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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

January 4, 1968 No 441-2

C O M M E N T

A letter from Brussels

NOT A HAPPY YEAR....

When historians come to examine the success (or otherwise) of the quest for European integration, they will undoubtedly write 1967 off as a year of opportunities lost. On January 1, we had every reason to look forward to a fresh impetus in the European Economic Community, and the real beginnings of its expansion. The Six were all but free from the repercussions of the 1965 crisis. They were going to agree on the conditions to be set on the free circulation of goods, as from July 1, 1968; to show in the Kennedy Round that the EEC would not be an inward-looking protectionist entity; to sort out the delicate problem of the executives' merger, and perhaps even get the political union off the ground. At the same time, Britain and three other European democracies were again seeking entry into the Common Market, but this time in a way and under such terms that there could no longer be any question of the "European sincerity" of the country that had given birth to Churchill, the man who in a speech in Zurich in 1946 had said, "we must build a sort of United States of Europe".

Now, at the turn of the year, there seems to be little doubt that, unless the situation changes radically, Britain is going to have to "sit tight". The Rome summit, awaited for seven years, was little more than a diplomatic flop. The new single Brussels Commission is obviously fired with good intentions, but the Six are still keeping very close tabs on its powers, and are not lifting a hand to help it through the very difficult rationalisation programme upon which it has embarked. The Kennedy Round was a success. and the full customs union will undoubtedly come in on time, but the Six have scarcely begun to assess the consequences of these two momentous developments. Let us first consider these:

The conclusion of the Kennedy Round negotiations has brought about a new phase in world trade, a major step forward (quantitatively) in the trade liberalisation movement that started after the War. The immediate effect of this will be to "hot up" competition internationally, and thus force the Six to place their industries on an even more competitive footing...

As yet, as far as industry is concerned, however, the Six are only on the verge of any sort of customs union, tariffs being the only sector in which real steps have been taken. Moreover, even a full customs union is but the merest component of a smooth-running and efficient economic union (the Benelux Union, which has been in existence for 22 years now, bears this out). In other words, an incomplete customs union such as that existing between the Six is less likely to open the door to the integration of the national economies than to induce them, by every imaginable distortion of competition, to exploit the situation presented by the abolition of tariff barriers.

On the other hand,, in agriculture, a common policy and a community system of financing it have undoubtedly been approved ... but until certain vital changes are wrought, it will rest solely on the practice of guaranteed prices rather than on any improvements in agricultural productivity, through fundamental structural reform. Thus the present policy is far from securing a reasonable income for the less productive farmers in the Community, and at the same time it is placing an almost intolerable burden upon the Six's treasuries, especially when it comes to supporting exports to the world market.

These are not specious arguments motivated by mere pessimism, for although agreements have been made during 1967, these have in almost all cases been long-term pacts, or relating to matters of general principle. Thus the TVA system should be in general use throughout the Community by the end of 1969; the first section of the common transport policy (virtually frozen for ten years) should come up for a decision before June 30 next; similar prospects are opening up for Euratom, but a Euratom whose wings are being clipped all the time; prospects for the social policy took a severe knock on December 19, although hopes were not running very high, even before that. By and large, therefore, the Six hardly have cause to thump the tub about "Community victories" over the last twelve months, not least because what little they have achieved has in some cases been cast very much in doubt. Of late, for instance, there have been more and more requests for safeguard clauses, extending beyond July 1, 1968. Italy is asking for the retention of the special protection granted her for sulphur, lead, zinc and silk, France has requested powers to restrict the influx of Kraft sheets and domestic appliances from Italy. Belgian industrialists are pressing their government hard for a similar authorisation, again against Italian imports, and in a number of sectors: metal products, textiles, ceramics, marble, glass and footwear. Belgium and her Benelux neighbours are also protesting against marketing standards applied by their partners, which would tend to establish hidden protectionism in their national markets. As far as agricultural restructuring is concerned, Italy and Luxembourg are the only members pressing for a sweeping Community programme.

It is not by any mischance that this pattern, of ill-sought progress and baulked-at deadlines, has emerged. That the process of integration should, at a certain point, fall foul of reaction from old protectionist tendencies, private vested interests, or simple inertia, was really only to be expected. Such a time in fact was more than likely to come as the customs union drew nearer, when national administrations, their own prerogatives threatened, quite frequently became accomplices in the delaying tactics. All this was quite natural, and would have given no cause for concern, had it not been for the fact that, in the realm of higher politics, there was an element pressing for the elimination of opposition and the establishment of an authentic Community, with a heavily armed economy.

In this respect, 1967 has given perhaps the best instances yet of how steady progress towards the true integration of the Six simply cannot reside solely in the natural development of the customs union towards higher forms of co-operation.

There comes a time, in this case very soon now, when the drive must come from the top, i.e. from the diplomats, because it is no longer the development, but the obstacles to it that come naturally. In this respect, the Rome summit was one of the year's greatest lost opportunities, because only a political union, founded obviously on a common political will, can be strong enough to override all the warring particularist factions.

It did not all happen in 1967, of course: the rot had already set in, as far back as April 14, 1962, when the Six had their first real clash over the Fouchet Plan. That date is memorable not so much for the fact that this scheme for political union was thrown out, but because of the way it happened. People have spoken frequently of de Gaulle's paradoxical behaviour in refusing to countenance European political co-operation with Britain, which in fact had ideas very similar to his own in this field, favouring intergovernmental action rather than supranational institutions. The arguments put forward by some of the Six, especially the Benelux countries, were rather more surprising. In turning Britain down, the General was not forswearing his concept of a Europe of nations, but his partners were most certainly prepared to dispense with their own ideal - a supranational Europe - provided they could have Britain in. Thus they were raising the banner for a country which in the past they had often denounced for her lack of European conviction, and at the same time calling off the attack on their opposite number for ideas contrary to the Community spirit.

Almost everything that has happened in the Common Market since that time has had the stamp of the Fouchet Plan affair on it. France's partners did not have Britain, because France had the power to issue a unilateral veto; and they have not had supranationalism, because they failed in 1962 and subsequently to fight for it. The Franco-German friendship treaty, also motivated by intergovernmental ideals, has further undermined the solidarity of the Five. Paris has twice succeeded in quashing Britain's candidature, and twice it has managed to undermine supranationalism - first, during the June 1965 crisis, and later by the removal of Walter Hallstein. The Five can only comfort themselves with the thought that they have managed to prevent de Gaulle from imposing his own idea of political union upon them - until now, at least. Europe has not become subject to a French hegemony, but neither, unfortunately, has it placed itself squarely under the aegis of the Community.

One seriously wonders whether this process of disintegration will not grow still worse in the coming months. France's refusal to talk with Britain has turned political and psychological relations between her and the Five still more sour, and to think in terms now of a return to the supreme negotiating machinery of a "summit" is a little short of absurd. In many countries, anti-Gaullism in important parties, not to say governments, has reached alarming strength. Whilst economists in general are all for seeing the thing through, there are many private sectors whose existence or national position is threatened, and which will not fail to press for new forms of protection. Again, whilst we may recognise that in the long run the Six have many vital interests in common, it is hard at this stage to discern any immediate interests - those requiring little or no political goodwill - that could balance each other in a "blanket settlement". The first veto against Britain was followed by Gerhard Schroeder's "synchronised programme" for getting things going again, and the 1965-66 crisis was followed by a phase of "balanced development" in the Community - but this time, for some months anyway, there is nothing.

There are two new factors in the situation, however, that might save us from utter despair...

1) As far as "Europeanism" is concerned, the Wilson administration has effectively undergone a very sweeping conversion process in a relatively short period of time. The willingness to enter the Common Market no longer hinges upon a mere parliamentary majority, the figment of some slight "swing" amongst the electorate. The idea now has the solid backing of an overwhelming majority of all parties at Westminster, and in the country at large. Moreover, those who have embraced the cause firmly believe that the Community solution is now the only one feasible, a belief attested in the willingness to endorse the Treaties in every particular. It is no longer a question of setting up a vast free trade area, nor even of adapting the Treaties to certain specific British problems, for Common Marketeers in Britain now accept that the Community is nothing more than an interim phase in the economic and political unification of Europe, a process without which the sub-continent can never hope to achieve the world power status to which it aspires. Indeed, if anyone has been "talking European" during 1967, it has been Britain; and this has served to liberate the Five from the contradiction that hampered them in 1962: they can now justifiably defend Britain's supranationalism, and her bid for entry.

2) There is now a growing current of opinion in Europe favouring an enlarged and more integrated Community. More and more eminent economists, pressmen from both left and right, and go-ahead industrialists are taking up the cry raised by the great politicians when the European movement first got under way, and preaching - indeed demonstrating scientifically - the need for the organised mobilisation of all of Europe's resources. The growing strength of American penetration, the ever-widening technology gap, Europe's dwindling influence on world affairs - all these and many other factors illustrating the decline of the Old Continent are precipitating a crisis of conscience in more thinking circles. Apart from this, most of the problems posed by the introduction of the economic union have been catalogued and studied, and in many cases solutions have been formulated by the Community's institutions. Thus despite everything, it would not take so very much technical spadework to set the Community machine in motion once again, and in many influential circles there would be surprisingly little systematic opposition.

It may perhaps seem strange to don the rose-coloured glasses in this way, after summing up such a dismal year, but one is here looking at possibilities, not so much the likelihood of their being realised. For five years now the doctrine of a Europe of nations has been pursued by France and her partners alike, and it has shown a signal lack of success. With its unilateral vetoes, its quashing of majority rule, its undermining of the Commission's authority, it has thrown right out of gear the constructive balance, sought by the authors of the European Treaties, between the common weal and particular interests. We now know what fruits this has borne: compromises based on the lowest common denominator of national interests -

and compromises which might at any moment be annulled by the lukewarm, not to say downright hostile state of relations between the Six, or at least some of them.

This begs the question: if European unification is what, in the long run, all are seeking, has the moment not come to give Community Europe its head? This could yet prove to be the best way of building a greater Europe: resolution and daring will be needed; but have we now any choice?

THE WEEK IN THE COMMUNITY

December 20 - December 31, 1967

THE COMMON MARKET

Britain is Still There

Even before the dust of the French de facto veto on British entry at Brussels had had time to settle, the Secretary of State for Foreign Affairs, Mr. George Brown, was back in Europe fulfilling his declaration to the House of Commons on December 20 that the long-term interests of Britain and Europe require that "we should become members of the European Communities" and that close consultations would begin with the Five as well as with EFTA and Ireland.

Following the same route as that of Mr. Wilson's first European tour, Rome was the first port of call, the visit being made at the invitation of the Italian government, and in particular of Signor Aminatore Fanfani, the Foreign Minister, who is known to be gravely disappointed at the results of the last Council of Ministers meeting. The talks between the two Ministers concentrated on areas in which there could be closer co-operation between Britain and the Five without attempting to take "peevish or petty" action against France. In no way should these moves be interpreted as an attempt to break-up the Common Market: moreover, the British government did not intend to do anything to widen the gap existing between Britain and the EEC. The talks which officially lasted for only one day covered technological co-operation and the way in which political collaboration could be developed between all concerned. Obviously it would have been wrong to expect any major new development at such an early stage in this "new cycle of consultations", but Mr. Brown is reported to have been encouraged. His trip is evidence of the British government's determination to prepare for entry as soon as this can be achieved, which may not be until the French President leaves the political scene.

Although the outcry against France has not been as loud as in 1963, it would be wrong to imagine that those affected by her decision within the Community are not annoyed, and apart from the Benelux countries this includes Italy, which is perturbed at the thought of a Franco-German axis dominating the EEC. The coming months are likely to see the work of the Community limited to the bare necessities, for amongst the Five - no one, not even the West Germans - feels that things can remain as if nothing had happened at all. In an interview with "Der Spigel", Dr. Josef Luns, the Dutch Foreign Minister, said, "You must understand that when the EEC has suffered a blow like this, life has changed somewhat." However, there is no question of the Common Market being broken up, although it may stagnate. The Six are already so closely linked economically amongst themselves that such stakes would be too high, and this is one of General de Gaulle's trump cards, for he alone might be willing to take the risk should he be faced with such a choice. Furthermore, Europe cannot be built without France, so it is worthless to suggest methods of doing so. Every attempt must be made to strengthen existing links and prepare for the President's departure.

The danger in the present situation of the Community was made clear by the Commission's president, M. Jean Rey, in a broadcast on French radio on December 30. The Commission had stated that talks should be held with Britain - the complete refusal even to begin discussions seemed to be an error, a fact which the Commission had made plain in its report to the member governments. According to M. Rey, "the policy of veto is a contagious illness", and it was likely that the next few months would see a difficult period for the Six, repeating to a large extent what had happened in 1963. That France is more aware of the dangers which stagnation could cause to the Community is indicated by a statement made in the Figaro by M. Pompidou, who points out that Europe is not just the Common Market and that countries can still be part of Europe even if they are outside the Six. The approach taken by the French who have the presidency of the EEC Council of Ministers for the next six months is going to be carefully watched, and it is to be expected that M. Couve de Murville may make some conciliatory gestures to try and appease the annoyance of his Common Market partners.

The French decision in Brussels was certainly a blow to one of EFTA's aims, that of furthering European integration and other members of the Seven received a setback to their hopes of forming part of an enlarged Community within the near future. Reactions from some EFTA members indicated that they would be in favour of building a customs union and adopting a common external tariff, but this suggestion needs much more detailed consideration before it can be put into effect. Furthermore, although it might well strengthen internal EFTA links, especially if it were backed by common policies, along the lines of those created by the EEC, it would also help to strengthen the economic division of Western Europe.

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AGRICULTURE

Trading with Eastern Europe

The question of trade in agricultural produce between individual EEC countries and the state trading countries of Eastern Europe continues to occupy a prominent place in current political discussion in the Community. On the one hand, West Germany, Italy and France have certain interests in common to maintain their independence of action in trading with Eastern Europe, as was recently shown at a Council meeting, when the representatives of these countries succeeded in adjourning again any discussion on the Commission's proposals for a unified Community code for this trade. On the other hand, there are certain areas of dispute between France and West Germany which are showing signs of becoming more sensitive; one of these areas is the matter of imports of live pigs by West Germany from East Germany, and in view of the probable developments on the EEC pig market in 1968, this question might well become a very sore point.

On the Community level the existing rules governing trade with state trading countries are based on an agreement between the Six dated 1963, which has proved to be completely ineffective in controlling this trade in any way; nevertheless, this agreement has now been extended for six months, against the advice of the Commission. The agreement has been described by those, and there are many, who regard trading with Eastern Europe as a potential menace to Community solidarity in agricultural trade, as an open licence to import unlimited quantities from the Eastern bloc. The consultations that should be held between the member countries before concluding agreements never take place, and the most that happens is that a country informs her partners only when the agreement is a fait accompli. Nor is there the slightest attempt to respect the provision that imports from the East should be regulated in accordance with the supply and demand situation within the Community. But the Commission's proposals that member countries should make monthly reports of their imports from Eastern Europe and that it should have power to prohibit the issue of further import licences if it considers that this trade is prejudicing intra-Community trade are firmly rejected by the three interested countries.

Their reasons for doing so differ, even though they agree on the principle. West Germany has long fought to preserve the present system, by which East Germany is not treated as a third country for the purposes of the common agricultural policy. In 1965 France and the Netherlands attempted to claim payment of rebates on exports to East Germany from Community funds and the Commission agreed that East Germany, although not subject to any Community control in her trade with West Germany, should be treated as a third country for the purposes of agricultural finance. But in May 1966 the Germans forced a reversal of this decision in the Council. Apart from the economic advantages of being able to trade with the Eastern zone without Community control, there are political reasons for the German insistence on maintaining the system. The Bonn government has always been afraid that acceptance of the principle that East Germany is to be treated as a third country might turn out to be the thin end of the wedge as far as political recognition of East Germany is concerned.

On the economic front, the German authorities have the problem that East Germany has a very considerable deficit in her trade with West Germany, and that these imports of agricultural produce represent about the only means by which she can pay this off.

France, on the other hand, is very critical of this trade. There has been some outspoken comment in the French agricultural trade press recently, coupled with searching questions addressed to the Commission by French and other members of the European parliament. This has made the Germans fear that the whole question of trade relations with East Germany is about to be reopened on a Community level. The French have pointed to the decline in imports of pigs, both overall and from the Netherlands and Denmark during 1967, whilst those from East Germany have maintained their previous level. Nor can it have escaped the notice of French agricultural producers that East Germany, as the seventh largest industrial country in the world, might prove an attractive market for agricultural exports, if only it were treated as a third country so that export rebates could be granted on such sales. However, the

French are united with Germany in opposing Community control of trade with Eastern bloc countries because these have often proved attractive outlets for French exports, though this is occurring less and less frequently nowadays. And they too, have political reasons for not wishing to appear hostile to relations with East European countries.

Italy has been unrepentantly trading with East Europe for years and there is no doubt in any of her partners' minds that she has been doing it at prices and on terms which make nonsense of Community preference in agricultural trade and of the protective system against agricultural imports from outside. However, the Italian authorities have been careful to leave no clues except of a very general kind and, although everyone knows, for instance, that three quarters of all EEC imports of cattle and beef from Eastern Europe go to Italy, there is little concrete evidence on which to base a case that they are evading Community regulations and principles.

The question of regulating trade with Eastern bloc countries will come before the Council again in six months at the most, but the Brussels technocrats give the proposed regulation few chances of succeeding in its present form. To quote one of them: "The unwritten agreement between Rome, Paris and Bonn will not be easy to demolish. For this 'coalition', exports from Eastern Europe are an important instrument of foreign and commercial policy, to the first of which both France and Germany are paying particular attention at the moment, while the second has always been of interest to Italy."

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E.C.S.C.

The Recession of the Community Coal Sector - No Change throughout 1967

Luxembourg: Whilst the total consumption of energy in the Community increased by 4% in 1967 to reach 633 million tons of hard coal equivalent, consumption of coal proper has continued to fall, thus causing considerable stock-piling in spite of the fact that large numbers of miners have been laid off in various coal fields and that production has dropped by 10% since last year. The Middle East War had little effect on the Community coal production rate: the production statistics have become less and less hopeful, and the mines have been forced to reduce their actual output and their potential to levels much lower than those that had been hoped for. It is, of course, true that 1967 did see the launching of the multilateral financial compensation scheme for coke, which will benefit the Community steel mills, a scheme which allows the coal undertakings to align their prices for these types of coal with the price of American coking fines. 1967 also saw the application of the decision of March 1965 by the High Authority concerning state aid to the respective coal industries. This decision made it possible and in fact still makes it possible for the coal companies to avoid the almost inevitable financial crisis that awaited them. The decision also stemmed the flow of pit closures, thereby avoiding serious social and regional difficulties, but the lack of a reasoned joint policy for coal, and moreover an energetic one, is being felt more and more, and is beginning to weigh heavily on the shoulder of the coal industry. Thus it is not without concern that the interested parties have followed the Commission's announcements laying out a new approach to the Community joint policy for energy. This new approach will not be implemented before there has been close consultation between the Commission of the Communities on one side and the various interested parties including the governments of the member states on the other.

Whilst all this is in the pipe-line, so to speak, the coal companies will do their best to help themselves, or, as will more often be the case, get help from their respective governments. In Belgium, the government, through the intermediary of the Coal Council, is attempting to start a coal rationalisation scheme in the hope of avoiding the worst of the social and regional difficulties that the recession of the coal industry is bound to involve. Just recently in fact, the Commission authorised the amalgamation of the Campine coal complex into one single undertaking, the Kempense Steenkolenmijnen N.V. which is to assume control of the coaling activities of five previous companies. It is interesting to note that these five former companies have agreed to re-invest at least 50% of the repayment - guaranteed by the state - of their capital contributions to the new company in the Campine region.

In the Netherlands coal production is rapidly being run down, under competition from the natural gas deposits in Slochteren and in accordance with a pre-conceived plan.

In West Germany, the new legislation covering the adaptation of the coal industry will come into force in the near future, and the various Ruhr coal companies are trying to come to agreement, under pressure from the government, in order to set up a single coal exploitation company for the whole of the Ruhr region.

Although these national efforts at rationalisation are all very praiseworthy in themselves, there is a grave risk that the individual plans should grow apart with the passage of time. Thus it is an urgent matter that a common policy for energy should be instigated as soon as possible. This will be one of the most pressing tasks of the new Brussels Commission.

At the moment, in fact, the output of the Coal Community depends for the most part on the decisions of the governments. The governments are free to fix, without any consultation, their import policies as well as the rate of taxation on competitive forms of energy. At the beginning of last year, the High Authority had, with due regard to this situation, formulated a plan for 1970: this plan allowed for a possible coal output of between 175 and 200 million metric tons per year. But in 1967 (four years before the target figures for 1970 have to be reached), coal production hardly surpassed 190 million tons, and of this figure a not inconsiderable proportion had to be stockpiled. The seriousness of the problem becomes even more apparent when one recalls the fact that this production figure of 190 million tons - taking into account the expected and necessary gains in productivity - represents for 1970 a reduction of 200,000 in the industry's payroll. This is why the High Authority stressed at the time that "in order that the industry should be run down in the most efficient way, capacity should be reduced in a regular fashion according to a preconceived plan, whilst the overall programme should be speeded up so that it could more easily be harmonised with the re-deployment plan for the redundant labour." Up until now, no real progress has been made in this direction on a Community basis.

In 1967, Community output of coal increased to a total of 190.1 million tons, i.e. 19.8 million tons or 9.4% less than in 1966, the reduction in output being particularly noticeable in the Netherlands, Belgium and in Germany.

TABLE I - Coal production in 1,000 tons

Year	W.Germany	France	Italy	Netherlands	Belgium	Community
1966	131.3	50.3	0.4	10.3	17.5	209.9
1967	116.8	48.2	0.4	8.3	16.4	190.1
Variation in %	-11.3	-4.2	-	-19.4	-6.3	-9.4

This reduction in coal production is caused by a number of different factors, in varying combinations, and in particular:

1) the losses of output, due to the under-utilisation of capacity, which have almost doubled.

2) the continued decrease in the work force.

3) the reduction in capacity due to the closure of pits.

The decrease in production due to the under-utilisation of resources and the lack of markets has been an increasingly important factor in 1967 for the French pits. Germany lost twice as many outlets in 1967 as in 1966 and Belgium alone can boast a stable level of utilisation of resources compared with the previous year.

TABLE I I - Lost Tonnage due to Under-Utilisation of Resources - (thousands of tons)

Year	W.Germany	France	Italy	Netherlands	Belgium	Community
1966	3.334	115	-	-	1.176	4.625
1967	6.970	1.034	-	-	270	8.274
Variation in %	+109	+800	-	-	-77	+79

This fall in production caused by the under-utilisation of capacity (which was not enough to offset the sizeable increase in stockpiling) was accompanied by an accelerated laying off of the labour force. The actual number of coal face workers employed in the Community in 1967 fell from 372,500 to 323,100, a crop of 13.3% in twelve months. The fall in the labour force has been particularly apparent in the Netherlands, Germany and Belgium as can be seen in the table below (in thousands):

TABLE III

Year	W.Germany	France	Italy	Netherlands	Belgium	Community
1966	200.6	103.0	1.0	21.6	46.4	372.5
1967	169.8	94.3	1.0	16.9	41.1	323.1
Variation in %	-15.4	-8.4	-	-21.8	-11.4	-13.3

The only positive element in this table is the continued productivity increase for Community coal. Output per man shift has also risen from an average of 2.611 kilogrammes per man shift in 1966 to 2.827 kilogrammes per man shift in 1967, an increase of 8.3% for the whole Community. With the exception of the small Italian coal deposits at Sulcis (where exceptional output per man shift has been gained for a number of years), all the mines of the Community have benefited from the improvement in productivity. Compared with 1966 productivity has made great strides in Germany and in France, but it has tapered off somewhat in Belgium.

TABLE IV - Output per man shift (in kilogrammes).

Year	W.Germany	France	Italy	Netherlands	Belgium	Community
1966	3.050	2.104	2.786	2.305	1.996	2.611
1967	3.390	2.238	2.742	2.429	2.095	2.827
Variation in %	+11.1	+6.4	+1.4	+5.4	+5.0	+8.3

During 1967 there was a considerable reduction in production capacity, amounting to a total of 13.54 million tons per annum, with over half accounted for by West Germany. However, the rate of closures which fell slightly in West Germany and Belgium, remained virtually static in France, whilst in the Netherlands there was a sharp rise in capacity closed to 2.4 million tons as a result of the rapid-growth of the natural gas industry.

TABLE V - Coal output capacity lost through closures

	Number of firms affected		Capacity lost (in 1,000 tons)	
	1966	1967	1966	1967
West Germany	18	17	11,770	7,784
France	7	6	1,328	1,356
Netherlands	-	2	-	2,400
Belgium	10	8	2,447	2,000
ECSC	35	33	15,545	13,540

Although pithead stocks fell by a quarter in the Netherlands, there was a continued increase in both West Germany and France. Despite the slight fall in production and a similar rise in imports from third countries, the Community found itself at the end of 1967 with a record amount of coal in pithead stocks (33 million tons - over 2 months supply). The position for stocks of coal and oven-coke at the end of 1967 was the following in the different countries in the Community: (in thousand tons).

TABLE VI

	W.Germany	Belgium	France	Italy	Netherlands	Community
Pithead stocks	24,300	3,100	13,980	330	1,220	31,920
Undistributed & Imports	4,000	-	1,600	-	-	5,600
Total	28,300	3,100	15,580	330	1,220	48,530

Coal imports from these countries fell slightly in 1967 compared with the previous year and achieved a quarterly average of 6.6162 million tons compared with the quarterly average of 6.491 million tons in 1966.

TABLE VII

	Quarterly average of ECSC coal imports in 1,000 tons	
	1967	1966
West Germany	1,777	1,703
Belgium	462	526
France	1,265	1,142
Italy	2,242	2,495
Luxembourg	-	-
Netherlands	416	625
ECSC	6,162	6,491

Adjusting French Steel Prices

The French steel group USINOR -Union Siderurgique du Nord de la France has just tabled with the Commission a list of new prices, with the aim of aligning published prices with those actually in force on the French market. During the past months, French market prices have been mainly based on the prices of supplies available in other Community countries, especially Belgium, rather than on the price-lists issued by French steel works. The transparency of the market, the very basis of the competition in the steel common market has taken a blow, and it is with the aim of revitalising the French market that Usinor - likely to be followed in the near future by the other French steel companies - has recently introduced "temporary rebates" into its barometer prices. This method has been used by the four West German steel sales cartels since last March.

The new price-lists do not, however, include any change in basic prices, or result in any change in the price paid by the buyer. They simply eliminate alignments and the new barometer prices will become guidelines for the French market.

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Trade with Eastern Europe

The representatives of the member states meeting within the ECSC Council have decided to extend for a year the quantitative limitation placed on steel imports from State-trading countries, a limitation in effect since 1963 when low-priced imports from the latter countries played a large part in the deterioration of the steel common market. In practice this means that imports will be more strictly controlled, since the member states have agreed that the quotas contained in their commercial agreements with the countries in question will be treated as a maximum figure.

The Commission has also extended for a year, the ban on sales aligned on supplies from Eastern Europe. This ban is complementary to the deliberalisation of imports since a low-price for small quantities of supplies can, through the effects of allignment, have considerable repercussions on the level of prices within the Community. Before making known its decision the Commission discussed the matter with the Consultative Committee and the Council of Ministers. During the same meeting a Belgian coal producer, M. Peeters, also asked for a ban to be imposed on aligning coal prices on the prices asked by the countries of Eastern Europe.

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VIEWPOINT

AMERICAN OIL COMPANIES IN EUROPEAN PETROLEUM EXPLORATION

by Grant Heatzig, Vice-President
Harry Wassall and Associates, Geneva

Part II

Legal Situation

In 1958, a UN sponsored Conference on the Law of the Sea was held in Geneva. The part dealing with continental shelf was of particular importance as it offered a logical solution of the boundary questions in the North Sea. The Geneva agreement says that a country controls the bottom wealth of its shelf out to 200 m or to the depth to which it can economically exploit the bottom resources. Where two countries are separated by a body of water less than 200 m deep, such as the North Sea, their common border should be a line equidistant from each country.

Denmark, Britain and the Netherlands ratified this agreement which came into effect in the spring of 1964, and this principle has been used in the North Sea. Because of the shape of Germany's coast line, the equidistant principle gives Germany only a small portion of the shelf. Germany claims special circumstances dictate that it should have a larger share: it has been a pioneer in the North Sea, it has a long coast line and it has a heavily populated area adjacent to the coast. Germany has therefore submitted its claim for a larger share to the International Court in the Hague.

As a result of oil company interest in the North Sea, the first moves on the parts of the governments of the bordering countries were to issue decrees declaring sovereignty over their part of the North Sea. Norway was the first, issuing its proclamation in May of 1963.

Subsequently, all the borders in the North Sea with the exception of the German/Dutch and German/Danish have been agreed upon and ratified by the respective countries.

Prior to awarding exploration and production rights in the North Sea, the various countries had to settle the question of offshore oil legislation. In the case of Norway, Britain and the Netherlands, special offshore legislation was enacted. The Danish government simply wrote up a contract with the concessionaire. On the German shelf, companies operate under an interim law based upon onshore regulations, pending the passage of special legislation.

The British, Norwegians and Dutch divided up their respective parts of the North Sea into blocks bounded by parallels and meridians, while the Germans first awarded the whole shelf and then leased the various blocks released by the first concessionaire.

In the North Sea, there are generally two kinds of licences: non-exclusive allowing reconnaissance work, but not drilling; and exclusive rights permitting drilling for and production of petroleum.. In the cases of Britain, Norway and the Netherlands, the oil laws call for reductions in the exclusive rights held and increasing rentals based upon size of blocks. The Dutch government has set the stiffest terms and has a right to take a working interest in the development of any gas field found.

Leasing History

The first country to make an exclusive North Sea award was Denmark which signed over its entire shelf of some 60,000 sq km to a mixed Danish/European/American group in October 1963. In September of 1964, the UK awarded some 80,000 sq km to 23 operating groups, and in late 1965, an additional 27,000 sq km was awarded, primarily to the companies already active there. Also in the fall of 1964, the German government awarded the entire shelf of some 21,500 sq km to a group of German and foreign companies. A part of this was subsequently released and awarded to other companies. In August 1965, the Norwegian government awarded 42,000 sq km to 9 operating groups. The Dutch have not yet awarded rights: bidding closes on the 16th of November and awards should be made early in 1968. Several years were spent by the Dutch on hammering out an oil law acceptable to both the government and the oil companies.

Until now, no companies are known to be interested in the Belgian or the French parts of the North Sea as prospects there are considered poor.

The Companies Active in the North Sea

The North Sea is unique in the diversity of companies with exploration holdings there, and a full 17.6% of the area under licence is held by European companies not generally in the oil exploration business. These companies for the most part are financial partners of experienced exploration companies which carry out the operations. In areas such as Libya, Venezuela or the Middle East, oil companies directly hold essentially 100% of operations (excluding the host government's share). The teaming up of foreign exploration companies with national companies both public and state, offers substantial advantages to both. The host country partners provide capital so that the risk is spread over a greater area and in many cases they have ready markets in the event that oil or gas is found. Also they make the presence of a foreign company more palatable to the host country, and thus help a foreign company to obtain concessions. The oil companies offer the domestic companies which lack the capital and experience needed to operate along a chance to share in the development of the host country's possible petroleum resources.

One of the most successful companies in the North Sea from this point of view is Standard Oil of Indiana (Amoco). This company works in partnership with the Government Gas Council in the UK, with twenty of Norway's leading industrials on the Norwegian shelf and will problably bid jointly with a Dutch marketer in the Netherlands. In Germany, Amoco was able to get into the group of 10 German companies which formed a consortium for operations.

European companies which have taken shares in the North Sea include mining, chemical, refining and marketing companies as well as various other industries. While all are looking for a good return on their investments, the coal companies are trying to assure their future as suppliers of energy, while for refiners and marketers, the move is one of vertical expansion. In the case of Denmark, A.P. Møller is understood to have initially taken his concession as the government did not want to award it to a certain foreign company. The British Government (through BP, the Gas Council and the National Coal Board), the Italian Government (through AGIP) and the German Government (through interests in several German companies) all have direct stakes in the North Sea.

Another trend has been for even the larger companies to operate in groups to spread the risk, and only a few have chosen to operate alone.

A short study of the companies active in the North Sea shows that American oil companies control 49.4% of the acreage. European oil companies control about 30%, other European companies hold some 17.6% and Canadian companies hold 3%. (The Canadian interest is primarily on the UK shelf as one of the criteria when bids were called for was treatment of British investments in the bidding Company's home country).

The graph at the end of this paper shows the approximate holdings of the various kinds of companies on the different part of the shelf, and appendix I gives some information on the various groups active in the North Sea.

Results to Date and Outlook

When large scale operations were getting under way in 1965, the North Sea oil and gas play was called the "Half billion dollar gamble". Costs of offshore operations are high - an offshore drilling rig can cost up to \$ 9 million and as much as \$ 20,000 per day to operate and wells can cost \$ 2 million each. Offshore operations call for an intricate network of supply and logistics with large shore bases. From bread to drilling bits - it all has to be moved out to the rig and supply boats and helicopters criss-cross the North Sea in all but the foulest weather.

The question is, has the gamble paid off?

Reserves found on the British shelf to date are in the range of 30 million cubic feet. At the very low price of 25 US cents/thousands cubic feet, the gas is worth some 7.5 billion dollars. No matter what discount factor is applied, the gas found is worth more than the amount invested in exploration. However, like roulette, not all of the players are winners!

There are currently four North Sea gas fields under development. Three other gas discoveries and one oil discovery have not yet been evaluated and are not included in the estimate of 30 trillion CF. It is estimated that the American companies own approximately one half of the gas reserves found to date.

Drilling continues on the British shelf, with work under way on the Northern part of the shelf where oil prospects are better than gas prospects. One well on the Danish shelf appears to have made an oil and gas discovery, and although no wells have been found productive on the Norwegian shelf, some have had at least minor indications of oil. The Dutch shelf is considered by many to have great promise for both oil and gas, and drilling should get under way there some time next spring. The German shelf has provided disappointment to date, and only minor drilling can be expected there in the near future.

The overall outlook is for more drilling activity in the next few years. The odds that those fields discovered to date are the only ones in the North Sea are slight, indeed: it is safe to say that developments in the North Sea will continue to make headlines and that the natural riches of this area will play an important role in Europe's future for many years to come.....

APPENDIX I

Information on Character of Companies in the North Sea

A) Companies working with non-oil company partners

Exploration Companies	Non-Oil Partner and Interest in the Venture		
DENMARK			
Gulf/Shell/Texaco/ Socal	A.P. Moller (shipping)		25%
GERMANY			
BP	Ruhrgas		33.3%
	Scholven Chemie AG		33.3%
Atlantic Richfield/ Sun Oil/Superior	Union Rheinische Braunkohlen		25%
NORWAY			
Amoco/Amerada/Texas Eastern Transmission	Norwegian Oil Consortium (20 of Norway's leading companies in all phases of business)		15%
Petronord (Group of French oil cos)	Norsk Hydro	ab.	10%
Syracuse Oils Ltd (Canadian)	Norsk Credit Bank) Olfjell Shipping)		51%
UNITED KINGDOM			
Allied Chemical	National Coal Board (Br. Gov't)	option for	40%
Amax Petroleum	Selection Trust Co		33.3%
Amoco/Amerada/ Texas Eastern	The Gas Council (Br. Gov't)	30.8 to	50%
Burmah/Murphy Oil	ICI		40%
	Axel Johnson (Swedish)		5%
Continental Oil	National Coal Board		40%
Hamilton Bros	Rio Tinto Mines		?
	Blackfriars (UK)		?
	Trans-European (UK)		?

Cont'd...

Exploration Companies	Non-Oil Partner and Interest in the Venture	
UNITED KINGDOM (cont'd)		
Phillips/Agip/Petrofina	Br. Syndicate (Tarmac, Ionian Bank, Halkyn Dist.Mines, Kleinwort Benson, Century Power & Light	20%
Gulf	National Coal Board	40% in some acreage
Place Gas and Oil	Noranda Mines (Canada)	27%
	Kerr Addison Mines (Canada)	18%

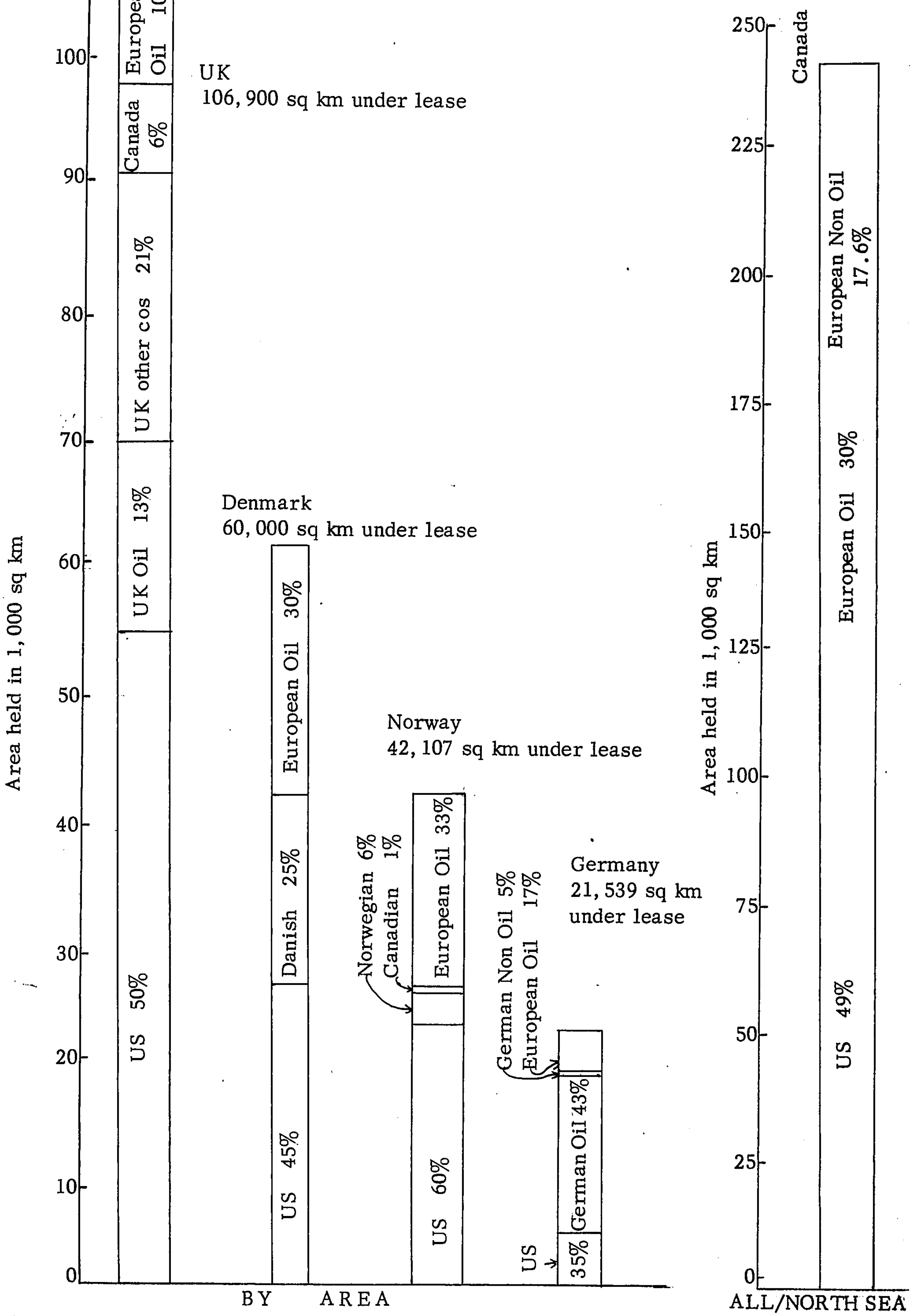
B) Groups of oil companies active

Group	Areas of Activity
Shell/Esso	UK, Germany, Netherlands
Socal/Texaco (Caltex parents)	UK, Norway, Netherlands
Home Oil/Canadian Pacific/ Alminex	UK (Canadian companies)
Signal/Atlantic Richfield	
Marathon/Cities Service	

C) Companies working alone

BP	UK
Shell	Norway
Esso	Norway
Gulf	Norway
Gulf	UK (in some areas)
Mobil	UK
Hunt Oil	UK
Trinidad Canadian	UK (very small acreage)
Monsanto	UK " " "

INTEREST OF VARIOUS KINDS OF COMPANIES IN NORTH SEA CONCESSIONS



CONTENTS

ADVERTISING

** The London subsidiary of ILFORD LTD, Ilford, Essex (see No 238), itself a member of ICI, the postal advertising firm ABBEY GOODMAN DISPLAY LTD (formerly Leon Goodman Displays Ltd - see No 364), has linked on an equal basis with Dutch interests represented by M. Korthalas Altes to form ABBEY DISPLAY (EUROPA) NV, Arnhem (capital Fl 10,000), under Messrs H. Cooper, L. Poole and Mlle E. Zielin. It will carry out all types of advertising operations.

Abbey Goodman already has numerous Common Market interests including Leon Goodman Displays of France Sarl (formerly Leon Goodman & Nelkene), whose manager is M. Nelkene, also director of Richard Nelkene Advertising; Leon Goodman Displays of Italy Srl, and Goodman-Perfecta SA, Brussels, in association with Ets Perfecta SA, Brussels.

** The Amsterdam agency INTERMARCO NV (see No 388) has changed the names of its main Benelux and French subsidiaries and associates: 1) PUBLICEM-Publicite Etudes de Marches SA, Brussels, has become Intermarco-Publicem SA, and had its terms of reference increased in scope (director J. de Jonghe); 2) NV ALGEMEEN ADVERTENTIE BUREAU A. DE LA MAR, Amsterdam, has been renamed INTERMARCO-De La Mar NV, whilst ELVINGER SA, Neuilly-sur-Seine, is now called Intermarco-Elvinger SA.

In 1962 a crossed shareholding and co-operation pact was made between the Dutch and French agencies, with Intermarco (De la Mar group subsidiary) on the one side, and Publicem and Elvinger on the other. There are Intermarco subsidiaries in Milan, Hamburg, Madrid, Copenhagen and Stockholm.

AEROSPACE

** The 10% share taken by companies from the Benelux countries in the recently formed SETIS-Cie Europeenne Pour l'Integration des Systemes Spatiaux SA, Courbevoie, Hauts-de-Seine (see No 439), is split as follows: 1) for Belgium, a total of 6% shared equally between Bell Telephone Manufacturing Co SA, Antwerp (a member of the ITT-International Telephone & Telegraph Co); M.B.L.E.-Manufacture Belge de Lampes et de Materiels Electroniques SA, Brussels (a member of the Dutch Philips group), and A.C.E.C.-ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA (part of the Empain group); 2) the 4% held by Dutch companies is shared between Philips (3.2%) and Fokker (0.8%).

SETIS has been put in charge of the technical management side of the ELDO-European Launcher Development Organisation satellite communications programme.

** The Dutch FOKKER company of Amsterdam (see No 439), which is affiliated to the NORTHROP CORP, Beverly Hills, California (see No 432), is to take over one of its sub-contractors, MIJ. VOOR VLIEGTUIBOUW AVIOLANDA NV, Papendrecht. A director of the latter company, Mr. H. A. Burgerhout, will join the board of Fokker.

Aviolanda has factories at Papendrecht and Woensdrecht, and employs some 1,200 people. With a capital of Fl 3 million, it makes aircraft equipment and has an important aircraft maintenance and repair business. It also controls two other companies, NV Aviobridge, Papendrecht (Fl 3 million), which makes passenger steps and gangways, and Nederlandse Helicopter Industrie NV (inactive).

AUTOMOBILES

** The Dutch state company NEDERLANDSE STAATSMIJNEN NV, Heerlen (see No 433), has paid Bf 35 million for a direct 25% interest in the Belgian VAN DOORNE'S AUTOMOBIELFABRIEK NV, Aartselaar, Antwerp (capital just raised to Bf 10 million).

The latter is wholly-owned by the Dutch Van Doorne family, which controls the car manufacturer Van Doorne's Automobielfabrieken D.A.F. NV, Eindhoven (see No 440), in which Nederlandse Staatsmijnen has also held a 25% interest since 1965 (see No 382). There is another indirect subsidiary in Belgium, D.A.F. NV, Oevel, which employs 400 people in building lorry cabs.

** The Italian manufacturer OFFICINE ALFIERI MASERATI SpA, Bologna and Modena (see No 330), which is headed by Sigs. Aldofo Orsi and G. Alfieri, has developed two large cylinder engines for the French SA ANDRE CITROEN group (see No 432), and it is negotiating a technical agreement with the latter under which it would supply engines. If this comes about, Citroen is likely to acquire a shareholding in Maserati with the aim of backing expansion.

Maserati has just broken off the agreement signed in late 1965 with Cooper Car Co Ltd, Weybridge, Surrey, to manufacture the "Cooper-Maserati", with a 3,000 cc 12 cylinder engine, which took part in the 1966 "Formula I" world championships.

Citroen is controlled by the MICHELIN rubber group of Clermont-Ferrand (see No 433), and its capital was raised recently to Ff 368.09 million, following its acquisition of an 85% controlling interest in the French commercial vehicle manufacturer Automobiles M. Berliet SA (see No 420). It is also linked with the German NSU-Motorenwerke AG, Neckarsulm (see No 424), through an agreement signed in May 1967 (see No 408), in a Luxembourg subsidiary called Comotor SA, set up to make and market rotary piston engines. In 1965 the two companies set up a study group called Comobil SA, Geneva (see No 299).

BUILDING & CIVIL ENGINEERING

** The Dutch manufacturer of ceramic finishes and tiles NV KONINKLIJKE SPHINX-CERAMIQUE v/h PERTRUS REGOUT, Maastricht, has signed a manufacturing agreement with the British firm SHEEPBRIDGE ENGINEERING LTD, Chesterfield, Derbyshire. As a result a subsidiary, SHEEPBRIDGE EQUIPMENT LTD, will manufacture and market on an exclusive basis in most foreign countries a special finishing treatment for ceramic surfaces.

Sphinx-Ceramique controls Aardewerkfabriek de Toekomst NV, Oosterhout, and Keramische Industrie NV, Maastricht, which has a shareholding in Filtropa NV, Maastricht. It also has interests in the Greek, Royal-Sphinx-Hellas SA, Kalamaki, and links (through a number of common shareholders) with Porselein & Tegelfabriek Mosa NV, Maastricht (see No 436), which controls Alfread Regout & Co's Vloertegelfabriek NV (see No 290).

** An agreement to associate has been negotiated between the American and British groups NATIONAL GYPSUM, Buffalo, New York (see No 431), and CLARK & FENN (HOLDINGS) LTD, London (see No 366), on one side and the Rome group STA GENERALE IMMOBILIARE-S.G.I. SpA (see No 416) on the other with a view to setting up a factory on the Adriatic coast to manufacture prefabricated plaster boards for buildings. As a result of the negotiations, a new company will be created in which the Italian partner will be the majority shareholder and which will be based at Vasto.

National Gypsum and Clark & Fenn (Holdings) already have a tie-up in France (the British firm through its subsidiary, Gold Bond, Zug) with Ste Francaise des Plaques de Platre SA, the Carpentras manufacturer of plaster board and "Pregypan" products (see No 341), which has a 75% controlling interest in the Ciments Lafarge SA group of Paris (directly and through Ste Financiere & Industrielle de Materiaux SA - see No 366).

** The Pittsburg KOPPERS CO (see No 370) has made its first French investment by linking on an equal basis with a group headed by SA DE REALISATIONS DE LOGEMENTS-SAREAL, Rueil-Malmaison, and STE DE BANQUE & DE CREDIT SA, Paris (which is linked to the Prenatal SA group through common shareholders).

A new company has been formed called SAFAICO-SA FRANCO-AMERICAINE D'INDUSTRIALISATION DE LA CONSTRUCTION SA, Rueil (capital Ff 2.25 million). This will make industrialised dwellings and prefabricated sections for the building industry; the president is M. J. C. Dussaux, who occupies the same post in the Sareal group. Other companies included in this are SERCOSI-Ste d'Etudes & de Realisations de Constructions Industrialisees (school and university buildings) and E.G.C.E.I.-Les Etudes de Genie Civil & d'Equipement Industriel SA.

CHEMICALS

** CHEMISCHE INDUSTRIE AKU-GOODRICH NV, Arnhem, joint subsidiary for synthetic rubber and chemicals for the tyre industry (51-49) of B. F. GOODRICH CO, Akron, Ohio (see No 433), and A.K.U.-ALLGEMENE KUNSTZIJDE UNIE NV, Arnhem (see No 436), has formed a sales subsidiary for Austria called Chemische Industrie AKU-Goodrich GmbH, Vienna. This has Sch 300,000 capital, and its manager is Mr. August Muller of Arnhem.

STE INDUSTRIELLE DE MATIERES ORGANIQUES - SIMO SA, Marseilles, subsidiary of the Aubervilliers group STE DES PRODUITS ORGANIQUES - SOPRORGA SA (see No 434) has absorbed ANC ETS PIERRE SURLES SA, L'Estaque-Riaux, Bouches-du-Rhone, and raised its capital to Ff 1.12 million.

Surles (capital Ff 900,000), with a manufacturing branch in Menton, Alpes Martimes, has net assets of Ff 2.3 million, and specialises in fat refining and the collection and processing of suet. Soprorga, which is a joint Rousselot/Ugine Kuhlmann subsidiary, took it over in 1965, but is soon itself to be placed under a new company called Rousselot Kuhlmann SA, in which Rousselot will hold a 60% interest (it is affiliated with Produits Chimiques Pechiney-Saint-Gobain).

** The Paris company CEGECOL-STE CHIMIQUE GLAUBERT SA has enlarged its Italian sales network by opening a Milan branch, under Signor C. Mogino, to its Rome subsidiary ITALGLAUBERT SpA, Mason Vicentino, Vicenza (see No 403). This was formed late in 1966 with an authorised capital of Lire 50 million to make and market "Carrofix" glues in Italy.

The French parent concern makes synthetic resins, and anti-corrosion products and glues for use with surfacing materials.

** The Dutch group KONINKLIJKE ZOUT-ORGANON NV, Deventer (see No 433) has now become the leading European producer of plastics stabilisers as the result of two moves carried out in Britain and West Germany.

1) It has completed negotiations to acquire control of CHEMISCHE FABRIK HOESCH KG., Düren (see No 361) - unconnected with the Dortmund HOESCH AG HUETTENWERK (see No 435). This will become HOESCH CHEMIE DUREN after merging with its subsidiary Chemische Fabrik Düren GmbH, Düren, and it has a 50% share in Silikat-Chemie GmbH, Düren - in association with the Dutch firm Zeepfabriek Hustinx NV, Maastricht (see No 350). It is also linked 50/50 with the British firm PURE CHEMICALS LTD., Kirkby, Liverpool, in Interstab-Chemie & Co KG, Düren.

2) The Dutch group is also about to acquire complete control of the Liverpool firm, until now controlled by the London based group Rio Tinto-Zinc Corp.

The Deventer group was formed by the 1967 merger of Koninklijke Zwanenberg Organon NV, Oss and Koninklijke Zout-Ketjen NV, Hengelo, and has a turnover of around Fl 2,000 million with a payroll of some 22,000.

** The Hamburg concern AGERO GES. FUR ROHSTOFFHANDEL GmbH has gone into association with Dutch interests headed by Mr. B.L. Blijdenstein (Huizen) in order to set up a new company at Amsterdam called E.H. WORLEE & CO. (capital Fl 100,000). Under the direction of Messrs. Blijdenstein and Erich von Eben-Worlee, the firm will be concerned with the export, import and transport of primary industrial product products, resins, chemical products, etc.

The same German interests, this time headed by another Hamburg concern (with a branch at Frankfurt), E.H. Worlee & Co. (see No 401) have gone into association with the Norwegian concern, Norsk Spraengstoffindustria A/S (Oslo) in order to set up at Hamburg, a company for the manufacture of primary chemical products for the plastics industry, Spiro Kunstharzproduktion GmbH.

ELECTRICAL ENGINEERING

** The automatic regulation equipment firm COMSIP AUTOMATION SA, Montesson, Yvelines (see No 393 - a member of the Paris group Lebon & Cie Sca - see No 437), has linked on an equal basis with the Scottish company JAMES KILPATRICK & SON LTD, Paisley (a member of the London Power Securities Corp Ltd - see No 284), to form a subsidiary called COMSIP-KILPATRICK LTD (capital £1,000). This is headed by Messrs. G. L. Bauzenet, J. Hautier, J. D. D. Shaw, R. W. B. Grant and J. H. Melvor, and it will market electrical industrial equipment.

The French firm has been represented in London since 1966 (see No 362).

** The American electric and measuring equipment concern THERMO-ELECTRIC CO, Saddle Brook, New Jersey, has formed a wholly-owned sales and manufacturing subsidiary in the Netherlands, THERMO-ELECTRIC INTERNATIONAL NV, The Hague (authorised capital Fl 500: director Mr. Gerrit de Graaf).

In France the parent company has a general agent, Aerel-Aeromaritime Electronique SA, Paris, selling its temperature measurement heads, temperature regulators, infra-red optical pyrometers, connecters, rectifier wires, etc. There is another agency for its measuring equipment for cellulose baking plant, Columbian Carbon International (France) SA, Paris.

** After three months of negotiations, THE GILLETTE CO, Boston, Massachusetts, has secured an 85% controlling interest in the Frankfurt electrical equipment group BRAUN AG from the Braun family (see No 432). In the 1966-67 financial year, Braun's turnover was Dm 276 million (consolidated), and around the world it employs some 6,000 people. This is an international company, having many foreign subsidiaries, all carrying its name, and controlled by a Swiss holding company called Braun Electric International SA, Baden: centres are Paris, Milan, The Hague, Copenhagen, Gothenburg, Helsinki, Barcelona (2), Vienna, Baden, Toledo (Ohio), Toronto and Yokohama.

This move brings several new items into the range offered by the American group, which sold over 6,000 million razor blades in 1966, and which includes beauty preparations and toiletries, ballpoint pens and clinical equipment. Such categories as electric shavers, cameras and photographic equipment, record players and domestic appliances have now been added. Gillette already has some thirty foreign subsidiaries, which in West Germany include Gillette Roth-Büchner GmbH, Berlin (in its turn controlling Lehrter Getriebebau GmbH).

** The finance companies RANISCO FINANCIAL CORP SA, Geneva, and SOLUPAR-STE LUXEMBOURGEOISE DE PARTICIPATIONS SA, Luxembourg, have formed a French company called TETRAN Sarl, Levallois, Hauts-de-Seine (capital Ff 20,000), with interests of 90% and 10% respectively. The new company has M. A. Casini as manager, and is for the distribution of radio and television sets.

** The regrouping of the French sales side of the Belgian electrical appliances company MAGEC SA, Forest-Bruxelles (see No 435), has come into effect; OCEL-OFFICE CENTRAL ELECTRIQUE SA, Paris, under the presidency of M. Fernand Jonathan, has now become Magec SA (capital Ff 7 million) and has absorbed seven firms: SAPEN-Ste Nouvelle pour les Applications de l'Energie SA, Paris (branches in Valenciennes, Cambrai, Lille, Mauberge and Bruay-sur-Escaut), ELCO Menager SA, Clichy, Hauts-de-Seine (branches at Aubervilliers, Clichy and Levallois), SAVAC SA, Paris, Sapenor SA, Roubaix (agencies at Lille, Tourcoing and Flers-lez-Lille), Sopexem SA, Marseilles, Auber Froid Menager Sarl, Aubervilliers, Seine-St-Denis, and Villeneuve Froid Menager Sarl, Villeneuve-St-Georges, Val-de-Marne.

The Belgian company has a payroll of 400 and a capital of Bf 125 million; it is a member of the Imperial Continental Gas Association Ltd of London, directly and indirectly through its subsidiary Contibel SA, Ixelles, the majority shareholder.

** The Columbus, Ohio, group RANCO INC (control equipment, relays and valves for refrigeration, heating and air conditioning - see No 413), has made its Italian subsidiary, RANCO CONTROLS SpA, Milan, responsible for its sales interests in France. The Milan company has therefore opened a branch at Versailles, Yvelines, under M. C. N. Nayter.

The Italian company (capital Lire 800 million) produces control equipment at Lomazzo, and rotors, stators and parts for small motors at Casletto and Olgiate Comasco. It was formed by the merger in 1967 of two Italian subsidiaries of the American group: Ranco Italiana SpA, Casletto, and Ranco Controls SpA (capital at that time Lire 500 million).

** The subsidiary of AMERICAN MOTORS specialising in refrigeration goods, KELVINATOR INTERNATIONAL CORP, Detroit (see No 429), is continuing the reorganisation of its French sales interests and has backed the formation of KELVINATOR Sarl-STE DE DISTRIBUTION EN FRANCE, Aubervilliers, Seine-St-Denis. With a capital of Ff 50,000, the new company has Signor C. Zarmati as president and it is directly controlled by the Italian subsidiary KELVINATOR ITALIANA SpA, Cernusco Sul Navigo, Milan.

The latter has a capital of Lire 1,000 million and is run by Signor P. Rossi. It has recently been made responsible for supplying the French market by its parent company, following the winding-up of Kelvinator France SA, Paris (capital Ff 6.84 million). This was formed in 1961 with M. R. Sirot as president, as the result of the decision to terminate the manufacturing and sales agreement (signed in 1933) between Kelvinator and Markt & Co (Paris) Ltd, Chatou, Yvelines.

** ELETTROCAVI ITALIANA SpA, Cernusco sul Naviglio (electric and telephone cables), has formed a Swiss holding company called FINANCIAL CABLE CO SA, Roveredo (capital Sf 50,000), with Sig. Antonio Trentini of Milan as director. The Italian company, formed in 1956, absorbed Adolfo Pasta SpA, Milan, in October 1966.

ELECTRONICS

** The SIMPLEX WIRE & CABLE CO., Cambridge, Massachusetts has linked on a 60/40 basis with the Paris company C.I.T. - Cie Industrielle de Telecommunications SA (see No 389) to form a new subsidiary CABLE COMMUNICATION SYSTEMS INC in the United States. This will develop and manufacture such systems.

C.I.T., which is run by M. Andre Jacoupy, is one of the main subsidiaries of the leading French electrical and electronics group C.G.E. - Cie Generale d'Electricite SA, Paris. It employs some 7,000 persons with a turnover of around Ff 420 million from its two main departments, "Transmission" with six factories, and "Commutation" with four factories. The first makes tele- and radiocommunication and associated equipment, whilst the second makes telephone and telex equipment.

** The American ELECTRONIC SPACE STRUCTURES CORP., West Concord, Massachusetts, has formed a wholly-owned Belgian subsidiary called Electronic Space Structures International SA, Etterbeek, Brussels, with Mr. Rex I. Cowley as president.

The new company has BF 2.5 million capital, and is to make and sell products used in telecommunications and electronics in industry: radar and land-based, marine, air and space antennae, radomes, gantries, motors, and electric and electronic equipment.

** FIELD EMISSION CORP. McMinnville, Oregon, (scientific, industrial and medical applications of X-ray techniques), has formed a Dm 20,000 subsidiary in Munich, FIELD EMISSION GmbH, with Mr. Eric Protiva as manager.

The parent company is represented in France by Relations Techniques Internationales SA, Paris (see No 409) and in Britain by Livingston Laboratories Ltd., Watford, Herts (see No 421).

** Four major West German firms have linked for R & D on military avionics, forming a joint subsidiary called ESG - ELEKTRONIK SYSTEME GmbH in Munich (capital Dm 400,000) to implement the agreement. The four are: SIEMENS AG, Berlin (see No 437); ALLGEMEINE ELEKTRIZITAETS-GESELLSCHAFT AEG-TELEFUNKEN, Berlin and Frankfurt (see No 438); ROHDE & SCHWARZ KG, Munich (see No 427) and STANDARD ELEKTRIK LORENZ AG, Stuttgart (see No 426) - member of the New York I.T.T. group). Herr Fleiz Böttcher of Siemens is manager, and Hans-J Bardehle of Rohde & Schwarz is technical director.

** U.G.C. INSTRUMENTS INC. Schreveport, Louisiana and Houston, Texas, which is reorganising in France (where its 80% subsidiary is Benson France Sarl, Fontenay-sous-Bois), has formed a subsidiary called UGC Instruments France SA, Clichy (capital Ff 400,000), 75/25 with TRANCHANT ELECTRONIQUE SA, Clichy, Hauts-de-Seine (see No 433).

The new company (25% of capital paid up) will make and sell equipment for print-out and digital indicator improvement. Its president will be M. George F. Tranchant, who holds the same position in the French company. U.G.C. Instruments specialises in data processing instrumentation, and is a member of the Detroit group Pennzoil Co.

ENGINEERING & METAL

** The American-Belgian firm ALLEGHENY-LONGDOZ SA, Brussels (capital Bf 500 million) intends to boost its sales of special steels in Britain through a new affiliate set up in Sheffield.

The Brussels company formed in 1961 operates a stainless steel sheet and strip mill at Ghenk. Control is shared 50/50 between Allegheny Ludlum Steel Corp., Pittsburgh (through its Geneva subsidiary Allegheny Ludlum International SA) and the Belgian Evence Coppee group (represented by Evence Coppee & Cie Sca, Brussels, Cie de Development Industriel SA, Liege (see No 439) whose British representative is Bint & Co. Ltd., London.

** The American Company SPEEDLAP CORP. Skokie, Illinois, has formed a Paris subsidiary called PROCEDES SPEEDFAM SA, to sell grinding machinery made by its subsidiary SPEEDFAM CORP. With Mr. Carl G.O. Korn as president, their new company has a capital of Ff 100,000.

SPEEDLAP already has a number of European representatives and distributors: in West Germany Westdeutsche Werkzeugmaschinen GmbH, Düsseldorf-Holthausen; in Italy R. Meyer & Co., Turin, and in Britain Wickman Machine Tools (Overseas) Ltd., Coventry.

** THE BRITISH METAL CORP LTD., London (a member of the Amalgamated Metal Corp Ltd., group (see No 435) has taken a 40% interest - through its Milan subsidiary British Metal Corp Italia SpA - in the joint subsidiary formed by four Italian metallurgical firms (15% each) called METALLURGICA ITALO-BRITANNICA M.I.B. SpA, Brescia (president Signor Umberto Gnutti).

The other shareholders in the new firm (capital Lire 10 million) are ALMAG-Azienda Lavorazioni Metallurgische & Affini Gnutti SpA, Brescia (part of the S.A. Eredi Gnutti Metalli SpA group (see this issue), Industrie PASOTTI SpA., Sabbio Chiese, Brescia, Non-Ferrosi Dei FRATELLI SCOTTI Snc, Gardone Rivera and Ditta Becchetti Angel, BAJ Snc, Lumeszane, Brescia.

** The West German agricultural machinery manufacturer GEBR. CLAAS MASCHINENFABRIK GmbH, Harsewinkel, Gütersloh (see No 271) has acquired control of the Bielefeld foundry until now run by Herr Eduard Hessinger, RAVENSBERGER EISENHUETTE-REINSHAGEN-VOGT KG (1966 turnover Dm 10 million-250 employees).

Claas is a family concern and has a capital of Dm 100 million. Ranked as one of the world's leading combine-harvester producers, its consolidated turnover for 1965-1966 was Dm 410 million. The capital of its French manufacturing subsidiary Claas Sàrl, Saint-Remy-Wiippy, Moselle, was raised from Ff 8 to Ff 12 million in January 1967.

** The BANQUE DE PARIS & DES PAYS-BAS SA, Paris (see No 438), has supervised the merger, in the French plumbing sundries sector, of ETS SEGUIN, STE DES FONDERIES DE CUIVRE LYON, MACON & PARIS SA, Lyons, and SERGOT SA, Paris (see No 260). This will result in the new leading French plumbing group called SEGUIN-SERGOT-SERSEG SA, which will be directed by MM.. Amedee Seguin and Georges Mulard. This group will have a payroll of some 1,650, and its turnover should be of the order of Ff 100 million. One of the results of the move has been the termination of the marketing agreement that since 1964 has linked Sergot (which formed especially a division called Sergot-Babcock AG) with the Oberhausen company of DEUTSCHE BABCOCK & WILCOX DAMPFKESSEL-WERKE AG (affiliated to Babcock & Wilcox Ltd, London - see No 439).

Sergot operates two factories, making plumbing sundries and parts for the nuclear industry, at La Plaine-St-Denis, Seine-St-Denis, and Ruffec, Charente, the latter range covering some 10% of its activities. Seguin makes plumbing for industrial heating and the chemicals sector, and manometers at Lyons, and in its factory at Macon; other lines are standard parts for gas piping, laboratories and central heating.

** The Belgian INTERNATIONAL MACHINERY CORP SA, St-Niklaas-Waas (see No 436), which is a member of the Californian group FMC CORP, has signed an industrial and technical agreement with the British group SIMON ENGINEERING LTD, Stockport (see No 303). As a result it will make under licence from the "Simon-Hooper" division (headed by Mr. G. Ahlquist) of the subsidiary Henry Simon Ltd, Stockport, "Casemaker" machinery for corrugated cardboard panels and boxes.

** The American group ROBERTS CO, Sanford, North Carolina (see No 381), which has had to close its factory in Britain at Stockport, ROBERTS-ARUNDEL LTD, as a result of difficulties with the trades unions, intends now to boost development of its Italian - Roberts Italia SpA, Albano S. Alessandro, Bergamo (formed at Naples in 1961) - and Belgian - Roberts Europe SA, Bruges (formed in 1965) - subsidiaries. Both make equipment for the textiles industry.

** CABLERIE SAINT-MORITZ SA, Paris (capital Ff 300,000), has been formed to act as a central pivot for the link-up decided on three months ago between two steel cable firms, SAINT FRERES SA, Paris (factory at Saint-Ouen, Somme - see No 431), and TREFILERIE & CABLERIE JULIEN WURTH & CIE Sarl, Chatou, Yvelines (factory at Reichshoffen - see No 293). Under the agreement, both companies - which make around 500 tons a month - will concentrate production at Reichshoffen, raising the capacity of the latter to 650 tons per month or 13.5% of all French production.

The president of the new company is M. Ronald Saint, and the directors are MM. Roger Saint, Victor Moritz (representing SA Industrielle & Commerciale du Groupe Treca, Paris - see No 376) and Tom Moritz (representing Trefilerie & Cablerie Julien Wurth & Cie, a member of the "Treca" group).

** DEUTSCHE GROSSMITH PRODUCTS GmbH (capital Dm 20,000) set up in Frankfurt during 1965 to sell poultry equipment and products by the British firm GROSSMITH PRODUCTS LTD, Aylesbury, Buckinghamshire (see No 313), has been wound up.

** The close co-operation between OTTO DUERR ANLAGEN FUER OBERFLAECHEN-TECHNIK, Stuttgart-Euffenhausen, and TUNZINI SA, Paris, which was established in 1965 in the surface treatment sector, has been strengthened, with the latter acquiring an interest in the German company in return for the interests it has made over to it in HAGER & WEIDMANN AG, Bergisch Gladbach (74%), and TUNZINI KLIMATECHNIK GmbH, Bensberg-Refrath (35% with Hager & Weidmann controlling the remainder). After taking over these two companies, Otto Dürr will become a limited commercial partnership, and its capital of Dm 6 million will be shared between Tunzini (33.3%), Herr Otto Dürr and his sone Heinz Dürr. The links between the French and German companies have already resulted in the formation of joint subsidiaries along with the American firm De Vilbiss Co, Toledo, Ohio: Interfinish-De Vilbiss-Dürr-Tunzini SA, Paris (see No 335), and De Vilbiss-Dürr-Tunzini Ltd (see No 370).

The German company also has interests in Otto Dürr AG, Winterthur, Zurich, and Otto Dürr GmbH, Grisons, as well as in Brazil, where its subsidiary Dürr Do Brasil SA, Sao Paulo, has just acquired control of Soltreonic SA (see No 440). Tunzini is shortly to become Tunzini-Amelioralr SA (see No 431) and is also about to take over the water-treatment firm Prat-Daniel SA, Rueil-Malmaison, Hauts-de-Seine (see No 439).

** DEUTSCHE BABCOCK & WILCOX DAMPFKESSEL-WERKE AG, Oberhausen, Rhineland, has formed a civil engineering subsidiary based at its own head office. Called BABCOCK-BAU GmbH (capital Dm 3.5 million) and managed by Herr Karl-Heinz Seelback, this will be mainly involved in supplying "turnkey" factories.

The founder has just formed the Zurich Babcock Incineration AG (see No 439), and its own main shareholder is the London heavy engineering group Babcock & Wilcox Ltd.

** The German plastics processing plant manufacturer ZIMMER PLASTIC GmbH, Offenbach, Main, has come under the indirect control of the Swiss engineering concern GEORG FISCHER AG, Schaffhouse (see No 425). The latter has bought up the KIMBELL SA subsidiary that JOHN KIMBELL & CO LTD, Basingstoke, Hants (see No 366), formed in Zurich in 1965. This subsidiary (capital Sf 250,000) was for machine tools, representing machinery, etc., and in 1966 it gained control of the Offenbach company.

The Swiss group has almost 14,000 people on its payroll, and in 1966 had a consolidated turnover of Sf 433 million.

** Formed in 1962 to take over the business of MASCHINENFABRIK HILDEN GmbH, the Hilden manufacturer of hydraulic equipment ABEX GmbH has opened a Zurich branch under Herr Gerhard Kroeber.

The German company, which employs some 450 people, is a member of the New York Abex Corp (see No 422) - formerly American Brake Shoe - through the Geneva holding company Abex International SA, Le Grand Saconnex. It also has an interest in Hildener Aktienbaugesellschaft, Hilden, in a Wiesbaden subsidiary, Abex GmbH Aerohydraul, and in another in Austria, Abex GmbH, Linz.

** The West German chemical group FARBENFABRIKEN BAYER AG, Leverkusen (see No 435), has taken a majority controlling interest in the polyurethane moulding press manufacturer MASCHINENFABRIK KARL HENNECKE, Birlinghoven, Sieburg. This employs around 300 people, and since 1966 has had a French licensee, ETS LAROCHE FRERES SA, Paris.

** The Dutch engineering concern HERAS HEKWERK NV, Oifschot, Eindhoven, has formed its first foreign subsidiary, HERAS HEKWERK NV in Belgium. Based at Wijnegem, this has a capital of Bf 1 million, and will manufacture and market wire mesh and metal partitions.

The founder, which was formed in 1952, employs 140 people, and also makes sliding doors, plastic and galvanised car-ports.

** The Italian manufacturer of civil engineering and agricultural machinery GIOVANETTI MACCHINE SpA, Rome, has backed the formation of the Paris company FRANCITALCRAFT SA (capital Ff 500,000). This will manufacture, sell, repair and maintain all types of transport equipment, and control is shared on a 70% basis with its subsidiary Giovanetti Machines France SA, Draguignan, whilst the remainder is held by Navali Italcraft Snc, Rome (Sig. M. S. Sorizio is manager).

Headed by Sigs. Franco Torrezzi and L. Giovanetti, the Rome firm has factories at Pomezia, Turin and Draguignan.

** The Dutch company INTERNATIONAL GAS APPARATEN NV, The Hague (gas control equipment), has opened a British branch at Woking under Mr. A. J. Campbell.

Formerly American Meter-ITT (Nederland) NV (formed in May 1964 - see No 248), the Dutch company, whose factory is at Kaatsheuvel, has a capital of Fl 5 million, shared between the I.T.T. group (through International Standard Electric Corp - majority shareholder) and American Meter Co, Philadelphia (formerly Amercon Corp), a subsidiary of General Precision Equipment Corp, Tarryton, New Jersey (see No 417).

** The French interests of the British group JOSEPH LUCAS (INDUSTRIES) LTD, Birmingham (see No 429), have been strengthened with the acquisition of a new affiliate, GIRLING (MOSELLE) SA, Bouzonville, Moselle (see No 425). With Mr. K. S. F. Corley as president, this (capital Ff 1 million) is directly controlled by the Birmingham subsidiary GIRLING LTD, and is under the technical direction of the German subsidiary GIRLING BREMSEN GmbH, Koblenz-Wallersheim. The latter company planned the construction of the disc and drum brake factory, which will be operated by the new firm, and is built on a site acquired from S.A.F.E.-STE DES ACIERS FINS DE L'EST.

** The British bakery plant manufacturer GEORGE TWEEDY & CO LTD, Burnley, has formed a sales subsidiary in Hanover called Tweedy-Maschinen Handel GmbH (capital Dm 80,000), with Mr. Frank Townend of Sale, Cheshire, as manager.

** The American engineering consultancy concern HOLLINGSWORTH & WEELS, Greenville, South Carolina, has purchased shares in and made an association agreement with the German G. ANTON SEELEMANN SOEHNE KRATZENFABRIK GmbH, Oberhaugstett üb.Calw. Seelemann (carding brushes and saw teeth - sole owner until now Herr Hermann Knocke) employs about 100 people, for a turnover in 1966 of Dm 3 million.

** JULIEN & MEGE SA, Lyons and Decines (electric pumps and central heating boosters), has formed FRANCOTERMA ITALIANA SpA in Milan to make, service and sell heating plant and equipment. The new company is chaired by M. Rene C. J. Julien, president of the parent company, and its Lire 12 million capital is shared $\frac{1}{3}$-$\frac{2}{3}$ between Julien & Mege and another French company BLANC & CIE Snc, Montreuil-sous-Bois.

Julien & Mege (capital Ff 7 million) produces "Submat" water boosters and pumps, "GEA" warm air ducting, "Calory" accelerators, "GEKO" connections, "Flamco" fixtures and mountings, etc.

** The indirect Italian sales interests of the French group PECHINEY SA (see No 439) have been strengthened with the opening of a Milan branch (run by M. Pierre Tardieux) of STE DE TRAITEMENT DES METAUX & ALLIAGES-SATMA SA, Froges, Isere.

This specialises in "Bandoxal" treatment of metals and alloys used in the manufacture of condensers, and is a former subsidiary of Ets Coquillard SA, Froges (see No 429), which was taken over in 1967 by a subsidiary of Pechiney, Scal GP SA (see No 408).

** The Lyons metallurgical ETS BROSSETTE & FILS, F. BROSSETTE & CIE Sca (see No 392) has strengthened its West German interests by giving its Stuttgart subsidiary a branch in Munich under Herr Wolfram Kieffer. There is also a Düsseldorf subsidiary, Brossette GmbH (capital Dm 8 million - see No 356), which was formed in 1966 in association with MEHAKO-Metall-Halbzeug-Kontor GmbH, Düsseldorf.

The French company, which is a 10% affiliate of the holding company CEGEDUR-Cie Generale du Duralumin & du Cuivre SA, Paris (see No 429), also controls the Milan firm BROSSETTE RANZA SpA (formerly Soc. Commerciale Prodotti per l'Industria & l'Edilizia), which opened a branch in Vinci, Florence, during October 1967.

** The Italian manufacturer of "Everest" typewriters and calculating machines SERIO-OFFICINE MECANNICHE DI PRECISIONE SpA, Milan and Crema, has strengthened the financial position of its Paris sales subsidiary SEVEREST-STE DE VENTE DE MACHINES & D'EQUIPEMENT DE BUREAU SA. The latter's capital has been raised to Ff 500,400 to compensate for a debt owed by COMAZ SpA, Rome.

** . CAMUT SpA, Regino Margherita, Turin (world reputation for flat grinding machines - see No 297), has made an agreement with the British WICKMAN MACHINE TOOL LTD, Coventry, whereby its subsidiary, Wickman Machine Tool Sales Ltd, will become its exclusive agent in Britain and Ireland for its "CC" machines.

Camut has a general agent in Italy, R. F. Celada Sas, Milan, and several distributors and representatives abroad: Stockvis & Fils SA, Paris; Brumeca SA, St-Michel-les-Bruges, Belgium, etc. Wickman Machine Tool, whose Italian agent is Cie Generale Macchine Utensili SpA, Milan (see No 392), is a member of the Sheffield group, John Brown & Co Ltd (see No 402).

** The Richmond, Indiana, holiday caravans concern DIVCO-WAYNE CORP (see No 393) has formed a subsidiary at Büderich, Düsseldorf, called Divco-Wayne Deutschland GmbH, with Dm 20,000 capital and Herr Hermann Kock of Büderich as manager.

The American group ($109 million turnover in 1966) already controls the following European companies: Samifca-Ste d'Applications des Methodes Industrielles a la Fabrication des Caravanes SA, Paris; Kip Kampeerwagens NV, Hoogoven, the Netherlands; Nene Valley Mobile Homes Ltd, Rushden, Britain; and Divco-Wayne SA, Fribourg, Switzerland.

** The Paris metal processing concern GRAMES SA is to purchase a 40% interest in SITRACO-Ste Industrielle de Transformation SA (see No 431), which will take charge of most of its industrial interests, notably its factory at l'Ile Adam, Val d'Oise, which makes metal windows and curtain walling. Grames is under the 51% control of SPIMBA-Ste de Participations Industrielles pour la Metallurgie & le Batiment SA, Paris (see No 336), the 64/35.4 joint subsidiary of the groups CIE DE PONT-A-MOUSSON SA (through its holding company S.P.A.F.I. SA) and FORGES & ACIERIES DE LA MARINE, DE FIRMINY & DE ST ETIENNE SA (see No 433).

Sitraco was itself formed in 1967 (see No 415) by Aluminium ALCAN de France SA (of the Canadian group Alcan Aluminium Ltd, Montreal) and Ateliers de Constructions de SCHWARTZ-HAUMONT SA (see No 431). From the latter it acquired its plant at Imon, Aisne, for processing oxidised and polished metal extrusions from Alcan-Scharz Filage & Oxydation SA (controlled 51% by Alcan, which also holds 15% in Sitraco). The receipt of these contributions of plant and installations boosted Sitraco's capital to Ff 22.7 million (45% held by Schartz-Haumont), and its technical and sales departments have been moved to Reuil-Malmaison, where promotion of its window units will be assisted by Fermetures F. M. B. Vendome.

FINANCE

** The Chicago banking group CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO OF CHICAGO (see No 439) intends to acquire an additional 25% interest in BANQUE EUROPEENNE D'OUTRE-MER SA (see No 397), and thus take a 75% controlling interest.

The latter was acquired at the end of 1965 by the Amsterdam company Continental & Overseas Investment NV, a 50-50 subsidiary of the Chicago group and its Dutch affiliate Nederlandse Overzee Bank NV (see No 431).

** The CHEMICAL BANK NEW YORK TRUST CO has acquired complete control of the Mainz bank MITTELRHEINISCHE BANK AG & CO KG (share capital of Dm 6 million). The American company had acquired a 51% interest in 1963, which in August 1967 was raised to 85% (see No 424).

** Following an increase in the capital of the Brussels BANQUE EUROPEENNE DE CREDIT A MOYEN TERME SA to Bf 1,150 million, the Milan bank BANCA COMMERCIALE ITALIANA SpA and the Paris bankers CREDIT LYONNAIS SA and SOCIETE GENERALE SA have become shareholders.

** SOCRELUX-STE LUXEMBOURGEOISE DE CREDIT SA has opened a Brussels branch headed by M. Valere Moelibecq. This was formed in March 1965 (see No 326) in Luxembourg by COMPTOIR BELGE DE CREDIT & D'ASSURANCE-COBECA SA (see No 328) and CIE BELGE DE CREDIT SA-C.B.C. (formerly Cie Belge de Credit General - formed in 1962 by Cobeca), both of which are based in Ixelles-Brussels.

In November 1967, Belge de Credit became Cie Belge de Credit-Gefima SA, following the takeover of Gentse Financieringsmij. NV-Gefima, and as a result its capital was raised to Bf 29 million. Since June 1967 it has controlled the Brussels company Union Fonciere & Hypothecaire SA (capital Bf 15 million).

** An agreement signed in the United States between the MORGAN GUARANTY INTERNATIONAL BANKING CORP, New York (see No 431), and CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO, Chicago (see No 440), deals with the acquisition by Morgan Guaranty of the Chicago bank's 10% shareholding in the Amsterdam NEDERLANDSE OVERZEE BANK NV.

This move is linked with the merger which will take place between the Amsterdam bank and the Rotterdam holding company Bankierscompagnie NV (in which Morgan Guaranty Trust has an interest of around 12.5%) following talks which have been going on for some months (see No 431). In the new banking group which will emerge as the fourth largest in the Netherlands with a capital of Fl 62.6 million, Morgan Trust will have a shareholding of over 11%. Bankierscompagnie NV (capital Fl 40 million) also backs the leading Dutch private bank Mees & Hope NV and the Rotterdam insurance company R. Mees & Zonen Assurantien.

** Acting through the branch it was authorised to open during July 1967, the Düsseldorf COMMERZBANK AG (see Nos 421 & 438) has taken a 3% interest in the financial concern DELTEC PANAMERICA SA, Panama City.

This latter was formed by the Deltec Corp, Nassau, Bahamas - a company formed under American legislation - and its existing European shareholders include BOLSA-Bank of London and South America Ltd (see No 440), Schroeders Ltd (see No 399) and S. G. Warburg & Co (see No 440). Since 1962 it has had a Swiss subsidiary, Deltec Sarl, Lausanne, and there is a Luxembourg sister-company, Le Fonds Deltec pour l'Amerique Latine SA.

** One of the leading Hamburg merchant banks JOH. BERENBERG GOSSLER & CO KG has acquired two new sleeping partners in return for a 10% interest each. These are PHILADELPHIA INTERNATIONAL INVESTMENT CORP, Philadelphia, and the BANK OF MONTREAL. The German bank is owned by the von Berenberg-Gossler family and is an affiliate of Norddeutsche Kreditbank AG, Bremen (see No 439), as well as having a shareholding in Ibero-Amerika Bank AG (see No 415).

Philadelphia International Investment Corp opened a London branch in February 1967, and it is the wholly-owned subsidiary of Philadelphia National Bank, whose British affiliate is Arbuthnot Latham & Co Ltd. For its part the Canadian bank - which has over 3.5 million depositors - has European branches in Düsseldorf, London and Paris. It is involved in business with Latin America through the Bank of London & Montreal Ltd, Nassau, Bahamas, in which it is linked 50-50 with Barclays Bank D.C.O., London - a 54.95% subsidiary of Barclays Bank Ltd (see No 434) and BOLSA-Bank of London & South America Ltd (see No 426). There is also a wholly-owned New York subsidiary, Bank of Montreal Trust Co.

** A Scandinavian banking group headed by SVENSKA HANDELSBANKEN A/B, Stockholm (see No 438), which has been negotiating the acquisition of a suitable establishment within the Common Market for the past few months, has succeeded in acquiring an 80% interest in the Paris UNION INTERCONTINENTALE DE BANQUE SA (capital Ff 6 million). This has since been renamed BANQUE NORDIQUE DE COMMERCE, with M. Robert Danon as president. The aim of the newly acquired firm is to promote trade between Sweden, Norway, Denmark and Finland and the Common Market countries. The Paris bank remains a 20% affiliate of the American group Continental Grain Co, New York (see No 439), through its Paris subsidiary Cie Continentale (France) SA, and its vice president is M. E. Branstrom, with M. E. R. Lyon as managing director. Its new shareholders (20% each) are Svenska Handelsbanken A/B, Den Norske Creditbank A/S, Oslo, Kjobenhaven Handelsbank A/S, Copenhagen, and Kansallis-Osake-Pankki, Helsinki.

In 1964 the same Scandinavian group acquired the Swiss bank Handelsverwaltungs Zurich AG (since renamed Nordfinanz AG - see No 260) to promote increased financial and banking co-operation between the EFTA countries.

** The Munich bank Bayerische Gemeindebank has taken a 25% interest in the leading West German property leasing firm LEASING GESELLSCHAFT FUER VERMIETUNGSPROJEKTE mbH, Mainz (capital Dm 2 million). Other shareholders in the latter are Landesbank & Girozentrale Rheinland-Pfalz, Mainz (interest now reduced from 75 to 50%), and Verwaltungsgesellschaft Für Vermietungs & Exportfinancierung mbH, Mainz (25%). It recently acquired a majority controlling interest in the machine-tool and office equipment leasing firm Maschinen Miete GmbH, Frankfurt.

Bayerische Gemeindebank is responsible for carrying out banking operations on behalf of local authorities, and it has recently acquired an interest in two other Munich banks: Luk-Bank GmbH (25% - see No 418) and Bankhaus H. Aufhäuser (26% - see No 439).

** In the Dutch banking sector a merger has been agreed in principle that will result in the formation of the leading Common Market commercial bank in **Amsterdam** with capital and reserves of Fl 394 million. The two banks involved are H.B.U. - HOLLANDSCHE BANK UNIE NV (see No 424) - the sixth largest Dutch bank - and A.B.N. - ALLGEMENE BANK NEDERLAND NV (see No 436).

H.B.U. (authorised capital of Fl 100 million) has numerous agencies or subsidiaries in Latin America (Argentina, Brazil, Curacao, Ecuador, Surinam, Uruguay and Venezuela) and it is also represented in Istanbul, New York, Hamburg and Paris. A.B.N. (capital Fl 136.8 million) was itself formed in 1964 (see No 279) by the merger of Nederlandsche Handelmij. NV and De Twentsche Bank NV. It has 15 agencies in Asia, 3 in Africa and is represented in New York and Düsseldorf, whilst it is linked with a network of affiliated banks in Belgium, Britain, Iran, Morrocco and Switzerland and with associated banks in Argentina, France and Uruguay.

In a move carried out at the same time A.B.N. announced that it has decided to open a London branch under M.J. van Asdonk which will take over all the banking business of its former London affiliate B.W. Blydenstein & Co (see No 340). Control of the latter is shared between The Twentsche Bank (London) Ltd and Netherlands Trading Society (London), the British subsidiaries of De Twentsche Bank NV and Ned. Handelmij. NV.

** The Swiss finance company, PLANFINANCE AG, Zug has a 90% holding in the new company PLANFINANZ HELVETICA NV which it has just set up in Amsterdam in association with M. Heribert Marre of Essen who holds the balance. With a capital of Lux F 50,000 the firm will deal in all types of financing and particularly the financing of stock.

** THE AMERICAN EXPRESS CO INC, New York (see No 419), which was the first American banking house to set up in Paris at the turn of the century, (its first European branch opened in Rotterdam in 1904), has formed a subsidiary called American Express International SA (capital F 2.5 million) at the offices of its central Paris branch.

The new firm (president M. Michel Lancrenon), in its capacity as a finance house, will take part either as administrator or member in all syndicated state, collective and private issues of bonds and stocks; it will be able to make transactions in its own name or as an intermediary on the exchange, stock and discount markets.

FOOD & DRINK

** The West German sugar refinery PFEIFFER & LANGEN ZUCKER-FABRIKEN KG, Cologne has increased its production capacity with the acquisition of the sugar-candy firm ZUCKERRAFINERIE GEBR. TINTELNOT oHG, Vlotho, Weser. This is the leading firm in the sector, but it will now be called PFEIFFER & LANGEN, ZUCKERRAFINERIE VLOTHO.

The Colone firm already has five production units: Elsdorf, Rheinland; Euskirchen, Dormagen, Wevelinghofen and Ameln, Jülich.

** The Hamburg group RUDOLF A. OETKER (see No 439) is continuing to expand its brewing interests, and has acquired, through BINDING BRAUEREI AG, Frankfurt, control of BRAUEREI HEINRICH FELS GmbH, Karlsruhe. With an annual output capacity of 80,000 hectolitres, this (capital Dm 900,000) was owned until now by the Fels family.

The Hamburg group recently acquired two other West German breweries, Allgäuer Brauhaus AG, Kempten, Allgäu (see No 429), and Brauerei Schrempp AG, Karlsruhe (see No 431).

** Another merger in the French pasta industry will help to strengthen the position of ETS MILLIAT FRERES SA, Nanterre, Hauts-de-Seine (see No 428), which will take over and absorb PATES ALIMENTAIRES ALIBERT SA, Marseilles. At the same time, Milliat is merging with three other companies forming part of its existing group: Ste Economique de Distribution a l'Alimentation-S.E.D.A. SA, Nanterre, Ste Nouvelle des Pates Alimentaires Capitan SA, Thonon, Haute Savoie, and Ste des Pates Alimentaires Tante Marie.

Alibert (capital Ff 3.53 million) makes "Alibert", "Pastali", "Marcellina", "Nids aux oeufs" and "Polypates" pastas at La Montre-St-Marcel, Bouches du Rhone. Control is shared between SA Magneville, Marseilles (formerly Barbaro & Fils), and Les Grands Moulins de Hamma Sarl, Marseilles. Milliat (capital Ff 8.25 million before the start of these moves) has production facilities at Thonon, Nanterre, Nancy, Montauban, Vineuil and Villeurbanne. The group, whose president is M. R. Milliat, and which is run by M. R. Mary, has already taken over numerous competitors: Vinay, Lyons (1952), Pol, Marseilles (1962), Capitan, Thonon (1965), Regina, Dijon (1965), and Esdo, Montauban (1966); it also controls Ste des Pates Alimentaires Reunies-SOPAR SA (capital Ff 1.7 million).

** The financial and technical co-operation agreement (see No 431) recently concluded between W. R. GRACE CO, New York, and CIE DES RESTAURANTS JACQUES BOREL SA, Paris, is in the process of being implemented; Grace's 33% share in the latter company will be increased to over 50% during 1968, when the capital will be increased to Ff 30.16 million. Experience gained all over France by Borel in motels and motorway restaurants as well as in company canteens will be drawn upon when the company extends its interests to include other European countries.

** The Amsterdam company WIMPY EUROPA NV (see No 286 - a Dutch affiliate of the London group J. LYONS & CO LTD, (see No 431) has taken a 15% interest in the formation of the Brussels firm INTERNATIONAL CATERING LTD SA, whose aim is to supply catering services in Belgium and abroad. Headed by Messrs. G. Handelman, Hove, Sussex, L. G. Bizat, Bushey Heath, Herts, and E. Isler, Basle, the new company has an authorised capital of Bf 3.5 million (90% paid-up), and is controlled by the Basle holding company PARTIMAR AG (see No 310).

** CAFESA, Strasbourg-Meinau, has taken over STE FRANCAISE DE DECAFEINATION DE CAFES-SOFIDEC SA, Paris (see No 339). The former has raised its capital to Ff 5 million and changed its name to SOFIDEC SA.

The first Sofidec was formed in 1963 and brings to the new group gross assets of Ff 1.88 million including its manufacturing and sales activities linked with "Sanka" caffeine and decaffeinated coffee. The instant coffee interests are managed by Cie Generale des Cafes - COGECA SA, itself formed in late 1965 through a link-up between Sopad SA, Courbevoie, Hauts-de-Seine (a member of the Swiss Nestle Alimentana SA group) and Sanka SA, Paris (see No 440).

Cafesa also specialises in decaffeinated coffee and caffeine, and belongs to the Swiss Kaffee Hag AG, Feldmeilen, Zurich (see No 348) itself an affiliate of the Bremen Hag AG group ("Hag" and "Onko" brands) which has had its own Strasbourg branch since 1965 headed by Herr Lüder F. Garwes.

** The amalgamation (see No 415) of the leading French dairy products firms CH. GERVAIS SA (see No 439) and DANONE SA (see No 429), which was agreed upon a few months ago, has now taken place. The move was centred around the two key companies, one a holding company, Cie Gervais-Danone SA, Courbevoie, Hauts-de-Seine (president M. J.Corbiere) and the other an administrative company, Gervais-Danone SA, Levallois-Perret (president M. N.Lafont). The new group, directed by Messrs. J.V. Toulouse and B. Treizenem, is now the leading French undertaking in the food sector with an annual turnover in the region of Ff 1,000 million.

The manufacturing and sales interests of FROMAGERIES CH. GERVAIS SA, Paris, and STE DANONE SA, Levallois-Perret, as well as their former French subsidiaries have been made over to Sogic SA, which has been made into an administrative company, Gervais-Danone SA (capital Ff 93.6 million). Ch. Gervais SA, its subsidiary Fromageries Ch. Gervais SA and Danone SA have also amalgamated with Cogic SA, which in turn has been changed into a financing company called, Cie Gervais-Danone SA (capital Ff. 191.44 million). The latter company heads the administrative company, five subsidiaries in France and fourteen abroad. Amongst these are three in Germany, two in Belgium, two in the United Kingdom and one in Switzerland.

** FRATELLI GANCIA & CO. - SOC. AZIONARIA VERMOUTH APERITIVI SPUMANTI (SAVAS) SpA, the Italian wine-producing group of Canelli, Asti, (see No 363) which has for a long time owned a branch in France, has now opened up a subsidiary there, EURALIM SA of Neuilly-sur-Seine. The new company, which is to have M.Charles Pasqua as president (capital Ff 100,000), will import and distribute wines, spirits and fruit juices.

Under the direction of Count Roberto Villarino Gancia, the Italian group (capital Lire 1,500 million) is known throughout the world for its muscatel wines prepared with methods similar to those used for champagne wines, "Moscato d'Asti, its vermouths "Berbera", "Barbonesco", its dry wines "Barolo", its sweet wines "Brachetto" etc. The group has a number of agents and distributors on the foreign markets: Ste Saint Raphael SA, Paris (member of the Martini & Rossi SpA group of Turin), Ets. Fourcroy & Fils SA, Brussels (for the Benelux countries), Suntory Ltd. (Osaka) etc.

GLASS

** The American group KING-SEELEY THERMOS CO. has gained control of the Milan company FRIMONT SpA, which specialises in equipment for the ice cream industry. The American group already has a European manufacturing subsidiary in Britain, THERMOS LTD., of London and Brentwood, Essex.

INSURANCE

** The Swedish insurance group ANSVAR, OEMSESIDIGT FOERSAKRINGS-BOLAG FOER HELNYKTRA, of Stockholm, has formed an indirect Amsterdam subsidiary ANSVAR VERSEKERINGSMIJ N.V. with authorised capital of Fl 5 million (20% paid up): directly controlled by the London subsidiary the new company is run by Messrs. S.E.Lindh of Stockholm, and L. Gazzett of Berkhamsted, Herts.

** The wholly-owned American subsidiary of VOLKSWAGENWERK (see No 436), the New York company VOLKSWAGEN OF AMERICA INC., has become a 24% shareholder in the independent insurance firm VOLKSWAGEN INSURANCE CO., of Little Rock, Arkansas. This was formed in 1954 as Select Risk Mutual Insurance Co., and its name was changed in 1962 to Vico Insurance Co., before adopting its present title. The Little Rock company carries on its business throughout the United States.

Formed in 1955 VOLKSWAGEN OF AMERICA (capital $ 3 million) accounted in 1966 for nearly 30% of the group's total United States sales of 480,000 cars.

OIL, GAS & PETROCHEMICALS

** The West German petrochemical and mining company UNION RHEINISCHE BRAUNKOHLEN KRAFTSTOFF AG, Cologne, Wesseling (see No 382) has formed an almost wholly-owned Amsterdam subsidiary UNION RHEINISCHE NEDERLAND NV, in which a token shareholding is held by its wholly-owned subsidiary RHEINISCHE SPEDITIONS-HANDELSGES. mbH (capital Fl 50,000). Run by Messrs. W. Siebourg, K. Wissel and R.Benke,this will carry out oil and natural gas prospection and exploitation.

The parent company belongs to the R.W.E. Rheinisches-Westfälisches Elektrizitatswerk AG, Essen, through Rheinische Braunkohlenwerke AG, Cologne. In 1966 it had a turnover of Dm 673.7 million with some 2,600 employees.

** CASTROL LTD, London (acquired a year ago by the Glasgow group BURMAH OIL CO LTD - see No 345), Europe's leading producer of engine lubricants (50% of the British market) intends to rationalise its sales operations on the Continent and in Britain by merging them with those of Burmah-Oil in Burmah-Castrol Co. Ltd.

Castol has numerous Common Market interests: Ste Belge des Lubrifiants Castrol SA, Molenbeek-St-Jean, Expandite SA, Ixelles-Brussels; Ste des Huiles Castrol France SA, Le Pecq-Yvelines, Seuralite SA, Paris; Castrol-Holland NV and Sealanco NV, Rotterdam; Castrol Italiana SpA, Milan and S.A.I.L.O. SpA, Milan; Deutsche Castrol GmbH, Hamburg. It also has interests in Austria, Denmark, Sweden and Switzerland.

Burmah Oil has a share in Albatros SA, Antwerp (see No 427) and in Flexibox companies based in Milan, The Hague, Frankfurt and Notre-Dame-de-Bondeville, Seine-Maritime. It has recently sold its 51% interest in NV Nederlandse Raffinaderij Van Petroleum-Producten, Haarlem.

** ROYAL DUTCH SHELL and STANDARD OIL CO OF NEW JERSEY have linked through their respective subsidiaries Shell Italiana SpA, Genoa, and Esso Standard Italiana SpA, Rome with AGIP SpA, Rome (a member of the ENI group) to carry out two projects in Italy.

The first is an agreement covering the construction by a joint subsidiary S.O.I. - Soc. Oleodotti Italiani SpA Rome of a 70 km pipeline running from the Fiucimino coastal installations of the three founders to Civitavecchia, Rome. This will cost around Lire 10,000 million and will include three separate pipelines (aviation fuel 3.5 million tons p.a.; white spirit 2.5 million tons p.a. and 1 million tons p.a. of heating fuel).

The second involves building a petroleum loading and unloading complex at Genoa-Multedo costing between Lire 7,000 and 8,000 million. A joint subsidiary has been formed in Genoa called SIPEM-SBARCO IMBARCO PETROLI MULTEDO SpA (authorised capital of Lire 1,000 million - Lire 10 million paid-up) in which ENI (through Agip and Snam) has a 50% interest and Shell 12%. They are linked with a third foreign group Fina Italiana SpA, Milan (part of the Belgian Petrofina SA group) and other Italian oil companies: Edoardo Garrone, Genoa (22%) and Petrol Pegli SpA, Genoa, Attrezature Carburanti SpA, Genoa (part of the Carmagnani group) Comita SpA, Milan and Superba SpA, Milan.

** The Texas company EL PASO NATURAL GAS CORP. (see No 411) which has recently played a leading part in the United States "Gasbuggy" project aimed at using nuclear explosions for facilitating natural gas extraction has linked with a number of European companies. The aim of the new concern, called NOBEL-PASO-GEO-NUCLEAR is to use nuclear explosives for large civil engineering project as well as petroleum and gas extraction.

The backers are Nobel Bozel SA, Puteaux, Seine (25% - part of the Ste Centrale de Dynamite SA - see No 400) and Dynamit Nobel AG, Troisdorf (10% - part of the Fr. Flick KG group - see No 438). The remainder is shared between Poudreries Reunies de Belgique SA, Brussels (part of the Ste General de Belgique SA group - see No 397) and Cie Francaise Thomson-Houston-Hotchkiss-Brandt SA, Paris (see No 437).

** SAPRO-SA DU PIPELINE A PRODUITS PETROLIERS recently set up in Geneva with a capital of Sf 200,000, has just got the go-ahead for the construction of a new 10 kilometre pipeline from St-Julien to Vernier. The pipeline, due for completion at the beginning of 1968, with a capacity of 700,000 tons per annum, will be a continuation of the refined products pipeline into Switzerland and will connect the industrial zone of Marseille-Lavera with Lyons, Saint-Etienne and Dijon. This pipeline was built by Ste. du Pipe-line Mediterranee-Rhone SA, Neuilly, Hauts-de-Seine (see No 311) a company whose capital was increased from Ff 10 to 40 million in June 1967.

The Swiss company has four shareholders with a 15% holding each: Cie Francaise des Petroles SA, Paris (see No 439), Standard Oil Co., of New Jersey, New York (see No 436), Royal Dutch-Shell, Rotterdam (see No 441) and the British Petroleum Co. Ltd., London (see No 440). Cica-Comptoir d'Importation de Combustibles SA, Neuchatel (capital Sf 1 million) has a 10% interest in the company and a 30% interest is held by a banking group headed by the Schweizerische Kreditanstalt AG of Zurich (see No 436).

** The Hamburg firm ERNST KIRCHNER, GESELLSCHAFT FUER INDUSTRIEOFENBAU mbH has backed the formation of a Milan sales subsidiary KIRCHNER ITALIA Srl, (capital Lire 900,000) in which it has a 50% interest. The managers of the new concern are Herr E. Kirchner, Hamburg, and Signor E. Gualantris, Milan (who holds the other 50%) and it will supply industrial ovens and ancilliary equipment for use by the petrochemical and chemical industries.

OPTICAL & PHOTOGRAPHIC

** BEAULIEU-LUXEMBOURG, Sarl (capital Lux.F. 100,000) has been formed in Luxembourg to sell photographic and cinematographic equipment made in France by BEAULIEU SA, Fontenay-sous-Bois and Romorantin, Loir & Cher (see No 357).

The French company, which is the leading concern for amateur and semi-professional equipment, has appointed the Paris firm MAISON BRANDT FRERES SA, to co-ordinate its foreign sales, which are promoted by a world-wide network of representatives such as the London company Beaulieu Cinema Ltd., (formed in 1966) which are financially independent.

PAPER & PACKAGING

** A 50-50 association between the Dutch undertaking ALTACEL TRANSPARENT VERPAKKINGSINDUSTRIE N.V., Volendam, and the British company, ARTHUR WOOLLACOTT LTD., London, has led to the formation of a new company called ALTA TEAR TAPE N.V., Volendam. With a paid-up capital of Fl 1,200,000 and under the direction of Mr Dirk F. Bongaertz, the firm will manufacture, process and sell packaging materials.

** The Canadian company, CONSOLIDATED BATHURST LTD., Montreal, has bought back from the American group, CONTAINER CORP. OF AMERICA, Chicago (see No 304) its wholly-owned subsidiaries in West Germany, EUROPA CARTON AG, Hamburg, with a capital of Dm 35 million, and BREMER PAPIER - & WELLPAPPEN-FABRIK AG, Lübbecke, Westfalen (capital Dm 5 million). Europa Carton, which employs almost 2,000 people in the production of corrugated paper, printing paper, plastic wrapping materials etc. had a 1966 turnover of Dm 127 million; in October 1967 the company underwrote an increase in the capital (from Dm 100,000 to Dm 500,000) of A.H. Julius Rohde GmbH of Nuremburg. The Lübbecke concern, known in particular for its coloured corrugated paper cartons, has a payroll of about 450 and an annual turnover in the region of Dm 25 million.

The Canadian company, which is the result of the amalgamation of two companies, Consolidated Paper Corp Ltd., and Bathurst Paper Ltd., in Montreal, has a subsidiary in London to cover the European market: founded in April 1966, this is called Consolidated Paper (Europe) Ltd., and has a capital of £5,000. The American company (1966 turnover $460 million), also does much trade in the Common Market, thanks to its subsidiaries in Italy, Cartotechnica Europa Carton SpA, I.E.M. Srl and Vosa SpA, and the Netherlands, Mercurius Golfcarton-Industrie N.V., Soest.

** The French company LA CELLULOSE D'AQUITAINE SA, Saint-Gaudens, Hte Garonne, has taken a direct interest in the financial expansion of the Belgian firm LA CELLULOSE DES ARDENNES SA, Harnoncourt, in which it held a token shareholding until now.

LA CELLULOSE DES ARDENNES SA has just reduced its capital to Bf 149 million and then raised it to Bf 325 million. Its shareholders include the De Launoit group (represented by Cofinindus SA) and Lambert (through Cie Lambert Pour L'Industrie & La France SA.

The French company is an affiliate of the new European group Parsons & Whittenmore Inc. (which is headed by Mr. Karl Landegger (see No 398) and the latter is also a shareholder in the Belgian firm through three subsidiaries: Parsons & Whittemore Construction Co. Inc., Panama, Parsons Whittemore Universal Ltd., St. John, New Brunswick, Canada, and Parsons & Whittemore-France SA, Paris..

** The leading West German manufacturer of paper and cardboard FELDMUEHLE AG, Düsseldorf, (see No 430) has made a takeover bid for PAPIERFABRIK BAIENFURT AG, Baienfurt üb. Ravensburg, with the aim of increasing its own production capacity. PAPIERFABRIK BAIENFURT AG employs some 500 persons and has an annual turnover of around Dm 45 million, whilst its capital of Dm 8 million is known to be shared by Herren Ernst Sieglin (who also owns J.C. Eckardt AG, Stuttgart), Max von Waldburg, and Georg von Waldburg 25% each.

Feldmuehle recently formed a London sales subsidiary Feldmühle (U.K) Ltd., (see No 426) and it belongs to the Düsseldorf group Friedrich Flick AG. In 1966 its turnover amounted to Dm 687 million.

** The merger planned in early 1967 (see No 399) between two associated Italian paper firms, has now formally taken place with CARTIERA ITALIANA

SpA, Turin, absorbing CARTIERA SUBALPINA SERTORIO SpA, Coazze, Torino. The former has now become CARTIERE ITALIANA & SERTORIO RIUNITE SpA (capital raised to Lire 6.34 million) and its main shareholders are S.M.E. Sta Meridionale Finanziaria SpA, Naples, (see No 422) as well as the Canadian company Domtar Ltd., Montreal, formerly Dominion Tar & Chemical Co. Ltd., (see No 251). The latter has other italian interests through its holding company Domtar International Ltd., Nassau, Bahamas, as it is again linked with S.M.E. in Celdit Cellulosa d'Italia SpA, Rome (capital Lire 3,000 million) which has a cellulose and high quality paper factory at Chiati.

PHARMACEUTICALS

** A subsidiary of the Dutch group in the pharmaceuticals sector, KONINKLIJKE ZOUT-ORGANON N.V. Arnhem, ORGANON N.V. of Oss (see No 426), has opened up a Milan sales branch under the direction of Mr. J. Boers of Mornago, Varese.

Controlling a dozen or so companies in the Netherlands which produce a large range of chemico-pharmaceutical, veterinary and dietary products (at Oss, The Hague. Boxtel, Meppel, Boxmeer, Apeldoorn and Barneweld), Organon has three subsidiaries in the Six: in France Intervet SA, Chatou,Yvelines (see No 435): in Germany Vemie Veterinar Chemie GmbH, Kempen and in Belgium Aaciphar N.V., St. Josse-ten-Noode.

** A merger in the South German pharmaceuticals wholesaling trade has resulted in OTTO STUMPF AG, Nuremberg, taking over HEINRICH UNFRIED KG, Munich. The latter has arodund 100 persons on its payroll and an annual turnover of Dm 12 million.

In early 1967, Stumpf broke off the negotiations it had begun for a merger with its Munich counterpart Gehe & Co. AG, and it employs 1,200 persons with a consolidated turnover of Dm 128 million in 1966. It has two wholly-owned West German subsidiaries Pharma GmbH, Schweinfurt, and Viropharm Chemie Chemisch Pharmazeutische Fabrik GmbH, Hof, Saale, as well as a 55% interest in Breitkreuz & Co. GmbH, Hof, Saale. In Austria it controls J. Gregor & J. Trübenbach, Arzheiwarengrosshandlung, Vienna.

** The European interests of the American Chemical and Cosmetics group MAX FACTOR & CO., Hollywood, California, (see No 267) in the pharmaceuticals sector, will be strengthened following its acquisition of DENVER CHEMICAL MANUFACTURING CORP., Stamford, Connecticut.

This has been linked since 1963 with the Paris firm Laboratoires Delagrange SA, and in fact controls the French company Laboratoires Ethical Sarl, Ile-St-Denis, Seine-St-Denis, which has an interest in Tripharmax SA - and two subsidiaries Laboratoires Fumouze SA and Polypharma SA (both at Ile-St-Denis). There is also a London subsidiary, Denver Laboratories Ltd. It has a Spanish affiliate, and the West German licensee is Dr. Joseph Ellendorff & Co., Wuppertal-Barmen.

PLASTICS

** The Swiss plastics firm ORSOPAL AG, Kölliken, Aargau, (capital Sf 15,000) has backed the formation of a plastic goods sales company WOODLIT GmbH, Herbolzheim, (capital Dm 20,000). The managers of the new concern are Herren Heinz Woodlit, Kölliken, Erich Hein, Mulheim, and Rainer Hein, Herbolzheim.

** The West German plastics concern REHAU-PLASTIKS GmbH, Rehau, Bavaria (see No 340) has given a considerable boost to its production capacity with the acquisition of control of WESER-GUMMIWERK HANS JOACHIM HARTIG oHG which has been renamed REHAU PLASTIKS GmbH WERK ELSFLETH. This was formed in 1953 and with a 1966 turnover of Dm 3 million has around 150 persons on its payroll.

Rehau-Plastiks is one of the leading plastic processing firms in West Germany and for a 1966 turnover of Dm 130 million employs some 4,000 persons. It has around ten foreign subsidiaries including Rehau-Plastiks SA, Colombes, Hauts-de-Seine with a factory at Morhange, Moselle.

** The West German glass Company A.G. DER GERRESHEIMER GLASHUTTENWERKE, Düsseldorf, (a 76% subsidiary of the American group OWENS ILLINOIS INC.) has acquired a 75% interest in the plastic packaging company VERPACKUNGSINDUSTRIE KUTENHOLZ GmbH, Kutenholz, Bremervörde, (capital Dm 100,000). The latter has around 350 employees and had a 1966 turnover of Dm 15 million.

In July 1967 (see No 425) the Düsseldorf company began its expansion in the plastic packaging sector by raising from Dm 20,000 to 2.5 million the capital of its subsidiary Gerro-Plastik GmbH, Mönchen-Gladbach, which specialises in packaging materials for the chemical, cosmetics and pharmaceutical industries.

** The Frankfurt group FARBWERKE HOECHST AG (see No 440) has backed the formation in Hamburg of a plastic dispersoids and synthetic resins sales company REICHHOLD-ALBERT-CHEMIE GmbH whose manager is Herr Kurt Reichert.

The new firm will take over some of the sales activities of Chemische Werke Albert, Wiesbaden-Biebrich (a wholly owned subsidiary of the group since 1964), and of Reichhold Chemie AG, Hamburg. The latter has been a 95% subsidiary of the group since the summer of 1967 and with a capital of Dm 10.5 million will become a wholly-owned subsidiary at the start of 1968 (see No 416).

PRINTING & PUBLISHING

** The recently formed Paris company WEBER SA D'EDITIONS SA (capital Ff 2.4 million - see No 434), will be responsible for the distribution in France of books and magazines printed by the Swiss Company EDITIONS D'ART ALBERT SKIRA, Geneva (see No 419) and by the French firm ZODIAQUE, St-Leger Vauban, Yonne.

** A merger in Paris has strengthened the position of CIE FRANCAISE D'EDITIONS SA (see No 436) a 44% interest of the INTERNATIONAL PUBLISHING CORP LTD, London, through its holding company ILIFFE-N.T.P. International Ltd - (see No 423). The two companies involved are subsidiaries of the group (gross assets of Ff 2.18 million) LEPS-Laboratoire d"Etudes & de Publications Scientifiques SA (which publishes "Le Revendeur", "Interelectroniques", "Radio-Television pratique") and Comite d'Editions Techniques SA (which publishes "Mesures");

RUBBER

** The Ludwigshafen chemical group BASF-Badische Anilin- & Sodafabrik AG has sold its one-third interest in the Frankfurt holding company SYNTHESEKAUTSCHUK BETEILIGUNGS GmbH (capital Dm 21 million) to its two partners in the concern FARBWERKE HOECHST AG, Frankfurt, and FARBENFABRIKEN BAYER AG, Leverkusen, whose respective interests have been increased from 33.3% to 50% each.

The holding company has a 50% shareholding in the synthetic rubber producer Bunawerke Hüls GmbH, Marl, Recklinghausen (see No 393), which has an annual output capacity of 160,000 tons of "Buna" rubber. The other half of the latter's capital of Dm 42 million belongs to Chemische Werke Hüls AG, Marl (see No 433), whose shareholders are a number of groups: Chemie Verwaltung AG, Frankfurt, with 50% (controlled in turn by Hoechst - 90% - and Bayer - 10%), Bayer (25%) and Bergwerkgesellschaft Hibernia AG, Herne (25%), a member of the Berlin Veba AG group.

SHIPBUILDING

** The Commission of the European Communities has approved the merger of the three major German shipbuilding concern, DEUTSCHE WERFT AG, Hamburg, HOWALDTSWERKE AG, Hamburg, and KIELER HOWALDTSWERKE AG, Kiel; the move is to become effective with the creation of a new company, HOWALDTSWERKE-DEUTSCHE WERFT AG, Hamburg and Kiel. With a capital of Dm 50 million, the new company will be under the presidency of Herr Dietrich Von Menges.

TEXTILES

** A representation agreement has been signed between one of the leading Italian high quality wool firms, FRATELLI CERRUTI, Biella (see No 404), and the British company JOHN COOPERS & SON LTD, Sheffield. The latter (chairman Mr. H. Melling and technical director Mr. E. L. Lintin) will be responsible for the distribution in Britain of products made by Fratelli Cerruti.

** Negotiations are about to begin in Italy between the American clothing and ladies underwear firm, EXQUISITE FORM INDUSTRIES INC., Pelham Manor, New York, and the MONTECATINI EDISON SpA group of Milan, with the intention of setting up a manufacturing complex for underwear and a distribution network for the resultant products in Italy and the rest of Europe.

The American partner already has three subsidiaries in Europe: in London (50%), Duisburg and in Spain. In the United States it gained control (65%) in September 1965 of Peter Pan Industries Inc., East Newark, New York, which also makes ladies underwear and whose products are distributed or produced under licence in Europe.

** The Dutch manufacturer of men's and young people's clothes LEEUWARDER TEXTIELMAATCJAPPIJ N.V., Almele, which is run by the De Jong, Nijverdal family, has formed a Belgian sales subsidiary, L.T.M. BELGIE N.V., Etterbeek, Brussels.

** The Danish carpet manufacturer MADS EG DAMGAARD A/S, Herning, has formed a West German import and sales company EGETAEPPER HAMBURG GmbH, Hamburg. With a capital of Dm 20,000 this has Messrs. M.& K. Damgaard as managers.

** The New York textile group DEERING MILLIKEN INC (see No 344) has opened a Ghent branch to its subsidiary MILLIKEN SERVICES INC (formerly D.M. Trucking Co) of Spartanburg, South Carolina, under Mme Cecile G. Perry, which will be responsible for administering the group's European shareholdings and co-ordinating the activities of its subsidiaries. There is already a Belgian manufacturing subsidiary, Milliken Europe NV, (formerly Deering Milliken Europe) and the others are Deering Milliken SA, Roisel, Somme (formerly Ste Des Recherches Deering Milliken SA, Paris) and in West Germany Deering Milliken GmbH, Frankfürt on whose premises is based the European office of the New York group's export subsidiary Deering Milliken Overseas Services Inc.

** The German textile firm MECH. BAUMWOLL-SPINNEREI & WEBEREI AUGSBURG of Augsburg (see No 241) has taken over the Murnau, Oberbayern concern, ALFRED BOHMER, FROTTIERWARENFABRIKEN AG. The latter company is the biggest firm in Bavaria in the towelling sector; it has an annual turnover in the revion of Dm 13 million and a payroll of about 2,500.

The Augsburg firm, subsidiary of the Munich bank, Bayerische Hypoteken - & Wechselbank AG (see No 434), which owns over 50% of the equity, employs around 2,500 persons in its factories at Rosenau, Aumuhle and Proviantbach, and has an annual sales turnover of Dm 70 million. In 1964 it went into association with Spinnerei & Weberei Pfersee AG of Augsburg and Spinnerei & Weberei Kempten AG of Kempten, Allgau (both of which are affiliated to the textile group, Kolbermoor-Union GmbH of Kolbermoor) so as to take over the underwear firm, Waschefabrik Federsel GmbH of Marktoberdorf.

** The German manufacturer of ready mades, H. DYCKHOFF KG, Cologne, has formed an Austrian company called KLEIDER-BAUER GmbH, Vienna, (capital Sch 100,000), with Herren Knut Bellinger & Erich Kremer as managers. The German company, which has over 800 persons on its payrool, has branches in Bonn, Remscheid, Bremen and Hamburg.

TRADE

** The West German mail order group NECKERMANN VERSAND KGaA, Frankfürt (see No 437) is about to form a Luxembourg investment fund called NECKERMANN INVESTMENTGESELLSCHAFT (capital Lux F 5 million). The certificates issued by the fund (Dm 25 each) will be sold in Europe and the United States, mainly through Berliner Handelsgesellschaft, Frankfurt and Berlin (see No 439).

In August 1967 (see No 423) the Frankfürt group formed a subsidiary specialising in giving advice to investors, Neckermann Anlagen Berätung Gesellschaft Zur Vermittlung Von Kapitalanlagen, Frankfürt.

TRANSPORT

** The growing development of container transport has induced the Rotterdam firm NV ANKER KOLEN MIJ (see No 419) to link with its affiliate INTERNATIONAL JUTE MIJ. NV, Rhoon, to ensure control of VAN DER PLOEG'S FABRIEKEN "PACTON" NV, Niewerkerk, Ijssel and Ommen. This builds transport equipment and recently obtained a licence from the TRAILMOBILE INC Division, Cincinnati, Ohio (see No 420) of the New York group PULLMAN INC for the exclusive manufacture and sale in the Benelux countries of its containers and associated handling equipment.

In Europe Trailmobile already has a number of licensees: M.A.N. Maschinenfabrik Augsburg Nurnberg AG, Augsburg, West Germany; Piaggio & Co SpA, Genoa, Italy, and Cie Industrielle de Materiel de Transport (Cimt-Lorraine) SA, Hauts-de-Seine.

** The French insurance group LA FORTUNE, CIE D'ASSURANCES MARITIMES & TERRESTRES SA, Le Havre (see No 437) will be represented by MM. Paul de Chalus and Marc Fournier on the board of the Marseilles shipping company CIE DE NAVIGATION MIXTE SA (see No 422) in which it has acquired a considerable interest. Other shareholders in the Marseilles firm are Cie Generale Transatlantique SA, Paris (see No 429) and Cie de Navigation Paquet SA, Marseilles (closely linked with the Chargeurs Reunis SA group through Nouvelle Cie de Paquebots SA (see No 280), and S.C.I.M.

With M.G. de Cazalet as president (director of Ste Marseillaise de Credit SA), Cie de Navigation Mixte has a capital of Ff 15 million (reserves stand at Ff 66.8 million).

INDEX OF MAIN COMPANIES NAMED

Fels, Heinrich, Brauerei	R	Leasing Ges. Für Vermietungsprojekte	P
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Fokker	B	Lucas, Joseph	L
la Fortuni	b	Lyons & Co., J.	R
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		Mads E.G. Damgaard	a
Gancia	S	Magec	G
Gerresheimer Glashüttenwerke	Y	Marine-Firminy-St. Etienne	N
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		Neckermann Versand	b
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Hartig, Joachim	Y	Nederlandse Staatsmijnen	C
Hennecke, Karl	L		
Heras Hekwerk	L	Oetker, Rudolf A.	R
Hilden	K	Orsopal	Y
Hoechst	Y, Z	Owens Illinois	Y
Hoesch K.G., Duren	E		
Hollingsworth & Weels	M	Pacton	b
		Pasotti	I
I.T.T.	B, L	Pechiney	M
Ilford	B	Pfeiffer & Langen	Q
Iliffe - N.T.P.	Z	Philadelphia International Investment	P
Intermarco	B	Philips, Eindhoven	B
Internationale Gas Apparaten	L	Planfinance	Q
International Jute Mij	b	Pont-a-Mousson	N
International Machinery	J	Publicem	B
International Publishing	Z	Pullman	b
		Pure Chemicals Ltd.	E
Julien & Mege	M		
		Ranco Inc.	G
Kelvinator	G	Ranisco Financial Corp.	F
Kilpatrick & Son, James	F	Rehau-Plastiks	Y
Kimbell, John	K	Roberts Co.	J
King-Seeley Thermos	T	Rohde & Schwarz	H
Kirchner, Ernst	V		
Koppers	D		
Kutenholz, Verpackungs	Y		