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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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April 25, 1968

No. 458

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## THE WEEK IN THE COMMUNITY

April 15 - April 21, 1968

## THE COMMON MARKET

British Bid Still a Problem

The chances of talks between Britain and the Common Market over the possibility of her eventual entry remain slight, although the subject continues to dissipate a considerable amount of the Community's time. Some suggest that Paris is quite content to let this happen, since the highest quarters there consider that in time the Five will grow weary of the problem and quietly let the matter drop. During the past week, however, there have been talks between the main parties involved, and these will continue on April 25--26, when there is the meeting of the Western European Union Ministerial Council in Paris, which M. Couve de Murville is expected to attend for the first time in many months.

Probably the chief interest in the diplomatic comings and goings has been concentrated on the one-day meeting held in Bonn on Monday between the West German Foreign Minister, Herr Willy Brandt, and his French counterpart, M. Couve de Murville. There had been talk that if the latter showed no signs of making any concessions over the question of discussing even the structure of possible commercial arrangements with Britain, Herr Brandt would refuse to attend the Foreign Ministers' meeting on May 9, when the topic is due for another run through. Although West Germany does not wish to jeopardise her relations with the French government, which have undergone a considerable improvement since Chancellor Kiesinger's accession to power, she has to at least try to give the impression of not being at the Elysee's beck and call in European matters. Although Monday's meeting between the two Foreign Ministers resulted in the French side agreeing that the question of commercial arrangements should be discussed on May 9, M. Couve de Murville stressed that his government would oppose with all its power any suggestion that the arrangement, if and when it came about, should contain any binding statement assuring Britain of eventual membership. The West German proposal for talks on technological co-operation between Britain and the Six was rejected by General de Gaulle's representative on the grounds that bilateral co-operation worked quite well enough.

Obviously the French are afraid that if co-operation once started between Britain and the Six on a multilateral basis in a specific area, then this could be the first step to closer links, which they might find even harder to block than before. In the technological field, the Commission is due to report to the Council on May 9, regarding the possibility of co-operation with Britain, but its report may have been weakened by the recent decision of the British government to withdraw from Eldo as soon as practicable. No doubt the economic reasons quoted are well-founded, but one must wonder whether, in this particular case, they are so strong as to overrule the political considerations. Furthermore, the timing of the decision could hardly have

been worse, coming as it did the day after Mr. Wilson's interview with "Paris-Match", when he called for technological co-operation in Europe. The whole problem of European space co-operation is, in any case, due to be discussed at a conference in Bonn early this summer, and it must surely have been possible to have attempted a compromise solution, for the cost involved was not so very high.

On Monday, Dr. Kiesinger also called for progress to be made in Britain's attempt to join the EEC. He asked the French to make a "generous interpretation" of the agreement reached between his government and that of General de Gaulle during their visit to Paris in mid-February. The West German chancellor also appealed to the other four Common Market countries to try and find a compromise to the problems connected with British entry, as well as calling on candidate countries to take a less dogmatic attitude. This is presumably directed at Britain in an attempt to bring about a change in the often-criticised "all or nothing" approach.

Last Friday, the new British Foreign Secretary, Mr. Michael Stewart, discussed Britain's EEC bid with the French Ambassador, and repeated that his government was still hoping for the start of talks with the Six in the near future. At the same time, London still had not been informed officially of the exact terms of the Franco-German proposals for increasing trade with Britain, with the possible aim of making membership easier at a later stage. The various ideas for increasing co-operation between the Six and the candidate countries will be discussed by the Western European Union meeting, but it is unlikely that any major new developments will occur, since Dr. Luns and Herr Brandt are understood not to be attending.

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## TRADE

### 1967 Figures Published

In addition to all the various sets of figures released to date, by way of illustrating the record of the Community over its ten years of existence (see No 446, Studies and Trends), the Commission has just published the EEC's trade figures for 1967, useful in themselves, but equally significant for the comparisons that can be made between them and those of 1958.

The Record in 1967: Internal Community trade rose in volume by 5% over 1966 to \$24,200 million, the rise in 1966 having been by 12% over the previous year. This slackening in the rate of growth affected all countries but Italy, whose purchases from other members rose even more than in 1966. Imports rose by 22%, as against 11% for France, and 5% for the Netherlands. In Germany and the Benelux countries imports dropped by 1%.

As far as exports are concerned, Germany heads the league, with sales going up by 9%, while Dutch showed a 7% improvement: the German trade balance shows a \$1,135 million surplus, while Benelux is 449 million in the black. On the other hand, the French trade gap worsened, down to \$672 million, whilst the Italian balance tipped the scales by \$17 million from surplus into deficit.

Imports from third countries remained virtually the same as in 1966, at a value of some \$30,800 million, whilst exports rose by 8%, to reach \$31,600 million. The Six's external trade balance, which in 1966 showed a deficit of \$1,323 million, in fact swung about in 1967 to yield a \$860 million surplus, the fruits of the slackening in economic expansion.

Community statistics show that:

- 1) Imports from the USA dropped by 3%, whilst exports rose by 8%, still to leave the Community very much in deficit (\$1,400 million) in its trade with the USA.
- 2) Exports to Britain rose by 12%, while imports fell by 3%, such that the trade balance now shows just a slight surplus, of \$146 million.
- 3) Trade with other EFTA countries showed little change: imports fell by 2%, and exports rose by a similar amount, leaving the Community with a \$3,200 million surplus.
- 4) Trade with the developing countries showed a slight growth in volume (of 2% in imports and 4% in exports).
- 5) With the east bloc, trade continued to expand rapidly (despite its slight volume), by 25% in exports, and by 12% in imports. Overall, trade between east and west Europe has now reached \$4,000 million in volume.

The Record over Ten Years: Imports from third countries rose by 90% between 1958 and 1967, whilst exports almost doubled, but it is between the Six themselves, not surprisingly, that the most dramatic trade developments have occurred, the overall volume of exchanges having risen by no less than 350% in the ten years. This represents an average annual rise in volume of 15% or thereabouts.

For trade, the average rises in volume since 1958 have been as follows:

IMPORTS		EXPORTS	
Italy	19.4%	Italy	21.0%
France	17.8%	France	17.1%
Germany	15.4%	Germany	14.3%
Netherlands	13.0%	Netherlands	13.0%
BLEU	13.9%	BLEU	13.9%

Thus, while external trade accounted for only 30% of the total volume in 1958, the figure for the Community now stands at 44%, with the phenomenon most marked in the Belgium-Luxembourg Economic Union, where 56% of imports and 63% of exports are on the Community's books. Nevertheless, it is in France that the trend has moved fastest: 43% of her imports now come from the Community, and 41% of her exports remain on EEC soil, both of which are virtually double the figures registered in 1958.

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#### Tariff Freedom for Ship and Aircraft Products

Two proposals, whose adoption would involve the suspension of CET - Common External Tariff duties on imported products used by the Community's shipbuilding and aircraft industries, have just been submitted to the Council by the Common Market Commission. This would ensure an equal chance of competition for these industries within the Six, and also avoid the payment of unnecessary duties. Care must be taken, however, to ensure that Community sub-contractors can have a reasonable amount of preference.

There will be a total or partial suspension of CET duties on certain products used in the construction of aircraft with an unladen weight of over 15,000 kg., and used in the construction, maintenance or repair of aircraft with an unladen weight of between 2,000 and 15,000 kg. It is proposed that the suspension, which can be renewed by a tacit agreement of the Council, should last for a period of three years.

In the case of imported products used in shipbuilding and the fitting, maintenance and rebuilding of sea-going vessels, it is proposed that there should be a total suspension of CET duties for five years, as from April 1, 1968. This will be renewed by tacit agreement unless the Council takes a unanimous decision to the contrary.

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#### No Special Protection for Italian Lead and Zinc

An Italian request for special protection of the country's lead and zinc sectors has been turned down by the Commission, so that after July 1, when the industrial tariff barriers between the Common Market countries are removed, these sectors will be subject to the same conditions as their counterparts in the other Community member states.

For several years past, the Italian market has been partially protected, since duties have been levied both on imports from other member countries at a higher rate than normally permitted under the Treaty, as well as on those from outside the Six. Until July 1, there will continue to be a duty of Lire 5.5 per kg. on lead imports from the Five, and Lire 19 per kg. on imports from outside the Community; for zinc this will be Lire 3.75 per kg and Lire 15 per kg respectively. The Italian

government, in its request for continued special protection, had asked that until the end of 1969 there should be a duty of Lire 9 per kg on lead imports from member states and Lire 19 per kg. on those from non-member countries should be permitted, whilst for zinc the duty would be Lire 5 per kg. and Lire 15 per kg. for those from outside the Community. To support this claim, it drew the attention of the Commission to the delays affecting the reconversion of mining and smelting firms, caused by the decline in world prices and higher labour costs.

The Commission, however, maintains that labour costs are no higher than in other Community countries, whilst world prices have recovered and have been rising since 1965. The reorganisation of the sectors in question has been fulfilled on the mainland of Italy, although there is still a problem in Sardinia. In any case, the Italian lead and zinc consumer industries would have to pay costs, and thus encounter further difficulties after July 1, even if the safeguard clause was put into effect.

After that date, therefore, the Italian lead and zinc market will be subject to the same conditions as those in other Community states; complete freedom to import supplies from the Six, and the only duties permitted on imports from non-member states will be those authorised under the Common External Tariff.

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## FINANCE

### Commission Mediates on Capital Market

In an attempt to restore progress to the Six's debate on the third directive concerning the liberalisation of capital movements in the Community, the European Commission has just forwarded certain "observations" to member governments.

It suggests that the freeing of capital movements, in the first instance, should concentrate on the granting of direct credit and the issuing of shares. This would apply to both the primary and the secondary markets. What clouds the issue is the fact that the Germans and Dutch feel that the discretionary powers held in this field by the French Finance Ministry should be abolished, as they could stand in the way of liberalisation. The French reply to this argument is that the system applies equally to both foreign and French firms, and that to abolish controls affecting only foreign concerns would be unfair to national ones.

In the first place, the Commission notes that "discretionary" powers in fact exist in all member countries, in one guise or another, and enable the financial authorities of all to intervene in the operations of foreign companies on their soil: the risk of discrimination exists throughout the Community. The Commission quotes the Treaty, and stresses that when one member country "applies its internal regulations on the capital market and credit to liberalised movements of capital, it must do so on a non-discriminatory way". Acknowledged by all concerned, such a rule should suffice, but if it is not respected, the offending member country could be prosecuted for violation

of the Treaty in the normal manner. The Commission also points out that, when one is talking of "reciprocity", it is not a question of balancing the flow of capital between member states, but rather of guaranteeing that conditions of access to the six national markets should be precisely the same, so that free-flow can be effected.

In conclusion, the Commission holds that the prime object should be the complete and definitive freeing of the capital market, and that the means should then be sought of bringing this about, should the present existence of discretionary powers prove to be a stumbling block. The task of examining the question, and of possible controls, could be delegated to the Six's Monetary Committee.

In general, however, the Commission tends very much to follow the line taken by France, and we must wait and see whether the German and Dutch governments will abandon their own ideas on the problem without a struggle. The Commission itself has hopes of getting this third directive adopted before July 1, since the liberalisation of capital movements has an important bearing on the play of competition, especially important, once the customs union is complete.

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## TRANSPORT

### Criteria for the C.T.P.

The industrial users of transport systems within the Common Market at a recent Paris meeting called for the common transport policy - CTP - to be based on competition and price freedom. It was maintained that the CTP should have three main objectives: 1) to ensure that transport systems were suitable in number and quality for the EEC's development; 2) that competition should be allowed between different transport systems and carriers; 3) that member states should not unilaterally take measures which might distort competition.

To achieve these aims a number of conditions had to be fulfilled. Those using transport systems had to be allowed a freedom of choice, whilst capacity made available should not be regulated in favour of any one system, and intervention should only take place when a serious crisis had arisen. The price structure of road and water transport systems was another problem because of the differences between national policies and in the way international tariff rates were calculated. These differences could only be solved by price freedom or by the use of reference prices with maximum and minimum rates.

Railways should be compensated for unprofitable but obligatory operations, and should be allowed to concentrate on the most profitable forms of freight carriage.. Road transport, continually growing, is a question of infra-structure and is likely to be faced with additional taxes due to the expenditure it causes. This is accepted, provided that the taxes in fact represent this extra cost and no more.

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## AGRICULTURE

Farming and the General Economy.

The EEC statistical office recently published figures showing the inter-relationship of agriculture and other sectors of the economy (see also No 454). The highest degree of dependence was that recorded in the Netherlands in 1966 where agricultural expenditure, including running farm purchases and services but excluding investments, depreciation and interest, represented 46 per cent of the production value. Proportions in the other EEC states were Belgium 39.5 per cent, Luxembourg 33.7 per cent, France 27.8 per cent and Italy 22.4 per cent. West Germany for whom no 1966 figures are yet available reached 43 per cent in 1965. These figures reflect the higher degree of rationalisation and specialisation in the northern countries of the Community. The need for industrial products and outside services has been increased by the replacement of human and animal power by machines as well as by the demand for higher productivity and yields. For example, feed mixtures are no longer composed on the farm but are left to specialised outside concerns, which is in fact more economic bearing in mind the labour-saving factor. This increasing dependence on outside purchases and services calls for a certain level of current receipts. In order to reduce expenditure in line with income farmers would have to reorganise their activities. This the EEC report states cannot be deferred for too long since unless farming is more intensely rationalised it will be unable to give to economic pressures.

Higher demand from agriculture for products and services from other sectors of the economy means a reduction in agriculture's contribution to the gross national product. For this reason and also because of the relatively strong position of the country's industry West German agriculture contributes the least proportion to the gross national product.

Agricultural contribution to gross national product  
(at market prices)

	1966			1957
	National currency	£ m.	Percentage	Percentage
West Germany	DM 20,040 m.	2,087	4.2	7.2
France	Fr. 37,210 m.	3,140	7.3	10.4 +)
Italy	Lire 4,243,000 m.	2,829	11.1	16.3
Netherlands *	Fl. 4,613 m.	531	7.5	9.4
Belgium	Fr. 45,900 m.	382	5.1	6.9
Luxembourg	.	.	.	.
EEC	-	8,958	6.7	10.0

+ ) 1958 \* 1964

Discrepancy in total due to rounding off in conversions.

According to Brussels, West German agriculture was subsidised in 1965 to the extent of Dm 1,920 m. (£200 m.), a figure many times those given for other countries. The figure quoted for France is only £33.96 m., though actual French agricultural expenditure is considerably higher. This discrepancy is due to differences in classifying certain measures. While other EEC countries consider a large part of the funds allotted for structural improvements as general government expenditure, in West Germany these are labelled as "Grants in favour of agriculture". Only in West Germany are tax concessions considered as subsidies and the exemption of farmers from fuel duty described in the budget as a grant. When questioned, the West German ministry of food stated it had not been involved in the compiling of the EEC statistics and was consequently unable to comment on the question of subsidies. The Brussels office worked on the basis of its own statistical records as to grants.

Agricultural income and expenditure in the EEC, 1966  
(converted into £ m. at parity rates)

	West +) Germany	France	Italy	Nether- lands	Belgium	Luxem- bourg++)
1. Value of production	3,225	4,348.96	3,429.17	1,027.08	598.96	23.01
2. Expenditure	1,373.96	1,208.33	768.75	469.79	236.46	7.79
Expenditure: production (%)	42.6	27.8	22.4	45.7	39.5	33.7
3. Contribution to gross national product at market prices (1-2)	1,851.04	3,140.63	2,660.42	557.29	362.5	
4. Depreciation	294.79	262.5	267.71	45.83	27.08	3.2
5. Contribution to net national product at market prices (3-4)	1,556.25	2,878.13	2,392.71	511.46	335.42	
6. Indirect taxes	93.75	86.46	26.04	16.67	0.83	
7. Subsidies	201.04	23.96	15.63	21.35	3.33	
8. Contribution to net national product at factor costs (5+ 7 - 6)	1,663.54	2,815.63	2,382.29	515.63	338.54	12.1

+ ) 1965    ++ ) 1964    Discrepancies in totals due to rounding off in conversions.

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Sugar Production Up

The EEC Commission's services have just published sugar production figures for the 1967-8 season, when total output rose by 10% over the last season to 6.6 million metric tons, with consumption at 5.8 million tons (as against 6.1m. in 1966-7, largely because of a drop in consumption in Germany). This means that the Community is left with a surplus of 800,000 tons to sell on the "free" world market, the total capacity of which is estimated at only 5 million tons.

The position is all the more critical for the fact that, with the exception of France and Belgium, all member countries exceeded their production quotas by 15-20% over the amounts laid down in Community regulations for this season.

The common sugar market is due to come into force on July 1, and if France and Belgium achieve their quotas and the other members remain at their present level of production, the Community is going to find no less than 1.2 million tons of surplus sugar on its hands (not to mention that produced in excess by the French overseas departments, which is also covered by FEOGA). Whilst Community regulations have made provision for a lower price for sugar produced beyond the quotas, this nevertheless remains attractive enough for even the least competitive producers to go as far as 135% of their quota. This poses two main problems, the first being the cost of the operation to FEOGA, which could run as high as 120 million dollars, and the second, the danger of Community over-production bringing world prices down (even now, these stand at 50 - 60 dollars a ton, as against the 220 dollars "guaranteed" in the Community). It is the milk problem all over again, except that in this case the rival producers are France and Belgium.

The situation helps us to understand the position that the Commission has decided to defend at the world conference in Geneva, during which, in the next few weeks, the aim is to achieve an international sugar agreement. The Community's executive plans to fix a self-sufficiency ratio for the EEC at 113% for the first year, and at 110% for the following two years, and by thus limiting surpluses, to limit Community production. Again, whether or not this suggestion finds favour with the Community's counterparts in Geneva, there seems to be a strong possibility that Sicco Mansholt, when the annual revision of single farm prices comes up, before the summer, will propose a lowering of the price of sugar beet, which currently stands at 17 dollars a ton.

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E.C.S.C.

Coal & Steel: Not Yet Time to Remove the Props.

Decision 1/67 of the High Authority, which was backed by the unanimous decision of the Council of Ministers and introduced a Community system of aid to boost Community coking coal sales to the steel industry is due to expire on December 31, 1968 unless extended by another unanimous decision of the ministers, as Decision 3/67 was made in accordance with Article 95 of the Treaty, which expressly requires unanimity. The Dutch and Italian governments are rumoured, however, to have their doubts about retaining the system in its present form. This is based on three main principles:

- 1) Coal mines are allowed to grant rebates on prices for deliveries to the steel industry, even in those cases where there is no effective competition from imported coking coal from non-member countries. This is especially so in those countries producing coking-coal, where imports are strictly controlled.
- 2) Member states are authorised to grant aids to coal mines so that they can lower the price of coking coal and blast-furnace coal deliveries to the Community's steel industry. This aid can be fixed at a uniform rate of \$1.7 per ton of coal or can be adjusted in a non-discriminatory manner around an average total of \$1.7 per ton, but without going above \$2.2 per ton.
- 3) Aid given by member states as regards internal sales remain the responsibility of national governments. However aid paid out for coal sales to steel concerns in other states of the Community is backed by a multilateral form of financial compensation, organised on the following basis. The credits allocated to each coal supplying country are based on the amount of aid actually given, within the limits (shown below) of the two years of their validity (1967 and 1968)

West Germany:	\$ 20.1 million
Belgium	\$ 1.0 million
France	\$ 0.3 million
Netherlands	\$ 0.6 million
Total	\$ 22 million.

The cost borne by the member states is worked out on the basis of the total credits quoted above: 40% is borne by the state which paid out the aid, i.e. those countries selling coke. The remaining 60% is shared between the member states, as follows: West Germany, 28%; France, 28%; Italy, 14%; Belgium, 11%; the Netherlands, 10%, and Luxembourg: 9%.

Until now this system of aid has worked to the full satisfaction of the coal industry (ensuring a constant market of some importance) and to that of the steel

industry, which has been able to have a steady supply of coking coal from Community mines at the same price as imported American coke, as well as having the advantage of assured supplies.

In February, 1967, the governments of the Community's member states were able to reach a unanimous decision on this form of aid, and not just because of the need to find outlets for Community coal sales. They were further - perhaps more - motivated by the discrimination then existing in coking-coal supplies in coal producing countries and coal importing countries. In the first case, the steel industries in these countries found themselves forced to buy coking coal at higher prices than their rivals in other countries - especially in Italy and the Netherlands - which imported cheap coke. For the steel industries of Belgium, France and West Germany this difference in prices was one of the major reasons for the difficulties then facing the common steel market, which must be based on equality of access to supplies for all producers. In fact some West German firms had threatened to shift their production of cast iron outside the Federal Republic in order to obtain American coke at c.i.f prices. This was one of the main reasons why the Bonn government stressed the need to introduce a Community system of aid for coking coal, since such an approach would put the iron and steel industries in all countries of the Six on an equal footing, by lowering Community prices for coking fines and oven coke to the level of American prices.

Decision 1/67 of the High Authority therefore eliminated the previous flagrant discrimination which existed between the iron and steel industries, and also improved their competitive position as regards steel producers in non-member countries. Furthermore the aid paid to Community producers has allowed them to carry out the necessary realignments in their sales policies with those Community countries who have liberalised their rules for imports of American coal. Thus exports from the Ruhr of coking fines to Italy have increased by over 1 million tons p. a. since the High Authority's decision. But all these improvements and gains would be threatened if the decision were not extended, and the blow would be all the more serious, because it is the only real Community measure in the energy and coal policy fields in force at the present time.

When the Commission puts forward its proposals for the common energy policy to the Council on July 28, it intends to concentrate its coal suggestions on two main sectors: power stations and coke for the iron and steel industry. It is not yet certain what form this will take, but as the ministerial and inter-governmental discussions regarding the overall energy policy are bound to take some considerable time, the Community's officials believe it is essential to deal with the problem of coking-coal supplies for the iron and steel industry by an extension of the existing rules, at least until a solution can be found within the overall CEP.

If no solution is found, the governments of the coal-producing countries concerned may even decide to take steps on a national basis, which will not only upset the common coal market even more, but also have untoward affects on the Community's iron and steel industry.

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E.F.T.A.

Nordic Council Meets

Copenhagen at the beginning of the week was the venue for a summit meeting of the Prime Ministers of the five Scandinavian countries - Denmark, Iceland, Finland, Norway and Sweden - to discuss the possibilities of establishing a Nordic customs union, as well as co-operation in other spheres. The factors behind this move towards closer links are a desire to strengthen their position within EFTA (Iceland is not a member), which at present tends to be dominated by Britain, and in order to facilitate eventual entry into the Common Market. It would serve both objectives well for the five countries to adopt a more concerted approach and harmonise their internal economic life.

The two strongest proponents of the idea of a Nordic customs union are Denmark and Sweden, while Norway has certain doubts, because of the special position of her agriculture and fishing industries. Denmark would like to export more of her agricultural output to Sweden, but this raises problems, since the Stockholm government gives a considerable amount of financial support to its farmers. In the words of a Swedish agricultural leader "It is not just a question of exchanging Drakens for bacon", a reference to the Danes' recent decision to buy new aircraft for their airforce from Sweden, a move which will help to strengthen co-operation in the industrial sphere between the two countries. Another problem is the increasing stake of Swedish interests in the development of Norwegian industry.

The meeting ended without any formal agreement that a Nordic Customs Union should be set up being reached, but the question remains down for discussion by a technical working party, which is due to report back by early 1969. Other aspects of closer co-operation to be studied during the forthcoming months by technical working parties are a common approach to agricultural and fisheries policies, the liberalisation of capital movement and the establishment of a Nordic fund to back joint educational, industrial and research projects. Probably the most important aspect is the proposal that the four EFTA countries should pursue customs harmonisation by taking the average of the tariffs they now apply separately: at a later stage, these would be adjusted to coincide with the Common Market's common external tariff.

April 25, 1968

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BUILDING & CIVIL ENGINEERING
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\*\* The French company STE DES ANC. ETS. GEORGES LAVAUX SA, Longwy, Meurthe-et-Moselle, has formed a 90% Belgian subsidiary called SA D'ASSAINISSEMENT BELGO-LUXEMBOURGEOISE -SAABELUX, Ste-Marie-sur-Semois, with the remainder held by Belgian interests represented by M. Armand Boutet. With a capital of Bf 500,000, the directors of the new company are Messrs. Georges Boutet and Jean Lavaux, and it will carry out civil engineering work as well as manufacturing and selling building materials and fertilisers.

\*\* Ten property companies with overall assets of Lire 300 million have been formed in Milan by the Geneva investment company ILFORNIA SA. Sig. Marcello Morra is in charge of each one, and their respective companies are NICARAGUA SpA, COSTARICA SpA, LIBERIA SpA, TERRANOVA SpA, GUINEA SpA, CILE SpA, VENEZUELA SpA, CARELLA SpA, and BOLIVA SpA (all have a capital of Lire 30 m.).

CHEMICALS
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\*\* Continuing the reorganisation of its internal structure (see No 426), the Italian group, MANIFATTURA CERAMICA POZZI SpA of Milan is about to make over its refractory materials department in Vado Ligure, Savona (estimated at Lire 425 m.) to S.I.R.M.A.-SOC. ITALIAN A REFRATTARI MARGHERA AZIONARIA of Venice-Marghera, in return for a 17.5% holding in the firm. This company, whose president is Sig. Domenico Taccone, specialises in the production of refractory and abrasive materials, the construction of industrial ovens, etc. A member of the FIAT SpA group of Turin (through the portfolio company I.F.I.-Istituto Finanziario Industriale SpA - see No 453), the company absorbed at the end of 1967 a Milan subsidiary of the iron and steel company Acciaierie & Ferriere Lombarde Falk SpA (see No 420), the manufacturer of ceramic and refractory products S.I.R.A.-SOC. Italiana Refrattari & Affini di S. Stefano Magra SpA (with a factory near La Spezia).

One of the most recent moves by the Pozzi group has been the transfer of its Macchia de Ferrandina, Matera, petrochemical complex to its subsidiary Pozzi Ferrandina SpA (capital Lire 1,330 m.); the Macchia concern has its headquarters in Milan, and is directed by Sig. P. Giustiniani.

\*\* KONINKLIJKE ZWANENBERG-ORGANON NV, Oss, a sub-holding company of the Dutch group KONINKLIJKE ZOUT-ORGANON NV, Arnhem (see No 452), has strengthened its Common Market detergent and washing powder interests by forming a Milan sales subsidiary called KORMAN ITALIA SpA (capital Lire 100 m.) with M. Antonius P. J. Hoogeveer, Delft, as president. The latter also runs the new Belgian subsidiary at Molenbeek-St-Jean.

The new company will market in Italy "Biotex" and "Drietex" enzyme steeping agents made by another of the Dutch group's subsidiaries, KORTMAN & SCHULTE NV, which was acquired in 1965 (see No 356).

\*\* STE ANVERSOISE DE GOUDRONS & ASPHALTES-ATAB NV (see No 376), whose main shareholder is M. Charles Wilpoord, Antwerp, has redistributed its interests to two new companies: 1) STE ANVERSOISE DE GOUDRONS & ASPHALTES-ATAB NV (the second company to have this name), which, with a capital of Bf 50 million, has taken over its founder's tar, bitumen, asphalt and chemical products manufacturing and sales interests. These represent assets worth some Bf 112 million along a number of trade names ("Dursolid", "Resitar", "Lastex", and "Glasfiber"); 2) HANDEL- & BELEGGINGSMIJ CONCORDIA NV, an investment company with a capital of Bf 100 million, which controls assets in two Antwerp firms, RESIPLAST NV and ANWECO NV.

\*\* BADISCHE ANILIN- & SODA FABRIK AG, the Ludwigshafen group (see No 452), has gained absolute control in Brazil of the textiles and leather colourants and products concern CIA DE PRODUCTOS CHIMICOS INDUSTRIALES M. HAMERS, Rio-de-Janeiro - capital Cr. 1,695,000), by buying up the HAMERS group's 66.6% holding. The group already had a 95% subsidiary in the country, Cia de Productos Quimicos Idrongal in Guaratingueta, which specialises in the manufacture of plastic dispersions, colorants, glues, etc.

BASF, whose 1967 consolidated turnover reached Dm 4,286 million, has decided to extend its manufacturing activities in Spain, and particularly in the field of expanded polystyrene, under the name "Styropor", oxo alcohols, phthalic anhydrides, plasticisers, etc. This will be carried out by developing the group's Spanish subsidiary, BASF Espanola SA of Barcelona, a joint subsidiary (75-25) with Arrahona SA, Sabadell (see No 375).

#### CONSUMER DURABLES

\*\* The West German radio, record player and tape-recorder firm LOEWE OPTA GmbH, Berlin (see No 456), is to give a further boost to its Italian sales with the formation of a subsidiary called LOEWE OPTA ITALIANA SpA, which will have its head office at Lavis, Trento, and branches in the principal towns.

Loewe is controlled by the investment company Internationale Industrie- & Verwaltungs AG, Berlin - and is a sister-company of Opta Spezial GmbH, Düsseldorf-Heerdt; having been controlled previously by Herr Sieg Loewe of New York, and then by his heirs. With branches in Kronach and Düsseldorf, it signed an exclusive representation agreement in 1964 with the Italian group Tungsram Elettrica Italiana SpA, Milan. This is known for its domestic appliances, radio and TV sets, flash equipment, transistors, tape-recorders and amplifying valves.

#### ELECTRICAL ENGINEERING

\*\* Mr. Keisuke Hamada has been appointed manager of HAYAKAWA ELECTRIC (EUROPE) GmbH, now formally established in Hamburg (see No 444) with a capital of Dm 400,000. This is a wholly-owned subsidiary of the Japanese company HAYAKAWA ELECTRIC CO LTD, and it will be responsible for operations in the Common Market, Scandinavia and Eastern Europe.

**ELECTRONICS**

\*\* The American group MOTOROLA INC, Franklin Park, Illinois (see No 446), has strengthened its French sales interests (semi conductor factory at Toulouse) by taking an 85% controlling stake in its Paris distributor and representative S.C.A.I.B.-STE COMMERCIALE D'APPLICATIONS INDUSTRIELLES & DE BREVETS, which is run by M. H. Marziale (see No 385).

This will now be called MOTOROLA-SCAIB, and since June 1967 has represented the MAE INC division of the American group, making aerospace equipment. It will now market throughout the Common Market semi-conductors made by MOTOROLA in its new factory near Toulouse.

\*\* The Italian manufacturer of telecommunications equipment TELETTRA-LABORATORI DI TELEFONIA ELETTRONICA & RADIO SpA, Vimercate (see No 408), has increased threefold the capital of its Luxembourg holding company, TELETTRA INTERNATIONAL SA (see No 296), to \$1.2 million in order to finance its foreign expansion.

Recent moves in this connection have been the formation of a Swiss subsidiary TELETTRA-TELECOMMUNICATIONS SA, Gümülggen, Berne (capital Sf 500,000), and a few months previously the formation of the subsidiary TELETTRA ESPANOLA SA in Madrid.

**ENGINEERING & METAL**

\*\* Following the agreements which the two companies concluded in 1967 (see No 427), STE FRANCAISE DES CONSTRUCTIONS BABCOCK & WILCOX SA (a member of the London group Babcock & Wilcox Ltd) and CHANTIERS DE L'ATLANTIQUE SA, Penhoet-Loire, have gone ahead with the formation of a new company in Paris, BABCOCK-ATLANTIQUE SA (see No 450), in which the two companies hold 62.4% and 37.6% respectively of the F 78 million capital.

Under the control of Messrs. de la Lande de Calan (president), de Buyer Mineur and Fauconnier, the latter company obtained gross assets from its founders to the tune of F 49.5 million (notably in the heating, atomic, boiler-making and sugar-making equipment sectors) for Babcock & Wilcox and to the tune of F 29.5 million (notably in heating, atomic, materials handling, industrial refrigeration and boiler-making sectors) for Chantiers de l'Atlantique. With a payroll of some 4,500, the new company will run the factories at Courneuve, Seine-St-Denis, Saint-Nazaire, Loire Atlantique and Saint-Denis, Seine-St-Denis, and it will maintain its interests in Ets. Ricat-Grisard & Fils SA, Vrigne-aux-Bois, Ardennes, Gexa Sarl, Paris (see No 434), and C.A.M.O.-Constructeurs Associes pour le Montage d'Ouvrages Metalliques SA, Paris.

Finally, Babcock & Wilcox will make over to the new company the control of Cherbourgeoise de Constructions SA, which is just being formed, and to which its founder company will make over its standard boilers factory at Cherbourg, which has until now been the responsibility of its subsidiary, Ste Parisienne de Constructions SA.

\*\* The Dutch groups BILLITON MIJ NV, The Hague (see No 456), and KON NED HOOGOEVENS & STAALFABRIEKEN NV, Ijmuiden (see No 456), which are working on a programme to establish a fully integrated aluminium industry in the Netherlands, have linked with AMERICAN METAL CLIMAX CO of New York (see No 424) to exploit bauxite deposits around Kimberly, Australia.

The two Dutch groups have been linked since 1964 within the crude aluminium production concern Aluminium Delfzijl NV, Delfzijl (see No 364), in which their respective holdings are 16.66% and 50%, the balance being in the hands of the Swiss group Schweizerische Aluminium AG, Zurich and Chippis, Valais, and, as of late, of the foundation, Stichting Ontwikkeling Aluminium.

Billiton is further negotiating with the Malaysian government for exploration rights for offshore tin deposits on the West Coast of Malaya. Also involved in these talks are the Rio Tinto-Zinc Corp Ltd, London, and Ocean Science & Engineering Inc, Washington, the main shareholders of which, with around 10% each, are E.I. Du Pont de Nemours & Co Inc; Anglo-American Corp of South Africa Ltd; Aluminium Co of America - Alcoa, and Southern Natural Gas Co.

\*\* DEGUSSA-PARIS, Neuilly-sur-Seine, Hauts-de-Seine (capital F 300,000), the subsidiary of the German chemical and metal processing concern, DEGUSSA - DEUTSCHE GOLD- & SILBERSCHNEIDANSTALT VORM ROESSLER AG, Frankfurt (see No 453), has changed its name to Degussa-France Sarl, and opened a branch in Lyons.

\*\* The Munich engineering concern KRAUSS MAFFEI AG (see No 419) has strengthened its production of plastics machinery by gaining control of THERMOVOK ANTON J. VOX OHG, Ruit, Württemberg, which is now called THERMOVOK GmbH KUNSTSTOFFMASCHINEN (capital Dm 500,000).

Krauss Maffei already has a subsidiary specialising in this type of product, Eckert & Ziegler GmbH, Weissenburg (capital Dm 1.5 m.), which in 1967 had a turnover of Dm 325 million. It belongs to the Düsseldorf group Friedrich Flick KG, through Buderusche Eisenwerke, Wetzlar.

\*\* The French group ANDRE MILLER CORP - AMCO SA, Paris, which is run by M. Andre Miller (see No 429), has made a successful bid for control of S. N. MAREP SA, Paris (consultants and equipment suppliers for petroleum exploration, the chemical industry and power stations - see No 359) following the reorganisation of the latter's capital, which was first reduced to F 1.2 million and then raised to F 2.5 million.

With M. F. Emmanuelli as president, S. N. Marep (capital F 12 m.) has suffered financial difficulties over the last few years, and in 1967 its turnover fell to F 10.2 million. It has acted as a commission agent for such companies as Continental Emsco, S. F. A. C. Schneider, Turbomeca and Panindco. Recently it made over its Algerian stake to a locally-based firm, Almarep SA, Algiers (capital Dinars 7.35 m.) under M. R. Parre.

Amco (capital F 10 m. since 1965) includes Mecasud-Ateliers de Mecanique du Sud SA, Montpellier, Union Industrielle & d'Entreprises SA, Paris (see No 399), and Union Industrielle Africaine SA, Algiers.

\*\* The Dutch manufacturer of ship accessories DAVIT CO NV, Utrécht (affiliate of the engineering group KONINKLIJKE NEDERLANDSCHE GROFSMEDERIJ NV, Leyden - see No 363), has formed a West German sales subsidiary called DAVIT CO GmbH, Delmenhorst (capital Dm 50,000). Managers of the new concern are Messrs. M. le Geu and Fritz Harms.

\*\* A 50-50 link-up between two Dutch firms INTERNATIONALE JUTE MIJ NV, Rhoon (an affiliate of NV ANKER KOLEN MIJ, Rotterdam - see No 442), and C. LADEWIJK NV, Rotterdam, has resulted in the formation of a company selling surplus goods and machinery. Called INTERNATIONALE MACHINE- & SURPLUS HANDELMIJ. NV, Rotterdam, this has a capital of F1 500,000 (20% paid-up), and is managed by Mr. C. Ladewijk. It has also taken over facilities belonging to Ladewijk NV.

\*\* CIE DES COMPTEURS SA, Paris (see No 448), has taken a large stake in ETS DUBAR & AUTIER SA, Lille, Nord (formerly DUBARD and AUTIER Sarl), which makes plant for the oil and petrochemical industries, with a capital of F 1.6 million, this has over 200 people on its payroll (production facilities at head office and Seclin, Nord), and its new president will be M. Marcel Boyer, assistant general manager of Cie des Compteurs.

The latter's most recent moves include the strengthening of its interests in the space simulators sector through the acquisition of a large shareholding in Sapratin SA, Nanterre, Hauts-de-Seine.

\*\* The West German manufacturer of hydraulic lifting equipment, heavy engineering parts and machine tools TREPEL KG MASCHINENFABRIK, Wiesbaden, has formed a sales subsidiary in Switzerland called TREPEL AG, Zug (capital Sf 200,000). Headed by Herr Ingo Trepel, the founder has some 250 people on its payroll, and has a number of West German subsidiaries: INDUSTRIE-PLANUNG & AUSTRUSTUNG TREPEL GmbH, PREFLEX GmbH, both in Wiesbaden-Biebrich, and HYDROMA GmbH, Wiesbaden-Schierstein.

\*\* An Italian living in Belgium at Borgerhout, Antwerp, Sig. M. E. Ardemagni, is the sole director of the newly-formed company TUBIRAC ITALIA Srl (capital Lire 500,000). This will act as sales representative for equipment and connections used mainly in the chemical, petrochemical and petroleum industries, and is controlled by the Swiss firm TUBIRAC SA, Lugano.

\*\* The American holding group of the French group PECHINEY SA, Lyons and Paris (see No 455) - PECHINEY ENTERPRISES INC, New York - is to link with its 46% associate, HOWMET CORP (see No 410), to build an aluminium plant with a capacity of 75,000 tons on the east coast of the United States.

Howmet has recently sold its interests in the mineral oils sector of the American firm Frank Samuel & Co, whose main shareholder is the New York group Combustion Engineering Inc of New York (see No 454).

\*\* The German metal saws concern LORENZ WEISEL SAEGENFABRIK oHG, Spangenberg, Melsunge, has formed a subsidiary in Barcelona under the name of WEISEL ESPANOLA SA, with Pts 1 million capital.

\*\* TILMANT WAREHOUSE & EXPORT CO SA has just been formed in Belgium with a capital of Bf 5 million to store, trade in, import and export steel and other metal products. It is backed by a 50-50 link-up between Belgian interests represented by M. Armand Tilmant, president and managing director of the new company and American interests represented by Messrs. K. Nelson, Phoenix, Maryland; W. Schimmel, Baltimore, Ohio; J. Dillon, Springfield Virginia; and M. Frank, Narbeth, Pennsylvania.

\*\* The Chicago company VERNON ALLSTEEL PRESS CO (see No 439) has taken a 77% interest with the balance held by STE NATIONALE D'INVESTISSEMENTS-S.N.I. SA, Brussels (see No 452), in forming the Belgian company VERNON EUROPA SA, with a capital of Bf 60 million. This will operate a factory making equipment for the metal, plastics, ceramics and rubber industries. The founder recently formed a Paris sales subsidiary, Verson Allsteel Press Co Sarl (capital F 100,000), whose manager is its own chief, Mr. D. Verson.

\*\* OERLIKON S.A.F., Paris, subsidiary of the Swiss engineering concern MASCHINENFABRIK OERLIKON AG, Oerlikon, which in 1967 was taken over by the Baden, Aargau, group BROWN BOVERI & CO AG (see No 401), has formed a subsidiary at head office under the name of STE IMMOBILIERE ORNANS SA. It has supplied this with ground, plant and buildings at Ornans, Doubs. The new company has F 6.5 million capital, and is directed by M. Luntherbacher.

\*\* The Italian metal group G.I.M. GENERALE INDUSTRIE METALLURGICHE SpA, Florence (see No 450), is to streamline its organisation by merging two Milan companies, IMMOBILIARE EDIZAR SpA (capital Lire 375 m. -- direct 53% subsidiary) and BROGGI-IZAR (Lire 600 m. - see No 327), the latter, a 50.1% subsidiary, being the extant company.

\*\* The American manufacturer of stainless shutter valves, SNIKKER PRECISION INDUSTRIES INC, New Britain, Connecticut, has appointed HONEYWELL SpA, Milan (part of the HONEYWELL INC group, Minneapolis - see No 287) as its Italian representative.

Snikker's products are intended for use in vehicles, the chemical and electrical industries, machine-tools and automated control systems. They are sold throughout Europe by representatives in most countries, including H.F.T., Paris, and Courbevoie, and British Arco Regulators Ltd, Gloucester. In 1961 a Rotterdam subsidiary was set up called Snikker (Holland) NV.

\*\* The French precision engineering group, ETS LUCHAIRE SA, is to take over the manufacture of measuring and other equipment for pharmaceutical laboratories of ETS E. MABILLE & CIE SA, Paris (see No 332).

The CLIN BYLA SA pharmaceutical group gained indirect control of ETS E. MABILLE & CIE, through Laboratoires Paul Metadier SA (see No 443), with the aim of using its extensive sales network throughout France.

\*\* The Japanese electrical and mechanical engineering company, HITACHI LTD., Tokyo (see No 333) has granted the Dutch company HOVERS CONSTRUCTIE NV of Tilburg a licence to construct in the Netherlands and in Belgium its cranes and excavators, which will be marketed under the name "Hovers-Hitachi". Hovers, with some 250 workers, produces mainly civil engineering machinery (cranes, bulldozers, general-purpose excavators) and has a manufacturing subsidiary in Belgium called Hovers Constructie NV, Beerse.

The Japanese group has an annual turnover in the region of Yen 1,500,000 million and has a payroll of some 130,000. In Europe the company has a branch in Dusseldorf and a licensee in Kassel: Beck and Henkel Maschinenbau. This company (capital recently increased to Dm. 3 million, ) produces "Beckhenkel-Hitachi" escalators in its factory in Dudensberg mainly for the Paris and Barcelona underground railways. The group is also about to set up a subsidiary in Rotterdam, Japan Europe Machine Tool Co. NV with an estimated capital of Fl. 500,000 which will have the task of setting up a sales organisation to promote Japanese machine tools in the Common Market and the United Kingdom. It will be associated with Toyoda Machine Works Ltd. and Toyo Menka Kaisha Ltd. of Osaka (see No 267), the second of which specialises in the import and export of mechanical, metallurgical, chemical, textile goods etc. and already has a firm foothold in Europe, with its subsidiaries in Dusseldorf, Milan and Rotterdam.

\*\* SOBELCO- STE BELGE DE CONDENSATION & DE MECANIQUE SA, the Franco-Belgian water cooling and de-gassing concern (see No 410), has absorbed a similar Franco-Belgian company, STE HAMON SA, St-Gilles, Brussels, and raised its capital to Bf 55 million.

The resultant company has taken the name HAMON SOBELCO SA, and will specialise in water desalination, processing and purification plant, and also air conditioning, heating and ventilation. It will be controlled by M. Maurice A.P. Hamon, and has a subsidiary in France, Ste Hamon SA, Paris, which is directed by M.A. Fourault, plus interests in Belgium in Degremont Sobelco SA, Liege, and in the USA in Universal Water Corp, New York (see No 354).

\*\* The Dutch engineering concern LUBBERS' CONSTRUCTIEWERK-PLAATS & MACHINEFABRIEK HOLLANDIA NV, Krimpen-aan-de-Ijssel (see No 356) intends to acquire complete control of another Dutch firm in the same sector JONKER-DU CROO NV, Amsterdam (authorised capital Fl 25m. - 20% paid-up) in which it already had a 48% stake acquired in 1966 from its subsidiary NV FABRIEK VAN STOOM- & ANDRE WERKTUIGEN HK. JONKER & ZOON, Amsterdam.

Lubbers' (capital Fl 10m.) has some 700 persons on its payroll and makes (factories at head office and Keirzerveer) steel beams, bridges, cranes and lock gates. Since 1962 it has had an almost wholly-owned Antwerp subsidiary, Lubbers Constructie Werkplaats & Machinefabriek "Kempina" NV which specialises in the manufacture and sale of machine tools. Jonker-Du Croo (formerly NV Machinefabriek Du Croo & Brauns) makes equipment for the chemical, petrochemical and mining industries, lifting and transport equipment etc. With some 400 persons on its payroll, it has made no profit at all during the last two financial years.

\*\* FRANZ KIRCHFELD GmbH & CO KG, Düsseldorf (sales of metal products and equipment for the food industry, both at home and abroad - see No 368), has formed a Madrid subsidiary called KIRCHFELD ESPANOLA SA in conjunction with Spanish interests.

The West German firm has an annual turnover exceeding Dm 100 million, and for the past two years it has a 24.5% affiliate of Ferrostal AG, Essen, the sales organisation and wholly-owned subsidiary of the Gutehoffnungshütte Aktierverein group, Nuremberg-Oberhausen (itself a member of the Haniel group). It is controlled by the Kirchfeld family, with Herren Hans and Franz Kirchfeld having respective interests of 38.5% and 30.8%.

FINANCE
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\*\* MARINE MIDLAND INTERNATIONAL CORP (see No 435), the investment subsidiary of the New York merchant bank MARINE MIDLAND GRACE TRUST CO, holds the main tranche of shares (overall weighted holding of 35.61%) in the new Paris firm of STE DE FINANCEMENT DES DEPENSES FAMILIALES "LA CARTE D'OR" SA (capital F 6.3 m.). This is a domestic credit concern, having also a line of "revolving" credit to back the circulation of the "Carte d'Or" credit card, the aim of which is to cover items not included under consumer credit classifications, and which has been promoted by the BANQUE EUROPEENNE INDUSTRIELLE & FINANCIERE SA. The American group, which is represented on the board by its Paris director Andre J. Pagnol (see No 386), holds a direct interest of 29%, and the 14.7% balance through its subsidiary Union Auxiliaire de Financement - UNIMAR SA (formerly Unafina SA - see No 354), owned jointly with Banque de l'Union Europeenne (45-55).

La Carte d'Or (president M. Henry Dhavernas - formerly Ste d'Etudes pour le Financement des Depenses Familiales SA, capital F 300,000) had as its original shareholders UGEPAR SA (holding company of the Banque de l'Union Europeenne); C.C.F. - Credit Commercial de France, and INDOCHINE PARTICIPATIONS SA. Since the recent entry of the American group into the venture, the following groups have also become shareholders: Caisse Centrale des Banques Populaires, Credit mobilier Industrial - Sovac SA, Cavia - Ste de Credit pour l'Achat de Vehicules Automobiles SA and B.N.P. - Banque Nationale de Paris SA.

\*\* BELGHEL SA, formed early this year in Geneva with Sf 2 million capital, to buy shares in financial, industrial, trading and property companies, has opened a Brussels branch under M. Henri Pirlet. Belghel's own president is M. Jean Bernasconi, who heads a number of Swiss companies, particularly in the property sector, his colleague being M. Gilbert Gillet, a director of STE IMMOBILIERE CANTABILE SA, Geneva.

\*\* The Amsterdam department store and making-up group NV ALGEMENE CONFECTIE-HANDEL VAN C. & A. BRENNINKMEIJER (see No 455) has raised the capital of its Luxembourg holding company FONDOR SA to Lux F 135 million, to finance its expansion. The latter was formed in February of this year and is directly controlled by another portfolio in the group, BELUNION SA, Luxembourg (see No 378), direct subsidiary of Surrey Beheermij. NV, Amsterdam.

\*\* The international trust company WHINNEY, MURRAY & CO KG WIRTSCHAFTSPRUEFUNGSGESELLSCHAFT, Hamburg, is extending its West German network by opening offices in Frankfurt. Only recently it made a similar move in Düsseldorf (see No 454).

\*\* Two Vaduz, Liechtenstein, investment companies, ANTRACHINON ANSTALT and RORAIMA ANSTALT, have given 50-50 backing to the formation of an Italian portfolio and investment concern (both industrial and commercial), RORANTRA Srl. The new company has Lire 50 million capital, is situated in Milan, and has Mme. M. Barinetti, Mestre, Venice, as manager.

\*\* CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA, Paris (see No 452), and the London merchant bank ROBERT FLEMING & CO LTD have given backing of 49% and 51% respectively to the formation in London of FLEMING-SUEZ LTD (authorised capital £1 m. - 25% paid-up). The Chairman of the new company is Mr. Balington Smith, and it will be directed by Mr. Christopher Loder, for all types of medium - and long-term financial operations, in particular the placing and guarantee of issues on the European currency market, as well as advising American and European companies investing overseas.

\*\* The Swedish group SPONSOR A/B, Gothenburg (through its subsidiary TRESOR FINANS A/B) and the Zurich group CREDIT SUISSE SA have taken a minority shareholding in the Luxembourg finance company EUROPEAN ENTERPRISES DEVELOPMENT CO-E.E.D. SA (see No 421) whose capital now stands at F. Lux 327.25 million. This specialises in taking shareholdings in companies developing new techniques and at the moment is holding talks with the aim of taking an interest in ETS FERRY SA, St-Nicolas-de-Port, Meurthe-et-Moselle (banknote printing).

E.E.D has an authorised capital of F. Lux 400 million. Its other backers include American Research & Development Corp, New York (around 8%) and a number of other financial, industrial and banking groups such as Midland Bank Ltd, London, The Company For Investing Abroad, Philadelphia, Kredietbank SA, Luxembourg, Canadian Enterprise Development Corp., Montreal, Amsterdam Rotterdam Bank NV, Amsterdam, Commerzbank AG, Dusseldorf, I-M.I- Istituto Mobiliare Italiano SpA, Rome, Cie Bancaire SA, Paris, Norske Kredietbank A/S, Oslo, Dresdner Bank AG, Frankfurt and Credit Lyonnais, Lyons.

FOOD & DRINK
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\*\* The New York distillery group SCHENLEY INDUSTRIES INC (see No 420) has decided to wind up its Paris subsidiary SCHENLEY DE FRANCE Sarl (capital F10, 000)

and has appointed its manager M.J. Bock to finalise details of the move. In 1961 the group closed down its Brussels subsidiary Schenley-Belge SA, which was replaced by a subsidiary responsible for its activities throughout the Continent.

In Europe the group now controls only two British companies: Seager, Evans & Co. Ltd, London and Stanley Holt & Sons Ltd, Manchester. There is also a branch in Brussels to its sub-subsidiary World T. & I. Corp, under the name of Schenley International.

FOOTWEAR
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\*\* NV VERENIGDE SCHOENFABRIEKEN COMBO SHOE has just been formed in the Netherlands as the result of a link-up between C.DE JONG'S SCHOEN FABRIEKEN NV, Gilze and MARATHON SCHOEN - & LEDERWARENFABRIEK, Waalwijk which formerly belonged to the export group VERENIGDE SCHOENFABRIEKEN decided in March not to renew their membership.

Other firms which have backed the new concern include a number who belonged to the former Combo Shoe Group. These are Schoenfabriek G. Van Der Heyden "De Hollandse Jongens" v.o.f. Oisterwijk., NV Schoenfabriek Napolina M. Soeterboek & Zonen, M.J. Vesters Schoenfabriek, Schoenfabriek Beniamino J.A.J. Van Gastel & Zns, all three in Kaatsheuvel, Kerst & Oerlemans Schoenfabriek, Capelle as well as Empress Shoefashions, Nymegen.

\*\* The Dutch maker of ladies shoes, DIANA SCHOENFABRIEK NV, Kaatsheuvel has formed a West German sales subsidiary DIANA SCHUHHANDELS GmbH, Wankum (capital Dm 20,000) with Mr. Asrianus van Gils, Loon op Zand, as manager. The founder which is run by Mr. L.P. Beerens has some 200 persons on its payroll.

GLASS
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\*\* The American group CORNING GLASS WORKS CO, Corning, New York (see No 449) has, for some F 40 million, purchased the shares held in SOVIREL SA, Paris (special glasses for optics, TV tubes and "Pyrex" flame-proof glass - see No 420) by the group BOUSSOIS-SOUCHON-NEUVESEL - B.S.N. SA (see No 457). This move raises its stake - roughly equivalent to that of CIE DE SAINT-GOBAIN SA, Neuilly-sur-Seine - from 30.8% to about 48%

Sovirel, which was formed in 1955, has two factories, at Bagneux-sur-Loing and Aniche, Nord, and its French investments are in Sovcor Electronique SA, Croissy-sur-Seine, Yvelines (sales subsidiary in Stuttgart - see No 389) and E.I.V.S., Villeneuve-la-Garenne. In Italy, it holds shares in Sovirel Di-Py SpA, Caserta, Naples and Milan; in Belgium in Le Pyrex Belge SA, Brussels; in the Netherlands in Corning Nederlandse Fabrieken NV, Groningen (see No 372), and in West Germany in Pyroflam Vertriebs GmbH, Brühl, Cologne (see No 269).

INSURANCE
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\*\* The British insurance group LEGAL & GENERAL ASSURANCE SOCIETY LTD, London, has closed down its long-established Paris branch. It remains represented in the Common Market through its subsidiary GRESHAM FIRE & ACCIDENT ASSURANCE SOCIETY LTD, London, which has made over its Belgian interests to HUNTER, BOWRING & CO LTD SA, Antwerp.

The latter was formed jointly by the London company C. T. Bowring & Co (Insurance) Ltd (part of the C. T. Bowring & Co Ltd group) and the Antwerp firm Kennedy Hunter & Co Ltd SA. It acts as the Belgian agent for a large number of British insurance concerns, including English & American Insurance Co Ltd, The Orion Insurance Co Ltd and The Drake Insurance Co Ltd, all of London.

\*\* The Edinburgh and London company NORTH BRITISH & MERCANTILE INSURANCE CO has opened a Hamburg branch under Herr H. Sudeck. It was already established in the Common Market with a branch in Paris.

The parent company, a member of the London group COMMERCIAL UNION INSURANCE CO LTD (see No 430), which is at present merging with NORTHERN EMPLOYERS ASSURANCE CO LTD, London, has a subsidiary in Hamburg, Deutsche Elementar Versicherungs AG. The group is further linked by crossed shareholdings with the groups Munchener Rückversicherungsgesellschaft AG, Munich, and Allianz Versicherungs AG, Berlin and Munich.

\*\* A rationalisation of the structure of the Hamburg insurance group, headed by BANKHAUS MUENCHMEYER & CO KG (see No 450), will result in the merger of HAMBURG-BREMER FEUERVERSICHERUNGS GESELLSCHAFT with NORD-DEUTSCHE - LEBENSVERSICHERUNGS AG, who together received deposits worth around Dm 200 million during 1967. The first has an 86.6% controlling interest in the insurance concern HAMBURG-BREMER - RUECKVERSICHERUNGS AG.

PAPER & PACKAGING
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\*\* A number of French paper companies are at present negotiating their concentration, for the creation of a group with a production capacity of around 100,000 tons of special and high quality papers per annum. The companies concerned are: 1) ARJOMARI SA, Paris, which has mills at Arches, Vosges; Crevecoeur, Seine-et-Marne; Sainte-Marie, Seine-et-Marne; Rives, Isere, and Tour-Clermont, Isere, and an annual turnover in excess of F 135 million; 2) PAPETERIES PRIOUX (GLATRON BASCHET & CIE) Sca, Paris, which controls Papeteries de Corvol - l'Orgueilleux SA, Paris (mill at Carval-l'Orgueilleux, Nièvre), and Papeteries Reunies du Roussillon & du Valdor SA, Paris; 3) DUFURNIER & CIE (PAPETERIES DE BESSE) Sarl, Besse-sur-Braye, Sarthe; and 4) STE PRIOUX & MUNIER Sarl, Bresse-sur-Braye, Sarthe.

PHARMACEUTICALS
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\*\* The West German chemical and pharmaceutical group FABRENFABRIKEN BAYER AG, Leverkusen (see No 453) has begun negotiations with the aim of taking a share in the leading French pharmaceutical products wholesaler O.C.P. - OFFICE COMMERCIAL PHARMACEUTIQUE SA, Paris (see No 295). With a capital of F. 21.199 million, this is an interest of the Havre insurance company LA FORTUNE Cie d'Assurances Maritimes & Terrestres SA (see No 441), and its turnover exceeds F 1,300 million through a network of fifty branches. Its other interests include the distribution of optical, photographic, and hearing aids as well as cosmetic and beauty preparation sales through its subsidiaries Distri-Photo SA, and Ste de Distribution de Parfumerie SA, formed in Paris during 1964 with a capital of F.100,00.

If the talks are successful, the German group's already considerable French interests will be strengthened further. These include Laboratoires Pharmaceutiques Bayer SA, Neuilly, Hauts-de-Seine, Bayer France SA, Bayer Phytochim Sarl, Paris (see No 422), Progil-Bayer Ugine SA, Paris (a 50 % interests held in association with Progil SA and Ugine-Kuhlmann SA), Sodevi-Ste des Emaux Vitrifies SA, Collonges-au-Mont d'Or, Rhone (a minority interest of Progil), Agfa-Gevaert SA, Paris (which has just taken over Ste Nouvelle As 'de Trefle SA, Rueil-Malmaison, Hauts-de-Seine, another subsidiary of Agfa-Gevaert AG, Leverkusen (see No 451), Haarman & Reimer Sarl, Paris (formed in March 1967 through Haarman and Reimer GmbH, Holzminden - see No 403)

PLASTICS
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\*\* The German PAMPUS KG, Schiefbahn, Düsseldorf (see No 413) has taken over another plastics concern, FLUORPLAST SA, Sartrouville, Yvelines (capital F 160,000). The latter was formed in 1964 under the name Ste Fluorocarbone France Sarl, with M. Paul Riedel as manager, and its total production from now on will be given to the manufacture of its new parent company's polytetrafluorethylene products.

Pampus is one of Germany's largest plastic concerns, with a turnover in excess of Dm 20 million. Since January 1966 it has had a subsidiary in Milan, Pampus Italiana Srl (see No 341).

\*\* The German zip fastener concern RIES GmbH BEKLEIDUNGZVER-SCHLUSSFABRIK, Unterpfaffenhofen, has formed a sales subsidiary in Zurich, ASAM REISSVERSCHLUSS AG (capital Sf 120,000), with its own manager, Herr Alfred Spindler, as president.

PRINTING & PUBLISHING
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\*\* The Italian publishing house BALSAMO EDITORE SpA, Rome, has formed a subsidiary in London, BALSAMO PUBLICATIONS LTD (capital £100), to publish comic strip and "photographed novel" magazines for publication in Britain and the U.S.A.

The parent company is held by Sig Rosario Balsamo and is best known in its publications "Big", "Men" and "Playmen". It has Lire 1 million capital, and Mme. A. Tattilo-Balsamo as president, having branches in Milan and Paris.

\*\* The SWEET'S CONSTRUCTION CATALOG SERVICES division of the New York publishing company, McGRAW - HILL INC. (see No 423) has granted its exclusive representation rights in West Germany and West Berlin to INTERCAR DEUTSCHLAND GESELLSCHAFT FUER TECHNISCHE DOKUMENTATION & INFORMATION mbH of Frankfurt. Formed in 1961 with a capital of Dm. 20, 000 and with Derr Rainer Povel as its managing director, this company specialises in the provision of a technical information service to architects, consultants and civil engineering companies. Sweet's Construction runs a technical information and market prices service in the construction field, to which some 150, 000 American companies are subscribers.

Two recent moves by the American group in the Common Market have been the creation in Paris of Technic-Union SA (see No 402) which produces the new monthly economic journal "L" Expansion" and the formation in Brussels of World Medical Publications SA (in association with the International Publishing Corp. of London).

RUBBER
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\*\* The American group FIRESTONE TIRE & RUBBER CO, Akron, Ohio (rubber, plastics and various chemical products; see No 452), has decided to set up its central offices for Europe in Rome, and has invested \$6 million in this operation. The first move has been the formation of a subsidiary called FIRESTONE EUROPA SpA (initial capital Lire 1 m.) with Mr. Martin E. Holt as president.

SERVICES
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\*\* The German firm of engineering consultants D.P.U. - DEUTSCHE PROJECT UNION GmbH of Bonn has bought up from its Italian and French associates, ITALCONSULT-STA GENERALE PER PROGETTAZIONI, CONSULENZE & PARTECIPAZIONI SpA, Rome and STE GENERALE D'ETUDES & DE PLANIFICATION SA, Paris their one third (each) holdings in EUROEXPERT SA of Luxembourg. Euroexpert had subsequently been liquidated under the responsibility of Mr. von Hochberg, its managing director.

D.P.U. belongs amongst others to Agrar- & Hydrotechnik GmbH, Abwassertechnik GmbH and to Abfalltechnik GmbH, Essen, as well as to several other engineering consultants; the company specialises in the study, preparation and execution of projects, market analysis, viability surveys, financing and administration.

\*\* The international organisation and management consultancy WOFAC CORP, Haddonfield, New Jersey, has decided to base its Italian operations (see No 438) in Milan: it formed WOFAC SpA with Lire 1 million capital, Mr. James H. Duncan as president, and with Mr. E. R. Kennedy as executive director.

The American company is well established in Europe, where it already has a branch in London and "WOFAC" subsidiaries in Neuilly-sur-Seine and Frankfurt, directed respectively by MM. M. Gochtovtt and R. B. Burgess Jr.

TEXTILES

\*\* SARCA DI CHIZZOLINI & CO, Castel-Golfredo, Mantova, headed by Sig. Paul Pisi and trading in stockings and tights, has opened a French sales subsidiary in Strasbourg, Bas-Rhin.

\*\* The Italian manufacturer of artificial and synthetic textile goods, CHATILLON SpA, Milan (part of the MONTECATINI-EDISON SpA group - see No 451), will in future have its French interests represented by its own subsidiary, LES FIBRES TEXTILES MODERNES SA (capital F 400,000), with M. Roger L. P. Metzger as president. Until now, its French interests were the responsibility of the Paris company KREGLINGER S.A.F. (see No 384), the subsidiary of the Antwerp group G. & C. Kreglinger SA (see No 445).

One of Chatillon's recent moves was the acquisition during 1967 of the 50% stake held by the New York, Uniroyal Inc group in the elastic fibres concern Pirelli Lastex SpA, Bergamo (see No 451), which has since been renamed Pirelli Lastex Elastofibre.

TOBACCO

\*\* The New York group LIGGETT & MYERS TOBACCO CO has strengthened its Common Market interests with the acquisition of a shareholding in the West German tobacco and cigarette manufacturer EILEBRECHT CIGARETTEN- & RAUCHTABAKFABRIEKEN oHG, Hamburg (see No 309), until now the exclusive property of Herr Eilbrecht-Kemena. It also has facilities in Baden-Baden, Berlin, and in Switzerland has a stake in United Cigarettes Co Ltd, Carouge, Geneva, formed in 1965 (see No 308) by the French group Ste Job SA, Perpignan.

The American group, whose brands include "Chesterfield", "L & M" and "Velvet", had a 1967 turnover of \$575 million. It has had a Common Market sales subsidiary, Liggett & Myers Tobacco Co NV, Antwerp, since June 1967 (see No 418).

TOURISM

\*\* The Paris group TRIGANO VACANCES SA (see No 400), which supplies all types of equipment for outdoor activities, including camping, sailing and caravanning, has strengthened its Italian interests by opening two branches to its Rome subsidiary, SO. CO. I.C. TRIGANO-STA COLLETTIVITA ITALIA CAMPEGGIO SpA, in Santo Spirito, Bari and Ravello-Vermezzo, Milano, and has also raised its

capital from Lire 25 to 105 million. With M. Maurice J. Lallemand as president, SO. CO. I.C. was formed in 1964 as a Srl (capital then Lire 900,000), and today it is controlled by the group's Luxembourg holding company, TRIGINTER SA (see No 332).

Trigano Vacances (president M. Andre Trigano - capital F 18.42 m.) is closely linked with the French holiday concern Club Mediterranee (see No 451), in which MM. A. and G. Trigano hold an interest of nearly 20%. In 1967 these links were strengthened when this took over Blitz Trigano & Cie Sarl, Paris (gross assets F 2.8 m.). Both companies have several common shareholders (see No 348), such as Cie Financiere SA (part of the E. de Rothschild group), Cie Financiere Hausmann SA (part of the Seligman-Louis Hirsch group, now merging with Banque Louis Dreyfus SA), and Panagest-Panamanian Development (part of the Leven group, which controls Source Perrier). Trigano Vacances is also linked with the Antwerp shipping group NV Plouvier (see No 441), which has a minority shareholding, and shares with it control of Triginter Belgium SA, Watermael-Boitsfort, and of the holding company Triginter (through Cie Financiere & Immobiliere - C. F. I. SA, Antwerp - see No 344).

TRADE
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\*\* The Hamburg central purchasing concern CEG-GROSSEINKAUFS GESELLSCHAFT DEUTSCHER KONSUMGENOSSENSCHAFTEN mbH (see No 395) is preparing to establish a network of chain stores, to be run by the newly-formed company PLAZA SB-WARENHAUS BERATUNGS- & BETREUUNGS GmbH, Hamburg (capital Dm 2 m.). The first of these supermarkets is due to open at Porz, Cologne, during 1968.

CEG (capital Dm 33.5 m.) has an annual turnover of over Dm 2,000 million. It is a 25.4% interest of the Frankfurt trade union bank BfG-Bank für Gemeinwirtschaft AG, with the remainder held by 209 West German co-operatives.

\*\* THE SINGER CO, New York (see No 455), is to raise its controlling interest in the German mail order concern FRIEDRICH SCHWAB AG UEBERLAND-VERSAND, Hanau, from 51% (see No 347) to around 76%, by purchasing shares held in this company by the Schwab family.

The German company, which registered a loss of around Dm 14 million during the last financial year, employs around 4,000 people for a turnover of Dm 417 million. Abroad, it has a subsidiary in Milan, Vestro SpA.

\*\* Run by Messrs. E. N. Jenssen and L. Børrensen, the Oslo company A/S VIKING REMFABRIEK, which specialises in selling machinery and raw materials to industry, has increased to Bf 2 million the capital of its Belgian agency, E.I.S. EURO-INDUSTRIE-SERVICE SA, Molenbeek-St-Jean. This was formed in 1963, and is run by M. Victor van Doren. Its other shareholders are the associate companies A/S RAACO STORAGE SYSTEMS, Niköbing Falster, Denmark, and the West German RAACO HANDELSGESELLSCHAFT A/S DAMBERG GmbH, Hamburg, whose respective presidents are Messrs. E. Damberg and S. Wagner.

TRANSPORT
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\*\* The Brussels concern AUXILIAIRE INTERNATIONALE DE CHEMIN DE FER SA (see No 354) has bought shares in the Austrian transport concern OEVA-OESTERREICHISCHE EISENBAHN-VERKEHRS-ANSTALT AG, Vienna. In 1966 it secured a minority interest in this sector in the Milan rail wagon leasing concern L'Ausiliaire SpA.

\*\* Recently acquired by the Rotterdam group WM. H. MUELLER & CO NV (see No 455), the transport group THOMSEN'S VERENIGDE BEDRIJVEN NV, Rotterdam, has sold to AUG. DE MEIJER ZONEN'S SCHEEPVAART, EXPEDITIE & AGENTUUR MIJ. NV, Terneuzen, the business until now pursued by its subsidiary ZEEUWS HAVENBEDRIJF NV, Terneuzen, in the port loading, handling and storage sector.

In August 1967, Thomsen's withdrew from its 72% shareholding in another company in the same sector, NV Amsterdamsch Havenbedrijf, Amsterdam.

\*\* Associates since their agreement in 1967 to co-operate within the framework of the North Atlantic passenger market with the steam ships "Queen Elizabeth" and "France", the two shipping companies, THE CUNARD STEAM-SHIP CO LTD of Liverpool (see No 440) and C.G.T. - CIE GENERALE TRANSATLANTIQUE SA of Paris (see No 455) have increased their co-operation. As from May 1, the French company will take on (through its agencies in Paris, Le Havre, Bordeaux, Lyons, Marseilles, Nantes, Nice, Nancy and Lille) the representation of the British company in France. Cunard, as a result, will close its office in Paris.

The two partners have interests with a number of other European shipping companies in the international container transport company ATLANTIC CONTAINER LINE LTD of Hamilton, Bermuda; the cargo ships "Suffren" and "Rochambeau" (belonging to C.G.T.) already sail under Atlantic Container's flag, whilst they are waiting for the completion of two container ships. They also have interests in the shipping consortium Transatlantic Lakes Lines (T.A.L.L.). This company, which provides a joint service for freight to Canada and the Great Lakes, has as partners: the Dutch company Mij. Zeetransport (Oranje Lijn) NV - a joint subsidiary of NV Kon. Paketvaartmij. NV and Nederlandsch-Amerikaansche Stoomvaartmij. "Holland-America" Lijn - and the Norwegian company Olsen & Ugelstad (Fjell Line) Oslo.

\*\* The Dutch fuel and transport concern S.H.V.-STEENKOLEN-HANDELSVEREENIGING NV, Utrecht (see No 456), has taken control of the Haarlem coal import firm KOLEN-IMPORTMIJ. L. WITTOP KONING NEDERLAND NV, with which it was already linked through sales agreements signed with its subsidiary PERQUIN-HOENDERDOS NV, Haarlem.

In 1967 S.H.V. gained complete control of the ore trading firm NV Internationale Ertshandel "Wambersie" - now known as NV Internationale Ertshandel Wambesco - by buying a 50% shareholding from Wambersie Zoon C.V.O.A., Rotterdam (a recent member of the transport group Thomsen's Verenigde Bedrijven NV (see above)). In 1956 S.H.V. had already bought a 50% interest in the ore trading concern.

\*\* STE D'EXPLOITATION DE L'ENTREPOT MACDONALD SA (capital F 8 m. - president M. Guy Crescent) has just been formed in Paris to operate a goods storage and distribution centre near the Paris-La Chapelle station, on a site made available by the SNCF. The company has been formed by MINES DE KALI-SAINTE-THERESE SA, Paris (50% a member of the Rivaud group - see No 451), along with STE NOUVELLE DES TRANSPORTS RAPIDES CALBERSON Sarl, Paris (see No 441), C.F.T.A. -STE GENERALE DE CHEMINS DE FER & DE TRANSPORTS AUTOMOBILES SA, Paris, two insurance companies, L'UNION-VIE and L'UNION-I.A.R.D. (part of the UNION DES ASSURANCES DE PARIS-U.A.P. group - see No 448), and STE DE PARTICIPATIONS KALI-OUEST (S.O.P.A.K.O.) SA, Paris (also part of the Rivaud group).

The construction of the storage facilities covering a total of 124,000 m<sup>2</sup> should be completed by late 1969, with a first 50,000 m<sup>2</sup> ready by the end of the current year. This will be the responsibility of STE CIVILE IMMOBILIERE DE L'ENTREPOT MACDONALD, whose shareholders are also insurance companies, UNION DES ASSURANCES DE PARIS-U.A.P., ASSURANCES GENERALES DE FRANCE-A.G.F., GROUPE DES ASSURANCES NATIONALES-G.A.N., as well as L'ENTREPRISE FERROVIAIRE SA, Paris.

VARIOUS
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\*\* Three Dutch leather and footwear concerns have joined in forming a co-operative in Eindhoven by the name of E.B.S.I.N.-ECONOMISCHE BELANGEN SCHOEN-INDUSTRIE NEDERLAND W.A., to handle their export sales under the supervision of Messrs. Janssen Nier and Van Wijk. The three founders are SWIFT SCHOENFABRIEKEN, Nijmegen (see No 432); NV NIRVA SCHOENFABRIEKEN, Valkenswaard, and ALSCHOEN C.V.-FABRIKANTEN VAN SCHOEN ONDERDELEN, Groesbeek.

The first of the three recently took over the Nijmegen firm of Robinson Schoenfabriek Fr Verschuur NV, and in West Germany has a subsidiary called Swift Schuh GmbH, Kleve.

\*\* MELITTA WERKE BENTZ & SOHN, Minden (see No 449), because of its rapid expansion in Switzerland, has formed a manufacturing and sales subsidiary at Egerkingen under the name of HORST BENTZ & CO MELITTA WERK KG (capital Sf 450,000). It will take over the business of the now liquidated company HORST BENTA, Egerkingen.

The Minden group, which is best known for its coffee pots and filters, already has a subsidiary at Egerkingen, called Melitta GmbH (capital Sf 100,000).

\*\* The Finnish goldsmiths concern KAUNIS KORU OY, Helsinki, has formed a subsidiary in Munich, KAUNIS KORU GmbH, with Dm 21,000 capital and Mme Martta Ritvanen, Helsinki, as manager.

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