANSPORT

** The sea and air freight concern B & B COURIERS (HOLDINGS) LTD, London, which in September 1968 formed a subsidiary in Frankfurt named VULCAN FREIGHT SERVICES GmbH (capital Dm 20,000) has been taken over by the London firm of SHIPPING INDUSTRIAL HOLDINGS LTD (see No 457).

The latter is itself established in continental Europe, especially in the insurance sector (through H. Clark Insurance Holdings Ltd, London), with Interbroke, Schnitz & Co Ltd and Interbroke Finance GmbH, both in Zurich; Interbroke Assekuranz GmbH Versicherungsmakler, Düsseldorf etc.

** Herren Hans and Josef Pracht, partners in the transport concern SPEDITION PRACHT KG (capital Dm 800,000), Dillenburg and Haiger, control the newly-established Belgian company SPEDITION PRACHT Pvba, Grobbendonk. With a similar purpose to that of its founder - M. Gerald Ebert is manager - this is based on a previous local representative.

The German concern (annual turnover Dm 40 m) also has a subsidiary with the same name in Rotterdam and is represented in Hong Kong and Tokyo. It controls a West German air freight subsidiary, Pracht Air Service GmbH, and has branches in Munich, Frankfurt, Nuremburg and Berlin.

** CIE MARITIME BELGE (LLOYD ROYAL) SA, Antwerp (of the STE GENERALE DE BELGIQUE SA Brussels group - see No 501) has sponsored and taken a direct 20% interest in the formation at Deurne, Antwerp of a transport, trans-shipping and insurance concern named TRACTO (ANTWERPEN-NOORD) NV This has Bf 1.5 million capital, 75% controlled by M. Maurice van Loo (who provided assets valued at Bf 1,125,000), in association with five affiliates and subsidiaries of the parent company: Agence Maritime Internationale (A.M.I.) SA, Antwerp; Container Marine Belgium SA, Brussels (formerly Ship & General Stores Co SA); Belgo-British Stevedoring Co NV, Antwerp (which a few months ago absorbed Algemene Goederenbehandelingen NV - see No 461); Stevedoring Co Glysen SA, Antwerp, and Ste Anversoise de Liaisons Fluviales "S.A.L.F." SA, Antwerp.

VARIOUS

** YAMAHA EUROPE GmbH, Hamburg subsidiary of the Japanese NIPPON GAKKI CO LTD, Yamaha, Hamamatsu (see No 494), formed in 1966 (see No 382) is about to boost its trading activities by opening a European-scale trading centre at Rellingen, Schleswig-Holstein.

The parent company, which is one of the world's largest producers of musical instruments, with a production of 120,000 upright and 12,000 grand pianos a year, plus 40,000 organs, is a member of the Hamakitashi group YAMAHA MOTOR CO LTD, which recently formed a subsidiary in its own name in Amsterdam.

** GELMAN INSTRUMENT CO, Ann Arbor, Michigan (scientific and surgical equipment - membrane filters, chromatography and analytical apparatus etc) has formed a Milan sales subsidiary named Gelman Instrument Srl (capital Lire 300,000), with Mr. Ch. Gelman as chairman and Sig Angelo Fracassi as director.

** The French footwear concern HEYRAUD Sarl, Limoges, Haute-Vienne, has formed a finance and investment company in Paris under the name of STE FINANCIERE HEYRAUD EUROPE SA (capital F 2 m) with its own joint manager (with M. Pierre Heyraud), M. Michel Heyraud, as president.

This company employs some 600 people in its factories at head office and at St-Yrieix-la-Perche, Haute Vienne (mainly producing knee-boots), and makes some 2,000 pairs of shoes a day, having its own chain of stores in the main cities of France. Abroad, its main markets are the Common Market, the U.S A., Scandinavia, Switzerland, Canada, New Zealand, Hong Kong etc.

** SA LES ACTUALITES FRANCAISES (see No 457) has sold its film newsreel interests to STE NOUVELLE PATHE-CINEMA SA.

Actualites Francaises (capital F 220,000) is a direct 54% interest of the French state, with the remainder held through the U.G.C. - UNION GENERALE CINEMATOG-RAPHIQUE SA. Pathe-Cinema runs cinemas, makes cinema and television films as well as publishing Pathe-Magazine. Its main shareholders are the Paris group Rivaud & Cie Scs (see No 503) through the Ste Industrielle & Financiere de l'Artois SA (21.88%) and the Ste Generale Francaise de Transports & d'Entreprises SA (22%) as well as the Ste Lyonnaise des Eaux & de l'Eclairage SA (see No 502) through the investment concern UFINER - Union Financiere Pour L'Industrie & L'Energie SA (16.09%).

** The Dutch coal concern NED. STEENKOLENMIJNEN WILLEM-SOPHIA NV, Speholzerheide-Kerkrade (a company based in Brussels, operating under Belgian law and belonging to the UNION FINANCIERE BOEL SA, Brussels group) has gained control through the holding company INVESTERINGSMIJ WILLEM-SOPHIA NV, Kerkrade (formed in August 1968) of the leading Dutch manufacturer of brooms, brushes and paint-brushes, VAN DEN BURG'S BORSTELFABRIEKEN NV, Rotterdam (400 employees). This has two main subsidiaries, NV Borstelfabrieken v/h Gebr. Jonker, Maarsbergen and Burex Verkoopmij NV, Rotterdam, and as a result of the move, part of its production will be switched to a factory which Willem-Sophia intends to build at Kerkrade.

As part of its diversification moves, Willem-Sophia recently linked up with the American group Raypak Co Inc, El Monte, California (see No 485) to manufacture natural gas boilers (see No 451).

LATE FLASH

** ENGINEERING & METAL: The American group SUNDSTRAND CORP, Rockford, Illinois (see No 471) has strengthened its Common Market sales network by forming a Milan subsidiary called SUNDSTRAND ITALIANA SpA (capital Lire 10 m). This is controlled by the Swiss subsidiary SUNDSTRAND INTERNATIONAL CORP SA, Fribourg (see No 397) and has Count C.J. Bernadotte, Stockholm, as president, being run by Sig S. Carnelutti, Milan.

The American group, whose products are represented in Italy by Nicotra Sas (hydraulic equipment and pumps) and Marelli Cesare & Figlio Sas (machine tools), also has a French manufacturing subsidiary Sundstrand S.P.M. France SA, Cote d'Or (formerly at Courbevoie, Hauts-de-Seine). For the past year this latter has had a Hamburg sales subsidiary in Sweden. The American group controls Sundstrand Hydraulic A/B, Huddinge.

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