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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT
A View from Paris

DE GAULLE AND THE COMMON MARKET CRISIS

(Third and last in a series devoted to General de Gaulle's conception of European Integration)

During General de Gaulle's press conference of February 25, 1953 (when the arguments about the European army were in full swing) he defined for the first time one important side of European confederation as he conceived it - that there should be regular meetings of "a Council of Heads of Government coming together periodically as part of the organization." Much later the French plan for political union was to suggest the same idea, expanded to include heads of state. As early as 1953 de Gaulle was becoming apprehensive lest the executive body which was to be created might one day become too powerful, and the seeds of present difficulties may be as discerned in his words then: "The governing authority (that is, the Council of Heads of Government) will need a body to prepare and carry out its decisions. It will be a combined Headquarters, or, if you prefer, a Commissariat, but a Commissariat without pretensions to call itself sovereign". However, the principle of delegating sovereignty to which he had referred in 1951 (see also No. 319) cropped up again: " On the foundation of this alliance (he used alternatively the expressions "alliance" and "association") a confederation must be built - that is, a joint organization to which the various nations, without losing their individual, physical and cultural characteristics, should delegate part of their sovereignty in strategic, economic and cultural affairs".

He did not explain on this occasion, and more than in 1951, what part of their sovereignty he thought the various countries should delegate under his plan, but immediately afterwards he again spoke of his 1949 idea of "an assembly elected by universal suffrage", and later in the same year, on November 12, 1953 he showed that he was thinking of a "deliberative assembly", so the nature of the delegation became clearer: obviously there could be no question of limiting it to the executive side of European affairs, because amongst the organizations he was considering the "deliberative assembly" would by definition enjoy partial delegation of the member governments' sovereignty for its legislative working purposes; it would therefore function like any other federal parliament. The contradiction between this and the confederal principle is apparent: or to put it another way, the confederal system which de Gaulle envisaged at that time was a kind of transitional stage on the way to federation.

De Gaulle only corrected his aim, so to speak, when he was returned to power; this was at the beginning of the discussions on political union, and even then he drew no attention to the change from his earlier ideas and no comment was aroused. In his press conference on September 5, 1960 he showed that what he now foresaw was an assembly "made up of delegates from the national parliaments", which is of course exactly the method used for appointing members of the European Parliament at Strasbourg. There was, however, no longer any question of elections with universal suffrage nor of any specific "delegation of sovereignty", so the scope of the assembly's "periodical deliberations" was left in the air. Soon afterwards, on May 15, 1962, he expressly objected to the possibility that a European Parliament elected by direct suffrage might have legislative power over the territory of the Community as a whole; "Are the French people, the German people, the Italian people, the Dutch people, the Luxembourg people ready to submit to laws voted by foreign members of parliament, when these laws run counter to their strong wishes?". From that time on, direct participation by European citizens in the affairs of the European organization was limited in the General's plan to an initial referendum, an idea which he revived from earlier plans. By now he had redefined his concept of Europe in such a way that it was clearly a Confederation.

However, de Gaulle had accepted that "some more or less extra-national organizations" would have to be created (the expression "extra-national" was of course chosen to be different from "supra-national"). "These organizations are of technical value, but they have no authority and they can have none, so they can have no political effect". Thus, he still showed some anxiety to limit the powers of the Common Market Commission, or rather that of the Executives in general; he also showed complete disillusionment with the much more daring concepts, which he had himself put forward eight or nine years earlier, of truly democratic control over the "technocrats." It was the "realistic" de Gaulle speaking again: "What are Europe's realities? What are the pillars on which it can be built? They are really states which, while they certainly differ among themselves, - each with its own character, its own tongue, misfortunes, glory and ambitions, - are the only entities which have the right to direct and the authority to act. It is a chimera to imagine that anything which will work in practice can be built up and approved by the people outside and over the head of the States."

It was, however, he himself who had dreamed of such a power in the old days, even if he had tried to write in the safeguard of national supremacy, to which he had always remained firmly attached. As if to console the dreamer in himself, he added: "Of course, once we start along that road - if we may hope that we shall start along it - links will multiply and habits will be formed and it is possible that gradually, as time does its work, further steps will be taken towards European unity". Meanwhile the dilemma was complete: what the General most feared was that the powers of the Commission should become excessive; to him, this would have been tantamount to increasing the Community's supra-national element. Again, he knew very well that truly democratic control of the Executive could only be secured by having an Assembly elected by universal suffrage; that was his own idea originally, but since he no longer wanted it, the only means of supreme control he could put forward was periodical meetings of Heads of State or Heads of Government, which in his heart of hearts he must have known to be inadequate. Any control exercised by an Assembly whose members were appointed by the national parliaments was obviously going to be a very half-hearted form of federal democracy.

Paradoxically there is no European statesman with a more lively desire than de Gaulle to strengthen Europe and save it from external domination, but he has been prevented from supporting the only plan which would have made it a truly independent entity because he feared that it would create a monster which he could not tolerate. While the federalists think that such a development would make Europe stronger than ever, de Gaulle on the contrary thinks that Europe would lay herself more open to trans-Atlantic demands, and his apprehension on that point is still growing.

The anxiety about "American pressure" to unify Europe, which General de Gaulle first expressed in 1951, became keener after his return to power. The failure of his proposal of September 1958 to create a tri-partite, Anglo-Franco-American defence board undoubtedly affected his outlook. On May 15, 1962, when discussing the "Fouchet plan" for the Six's political organization, he took up the theme again and amplified it. He made this "pressure" a further argument against political integration and supra-national trends. To his way of thinking the "supra-national entity" which was advocated, founded on a Parliament "which will be the law maker for the six nations" did not exist and could not come into being because, as de Gaulle said, "in Europe today there is no federator with enough strength, standing and attraction." He gave no further explanation on the point, but when he spoke of a "federator" it may be supposed that he was thinking of the unifying part which the monarchy had played in France, or of the stimulus given by Bismark's Prussia to the formation of the German Empire in 1871. It may seem odd that he did not think France herself had "enough strength, standing and attraction" to play this part. He had stated several times, for instance on February 11, 1950 "Europe will not be organized unless France takes the lead". Of course, the kind of Europe which he thought France ought to organize was by no means a federal one; if there was "no federator in Europe" perhaps this was simply due to the fact that he himself had no wish to allot this function to France, whatever her strength, standing and attraction might be.

Thus the vicious circle was complete, but although there was no federator within Europe, somebody outside it might fulfil that function, and it is clear that at this point he thought of the United States, which might well have imposed her own policy upon a politically shapeless Europe. Here is his train of thought on this point: "In this integrated Europe, as it is called, there might be no more policy at all. This would greatly simplify things, and once......there was no more policy, it follows that it would be possible to impose a policy on each of the six nations.....Then, perhaps, everybody would fall in behind somebody from outside who did have a policy. That might be the federator but it would not be a European one....neither would it be an integrated Europe - it would be something entirely different, much more wide-spread with, I repeat, a federator...." Even if he had so far tacitly accepted the good faith of his "supra-national" opponents, he now began to question it, for "perhaps that is what to some extent and sometimes lies behind the remarks of this or that supporter of European integration. If so, it would be better to say so".

It is now becoming clearer and clearer that the main reason why General de Gaulle vetoed Britain's entry in to the Common Market in January 1964 was that he thought of her as a Trojan horse, because of her "special relationship" with the U.S.A.; to his mind, she (and perhaps the other EFTA countries, following her example) might have formed an element in the Community which was far too complaisant towards American requests. But, quite apart from his veto against Britain at his press conference of July 23, 1964 de Gaulle again took up the argument that political integration comes to the same thing as American domination: "Many worthy and sincere people have recommended for Europe, not an independent policy, which they really did not envisage, but an organization unsuited for having such a policy; one which in that respect, and as with defence and economics, would belong to an Atlantic (that is, American) system, and would therefore be subordinated to what the United States call their 'leadership'. This so-called 'federal' organization would be based partly on a kind of organized talking shop, with responsibilities removed from the purview of national governments, described as executive, and partly on a Parliament without national characteristics, described as legislative". And later on he added "..... integration cannot fail to lead to an American protectorate".

Difference of Approach Needs Clarification

Misunderstandings may obscure the normal working of a partnership, so it is essential that each partner should clearly understand the motives of the others. General de Gaulle's present attitude towards the progress of Europe can only be appreciated in the light of his reactions in past years and these may well be more revealing than anything he says on September 9. To describe his attitude as that of an extreme nationalist and let it go at that is an oversimplification. So far as it is possible to plot a course of this kind, it might be said that de Gaulle's thinking on the subject of Europe started from the same point as that of the founders of the Community: at the time he had an almost identical vision of a Community in the remote future, the details of which were still vague, but whose main lines of construction were clear enough. He, like them, believed that the edifice they were building should be wide open to the nations of Europe and should work on the basis of universal suffrage; the key-stone should be voluntary delegation of authority by each member nation for the benefit of the whole, so that it could develop as coherently and harmoniously as possible. How can it have happened that such a marriage of minds in the first place could have turned into a divorce, of which the present crisis is only the most spectacular symptom?

First and foremost, perhaps, it is simply an inversion of the order of the two main features common to political minds. With de Gaulle, the vision comes first and the realism follows, possibly correcting, modifying or even destroying the original thought, in which case this thought is relegated in his mind to a mirage. For his present opponents, realism comes first and the vision is regarded as the ultimate objective; the more satisfactory the results produced by the practical working arrangements made in the beginning, the more impatient these opponents become to apply their democratic ideals more fully.

When de Gaulle invoked the idea of a European "association" or "alliance" within which all political, economic and cultural problems of common interest would be settled without difficulties, he imagined it working completely and harmoniously. He changed his tune very quickly, however, when he realized, (and he did gradually come to realize) that the delegations of sovereignty which are required for such working were links in a chain which would sooner or later shackle the autonomy of member states: he came to see that the initial referendum, universal suffrage, the founding of the European edifice, all led straight to the election of a federal assembly which would eventually and necessarily usurp the powers of the national parliaments. His partners, on the other hand, did not think that the time had yet arrived to examine too closely the advantages and disadvantages of the final stage. Even in their present impatience to make better progress towards the ultimate European organization, they are "gradualists" - as indeed were all the founding fathers of the European Community - satisfied with relatively modest changes, provided that they all lead towards their final vision. Just because the Common Market Commission, the executive institution, works so wisely and independently, they recognize in it the catalyst which can in practice crystallize the European idea; not surprisingly, they are now trying to give more power to the Commission's elbow.

De Gaulle's political philosophy does not foresee this gradual integration being achieved under the impetus given by an institutional catalyst, but only of the initiative of an internal or external federator. In his mind, such a federation is always a State or Head of State, proceeding with the sacred national egotism handed down from the 19th century. In the circumstances he is naturally chary of the "spontaneous gestation" of a unified Europe, because he considers it suspicious. This is because, according to his view of the world, the United States appears to be a country whose ambitions in this direction are so evident that he cannot fail to regard her instinctively as the "invisible presence", since he can discern no other force which is capable of moulding events.

The Europe which de Gaulle wants to see must declare its independence and show itself to be "European", by keeping its distance from the United States. The General is of course well aware that his five partners cling to the Americans for economic (and even more for strategic) reasons; for the time being his partners cannot conceive of a Europe which is not closely linked with the great American power on which their safety depends. At the present time, and probably for years to come, the defence and foreign policy of a Europe inclined towards federalism runs the risk, in his mind, of being the policy of too pro-American a majority - and to his way of thinking any strengthening of the Commission brings federation nearer.

So when de Gaulle talks nowadays about a "European" Europe, or when he ridicules dreams which were his own fifteen years ago, he is not merely completing his conversion to the idea of a simple Confederation, within which the particular States would keep all their sovereign powers, but he is also making a desperate attempt to solve his great problem: - how to create a unified Europe, showing complete independence of U.S.A., while keeping company with partners whose tendencies are more pro-American than he would wish. In any case history shows that confederations of really sovereign States have always failed unless they gave way to real federations.

When talks on political union begin again - and it is in the nature of things that they will begin again, sooner or later - are his partners going to accept the confederal brakes which he wishes to apply so as to prevent the Community as a whole running on a direction which is not in accordance with his own ideas? Whatever the outcome of such an attempt to reconcile the irreconcilable, it is better to face these problems straightforwardly than to drift along uncertainly. The question is whether they can be faced properly until some of the misunderstandings between de Gaulle and the United States which have become so serious since autumn 1958 have been cleared up for good and all.

THE WEEK IN THE COMMUNITY
August 23 - 29, 1965
From Our Correspondent in Luxembourg
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ECSC

Gloomy Outlook for Community Coal

During the first seven months of 1965, coal production in the European Coal and Steel Community fell to 132.812 million metric tons compared with 138.246 million tons in the corresponding period last year, 3.9 million tons (3.9%) below last year's level; at the same time, however, demand for coal within the Community has fallen even further. In the first six months of 1965, pit-head stocks increased by more than 9 million tons; and to these unsold stocks must be added about 186,000 tons which were not mined because men were laid off due to falling demand. Thus the coal industry in the Six is altogether in a worse position than it was in 1964, when the severe winter of the previous year had exhausted most consumers' stocks. The situation is more serious than the High Authority had foreseen in its 1965 estimates (which were far from optimistic), in which it stated: "... it seems likely that supply will exceed demand by about 8 million tons (of coke and coal)" in the current year. In fact, the surplus has already risen to 9 million tons in the first half of the year. Admittedly last winter was very mild, but this is not enough to explain why the Community coal-mines have lost sales so fast during the last six months. As the High Authority rightly suspected, in its memorandum on the outlook for energy in the Community, the increases in the price of coal which the producers had to make have probably helped to speed up the process of substituting other sources of power for coal; the price increases have also led to new pressure from some of the coal-consuming industries to be allowed to import more coal from outside the Community. Pressure has been particularly strong from the Belgian, the French, and (rather more discreetly) the German steel industries. These steel men recognize the ECSC coal industry's difficulties, and they appreciate its value as a secure source of coke, but they feel strongly that their competitors in the Netherlands and Italy, who import part of their coal supplies at world prices, have an advantage over them.

The situation for the Community coalmines, therefore, is bad and likely to get worse, unless adequate steps to safeguard the industry are taken soon. As long as there is no Community agreement on how to do this, the different member countries will have to take action independently, which would make agreement on any future common energy policy even harder than it has been up to now.

State of the Coal Industry in the Six

During the first seven months of the year, coal output in the Six was as follows (in thousands of metric tons):

Jan./July	Germany	France	Italy	Netherlands	Belgium	Community as a whole
1964	86,925	31,675	289	6,913	12,443	138,246
1965	83,654	30,685	270	6,697	11,506	132,812
Change	- 3.8%	- 3.1%	- 6.6%	- 3.1%	- 7.5%	- 3.9%

At the end of the first half of 1965, total pithead stocks rose to 25.434 million tons for the whole Community, which is an increase of about 9.159 million tons in only twelve months. Apart from Italy (whose coal industry is too small to affect the position), all the coal-producing countries of the Common Market increased their stocks, particularly West Germany, the Netherlands and Belgium (see table below - pithead stocks in thousands of tons):

	Germany	France	Italy	Netherlands	Belgium	Community Total
End June 1964	7,744	6,554	107	650	1,220	16,275
" " 1965	15,070	7,031	49	1,294	1,990	25,434
Difference	+ 7,326	+ 477	- 58	+ 644	+ 770	+ 9,159

Stocks have been mounting relatively slowly in France, which is probably explained by the existence of a central board for coal imports, the Association Technique de l'Importation Charbonniere (ATIC), which enables France to adjust supply to demand more efficiently than her partners.

For the period July-September, 1965, the High Authority's forecasts show, over the whole of the Community, a surplus of reserves over demand of more than $1\frac{1}{2}$ million tons, which indicates a lower rate of stocking than at the beginning of the year. But the third quarter includes the miners' holiday period, which means that output is lower, and if it rises normally at the end of the year, the improvement in Community coal figures expected for the third quarter may not continue. In any case, while the Community tonnage figures look less disturbing in the summer months, so far as costs and receipts go, there is little chance of improvement unless there is a change for the better in the position of coal relative to other fuels, which can hardly be expected.

Pressure for Subsidies Mounts

The pricing of Community coal has been affected by two factors: improvements in the basic yields of the mines are now slowing down, and costs, particularly wage costs, are soaring. There is no doubt that increased production in the current year will be nowhere near enough to offset the wage increases which have already been made or promised. The financial effects of this on the coal-mining companies are very grave, as the producers know only too well. At the last session of the Consultative Committee, they emphasized how urgent it was to take immediate and effective measures to stimulate the market, and how much an active policy of industrial redevelopment was needed (the Belgain delegation was particularly anxious about this). A few months ago the High Authority began to apply the main decisions recorded in the draft agreement on energy of the April 21, 1964, which made provisions for legalizing some types of financial aid to Community coal industries on a Community basis, but the producers think that these measures are already inadequate in the present situation. And as there is no prospect of an immediate action at Community level, the individual coal-producing countries are acting independently. In West Germany, for example, the Bundestag, before the end of the legislative session, passed a number of laws which were intended to improve the situation in the coal industry.

1. A law providing tax incentives for using coal in steam-generating power stations and exempting from income tax reserves intended to be used in setting up new power stations.

2. A law supplementing the law on the "Rationalization Association", which prolongs by a year (until the end of December 1968) the period during which tax advantages will be given to mining companies to help them in re-development.

3. A law on stocking oil, which requires converters to maintain their stocks at a level representing 65 days' imports of crude oil,

4. A law changing the pensions regulations for the mining industry, and providing that the Federal Government will take over the payment of two-fifths of the pensions for disabled miners.

In response to the most pressing demands from the industry the Federal Government at the end of July decided on a series of measures, the most important of which gives financial aid to the mines - the State will regard certain pithead stocks as strategic and will buy them up. This is certainly an indirect way of subsidizing coal, and the High Authority still has to decide whether this aid complies with the draft agreement's stipulations, and with the High Authority's regulations on how they should be applied. The problem is the same throughout the whole Community, for the industry realizes that it is not in a position to quote prices competitive with those of its main rivals outside, particularly the United States. Through the ATIC, France has been able to develop a system which avoids variations in price stemming from different sources of supply. In West Germany, a prohibitive import duty is backed up by an import quota which only allows six million tons a year to enter the country, and these are entirely absorbed by the coastal areas, leaving the Ruhr coal industry in a position to fix coal prices in West Germany (and in a large part of the Common Market); however, these prices are under heavy pressure from coal's substitutes, particularly oil and natural gas.

In its latest annual report, the ATIC says that today the Community is faced with two alternatives: "Either to free imports completely, which might be the ruin of the Community's own coal production, or to bring the price of Community coal down to such a level that the consumer will no longer need to demand imported coal. What is needed is a system of subsidies conceived in a far broader spirit than the High Authority has so far shown". This point of view is now becoming more and more widespread, even among those who had previously rejected subsidies on grounds of economic theory.

BRITISH AGRICULTURE & THE EUROPEAN ECONOMIC COMMUNITY

by Richard Bailey

British agriculture differs sharply from that of the six Common Market countries. The most striking difference is that it employs only 4 per cent of the working population compared with 23% in France, 31% in Italy and 14% in W. Germany. At the same time its share of the gross national product is again around 4 per cent whereas the corresponding figure for France is 9%, for Italy 17% and for W. Germany 7%. Although Britain is, in fact, the West European country with the smallest agricultural sector, earnings of the agricultural population are higher and nearer to those of industrial workers than in any of the Six. On the question of self-sufficiency in agricultural products, Britain is again out of line with Common Market countries. Holland has an export surplus of farm products, France and Italy are about 90 per cent self-sufficient and have an export surplus of some items, Belgium-Luxembourg are about 70 per cent sufficient and W. Germany about 66 per cent. Britain, however, produces only 43 per cent of her agricultural requirements and is the major food importer in Western Europe. But to keep the relative importance of agriculture in Britain and the Six in perspective it is necessary to point out that Britain produces nearly half its foodstuffs with only 4% of its working population. To maintain their present level of self-sufficiency and raise their efficiency to the British level the French would have to reduce their farm population from 23% to 9% of the total active population, the Germans from 14 to 7% and the Italians from 31 to about 10%.

The British system

Before entering into a discussion of the difficulties that membership of the Common Market would raise for British farmers it is necessary to see how the present agricultural support system differs from the common agricultural policy. The main features of the British system are the rejection of tariffs and quotas and its reliance on deficiency payments and production and improvement grants. The essence of the deficiency payments system is that it allows prices to be determined by the free working of the market, while guaranteeing a minimum price to the producer. The Government pays to the producer the difference between the realised market price and the guaranteed price negotiated at the Annual Price Review. This leaves the market price free to fluctuate while giving the producer the guaranteed price. Quantitative restrictions are applied to a few items, notably apples and pears, condensed milk and milk powder. This system, as will be shown, has been considerably modified since its introduction under the Agriculture Act of 1947.

The great advantage of the British system is that it provides a means of reconciling support for home agriculture with free entry for imported food. Trade links with Commonwealth producers and the traditional British policy of cheap food are both maintained. However a price has to be paid for these advantages in the form of the very considerable charge on the Exchequer, which is passed on to the consumer in the form of taxation. The actual cost of agricultural support including farming grants and subsidies was £269.7 million in 1963-1964 and is estimated at £294.5 million for 1965-66. In the past decade the peak year was 1961-62 when British agriculture was supported to the tune of £342.6 m. The division between payments under price guarantees and farming grants is important as an indication of the way in which the cost to the Exchequer varies with market fluctuations. Table 1 shows that the sums paid out in grants and subsidies (item 2) for fertilisers, lime, grass renovation, field drainage, calves, hill sheep, silos, farm improvements and other items have remained fairly constant.

TABLE I

Estimated cost of Exchequer Support to Agriculture

in millions of £

	1961-62	1962-63	1963-64	1964-65	1965-66 Estimated
1. Implementation of price Guarantees	225.5	190.1	178.9	150.6	175.5
2. Farming Grants and Subsidies	107.5	109.4	104.1	108.2	107.2
3. Administrative Expenses	8.7	9.0	9.4	10.0	10.2
Total:	341.7	308.5	292.4	268.8	292.9

Source: Annual Review and Determination of Guarantees 1965 (Cmnd 2621)

The items for which guaranteed prices are fixed at the Annual Price Review are wheat, coarse grains, milk, sugar-beet, potatoes, fat cattle, sheep and pigs, eggs and wool. In the years following World War Two the object was to raise output but since 1954, when the volume of production was 55 per cent above that of 1938, other considerations, particularly production costs, have been more important. The Agriculture Act of 1957 encouraged the industry to plan ahead by laying down the principle that any reduction in the total value of production grants and guarantees from one year to another would be limited to 2½%, and to 4% for any one commodity. Reductions in guaranteed prices for livestock were to be limited to 9% over any three year period. The Act also introduced a comprehensive system of grants for modernizing fixed equipment and gave assurances that these would be available for some years ahead.

In the early 1960s it became clear that some modification of the system of agricultural support would be necessary. The cost of implementing price guarantees had risen alarmingly. Other countries were shipping their surplus to Britain with the result that there was an ever widening gap between the market price and the farmer's guaranteed price for the Exchequer to meet. In 1961-62 for example, increases in imported meat pushed up the Treasury subsidy by £67m. Clearly an open ended commitment of this kind could not be continued indefinitely. No Government could continue to pay out money on this scale, not to benefit its own farmers but for the doubtful privilege of providing a market for the surplus production, often subsidised, of the rest of Europe. The fear that the common agricultural policy would lead to increased production in the European Community and a further flooding of the U.K. market was another reason for modifying British agricultural policy.

In May 1963 the Minister of Agriculture announced that a system of import controls and import licences would be introduced for cereals and meat under which guarantee payments would be related to specific quantities of output. This meant that instead of a commitment open at both ends, the Government now had the power both to check imports and thence the movement of prices on the market, and to limit its payments to the farmers by setting 'standard quantities'. This arrangement in various forms already applied to sugar beet, milk, potatoes, eggs and pig meat. Its application to cereals and meat brought under control the two products which had been almost entirely responsible for the mounting cost of farm support.

The way in which the new arrangements operate can be illustrated by two examples. The seven principal overseas suppliers of bacon have agreed to regulate their exports to the U.K. as from April 1, 1964, to a minimum quantity of 615,000 tons, with a reserve of 25,000 tons being set as the total market for the first year. Each overseas supplier has been allotted a quota based on the existing level and pattern of supplies, and U.K. bacon producers have been given a quota of $36\frac{1}{2}\%$ of the total, or 222,400 tons. In the case of cereals an agreement has been made with Canada, Australia and the U.S.A. to limit supplies by way of import prices instead of quotas. Six other countries, including France, have agreed to co-operate in this arrangement. What happens is that if cereals are landed at British ports at prices below the agreed minimum a levy will be payable. For home producers standard quantities have been set to which the price guarantee arrangements will apply. For the year 1964-1965 these are for 6.5m tons for barley and 3.3m tons for wheat.

This reshaping of British agricultural policy represents a significant move away from the traditional concept of free imports for all foodstuffs. It was necessary both in order to control the cost of farm support, and to prevent the British market being a dumping ground for the suplUSes of other producers. The increase in the efficiency of the industry has led to a rise in home output particularly in cereals, sugar, meat, cheese and eggs. Nearly all the milk, poultry, meat, eggs, pork, barley, oats and maincrop potatoes consumed in Britain are now home produced. The commodities for which over half U.K. requirements have to be imported are butter and cheese, bacon and ham, mutton and lamb, and wheat. In the Kennedy Round of GATT negotiations the British Government has stated that it hopes to see its agricultural trading policies for cereals and meat incorporated in the more comprehensive international commodity agreements which are expected to result from the negotiations.

The Common Agricultural Policy

Such then is the British system of agricultural support and import control at the present time. This differs very considerably from the Community's common agricultural policy which was designed to institute 'a common organisation of the market' for agricultural products in the member countries. The agricultural policy has been so widely discussed that there is no need to give more than a bare outline of its main principles and methods here. The objectives of the common policy are to increase agricultural productivity; ensure fair living standards for the agricultural population; stabilise markets; guarantee regular supplies; and ensure reasonable prices to consumers. The emphasis is on the need to harmonise national farm policies and retain existing supports and levels of protection for farmers rather than on freer trade in farm products. The series of crises and last minute rescue operations that have marked the stages by which the common agricultural policy has been first agreed and then implemented underline the reluctance of the member governments to upset long standing arrangements with their farming populations.

In the Treaty of Rome, Articles 38 to 47 state the general rules covering agricultural products and these have been given practical force by the adoption at the beginning of 1962 of proposals put forward by the Commission. The effect of the adoption of the common agricultural policy will be to bring about a complete re-organization of the structure of agriculture in the Community. This will result from concentration of holdings, the use of improved techniques and better farm management and a general drive towards increased productivity. These changes will be backed up by measures to provide increased outlets for farm produce and commercial policy arrangements in relation to foreign trade.

Unlike the British system which is based on world prices, the common agricultural policy operates on the principle that Community farmers should be protected from competition from outside producers. This protection is achieved by a system of price fixing and by the imposition of levies to protect and support Community prices. It also provides for financial and other assistance to promote structural changes in the industry. The Community arrangements for grains, which became famous through the wrangling over the level of import prices at the end of 1964, illustrated the difficulties to which the common policy gives rise. What happens is that each member state has to fix a basic target price for wheat, rye, barley and corn, which applies at the wholesale level. This is based on the market centre with the biggest deficit of a particular grain. For the Community as a whole the upper and lower limits of target prices will be set each year before the beginning of the harvest. A standard quantity is set for each cereal for the Community to which the upper and lower target price limits apply. National governments support their grain producers by fixing an intervention price which may be 5 to 10% below the national target price. When the wholesale price falls to the intervention price in an area, government agencies buy up all the grain offered at the intervention price. W.Germany has the highest level of intervention prices for grain and France and Holland the lowest.

Yet a third category of price enters into the Community's arrangements for grain, namely the threshold price which relates the price of imports to the target price. This is set after allowing for transport charges from the port of entry to the centre for which the target price applies. It also allows for adjustments for quality differences and for a lump sum reduction, the "montant forfaitaire", to give intra-Community trade a preference over imports from outside. The key to the whole of this complicated system is the use of import levies to maintain prices at certain levels within the EEC. In the transition period while price levels in the member countries are still largely determined by national policies, levies are applied both to trade between members and to imports from outside. Once the Common Market is established levies will be paid only on products coming in from non-member countries. The mixture of national and Community systems can be expected to continue until the 1st January 1970.

For other commodities, notably rice, meat, dairy produce, the arrangements are similar in principle while differing in detail. For fruit and vegetables the system is based on the establishment of uniform quality standards. The idea is simply that if rigorous quality standards are applied throughout all the Six and preference given to the best quality produce, it would be possible to keep the market stable. Tariffs, quotas and other restrictions on intra Community trade are to be removed gradually during the transitional period, and a common external tariff will be brought into force.

The criticism of the EEC system is that it will maintain prices within the Community above world levels. This can have the effect of stimulating production unrealistically, of keeping out produce from low cost agricultural producing countries, and of making it difficult for Common Market producers to sell outside it. This last problem is being taken care of by the device of export rebates which make up the difference to the producer where the domestic price is above the export prices. It is not surprising that the system has come in for criticism from traditional agricultural producers and that the United States has insisted on the inclusion of agricultural protection in the Kennedy Round.

How does the highly complicated Community system of agricultural support appeal to the farmers themselves? Are they happier under Dr Mansholt's arrangements than they were when their national ministers of Agriculture ruled their roosts? The answer would seem to be that while farmers everywhere are generally pessimistic those of the Community have learned that pessimism organized on a supranational scale is the most effective bargaining weapon yet devised. The major crises in the EEC - including the breakdown of the negotiations for British membership - have all centred on agricultural policy. In the Comite des Organisations Professionnelles Agricoles de la CEE (COPA) the farmers now have a central organization through which to bring pressure to bear in Brussels. But COPA will not develop into a really effective body until the slogans and policies which have served its members so well in national politics are put aside for others which take a Community-based view.

Could Britain Join?

It must be assumed in any discussion of the future of the Common Market that the present difficulties will be overcome and the question of the relations between Britain and the Community will again become a live political issue. When this time comes agricultural policy will again be a major negotiating problem. The difficulties involved concern the position of the farmers and the consequences of the common agriculture system for the U.K. food import bills. The problems of adaptation for the British farmers moving from a system of price support to one of protection will be considerable. In their case, however, the problems would be largely those of administration. Except for horticultural products which have special difficulties, there is no doubt that British farmers will be more than able to hold their own as producers. There would inevitably be arguments over methods of supporting the various products but so long as the overall level of prices received by the British farmers was about the same as under the old system, these would not be insoluble.

The major problem posed by British adoption of the common agricultural problem would be the effect on the balance of payments position. About half of Britain's food is imported, and a half of this comes from the Commonwealth countries. Supplies from Western Europe are relatively small, bacon and butter from Denmark and the Netherlands being the major items. The preference now given to Commonwealth food imports is not very considerable, the margin varying between 3 and 8%. What is much more important is that Commonwealth producers would now find themselves facing a system of import levies from which their EEC competitors were exempt. The degree of protection facing non-Community producers in the British market would depend on the eventual price level agreed upon. Mr Harold Wilson has stated that the addition to Britain's food import bill would be around £250m. a year. While this sort of calculation is very difficult to disprove in the absence of any information about the level of farm prices that Britain might be able to negotiate, there is no doubt that the impact on the balance of payments would be extremely unfavourable.

Does this mean that British membership of the Common Market at some future time is impossible because of the adverse effects of the common agricultural policy? In the absence of any modification of British agricultural policy the answer is certainly "Yes". But here the continuing difficulties of the U.K. balance of payments point the way in which a solution may be sought. Already as explained earlier in this article Britain has introduced limitations on the imports of certain foodstuffs. The British support system is already moving closer to the EEC system. At the same time a shift is taking place towards the production at home of a higher proportion of Britain's food, arising from the greatly improved technical efficiency of farm production. This is particularly the case with beef and there are good longer term prospects for cereals when the current agreements on import quotas come to be revised. A move away from the long standing position of Britain as the world's principal food importer cannot be taken without considerable adjustments. In domestic farm policy it would involve changing the emphasis to efficiency so that the most backward farmers and those on the smallest holdings would have to improve their productivity as the price of continuing to receive support payments.

To state the difficulties involved in British adoption of the common agricultural policy is not to accept them as an insurmountable barrier to eventual membership. No one can say at this time what the conditions would be under which negotiations might take place. But the whole point of a negotiation is that it should result in a mutually beneficial arrangement: it is hard to see the Six making it a condition that Britain should incur a heavy increase in the balance of payments deficit in order to join the Community. The best hope for a successful outcome of the agricultural dilemma lies not in a fretful argument about British and Common Market price levels but by concentrating on means for fitting both systems into a wider international arrangement. The proposals for an international agreement on trade in agricultural products due to take place in the Kennedy Round may very well hold out the best hopes for a solution not only of the problem of fitting Britain into Europe but also of making a united Europe a more acceptable part of a reformed world trading system.

		back UEBERSEE BANK, Zurich. U.S.A: INTERNATIONAL COMMERCIAL CREDIT ASSOCIATION formed at New York by American, French, British and Canadian private banks.
25 - 26	FOOD & DRINK	Austria: SINALCO, Detmold (soft drinks) forms an Austrian subsidiary. Belgium: Three French wine merchants hold half the shares in ORGANISATION SCIENTIFIQUE D'EMBOUTEILLAGE. France: SOURCE PERRIER plans to re-organize its chocolate interests around CHOCOLAT MENIER. W.Germany: BENSDORP INTERNATIONAL, Bussum, forms WAREN-IMPORT & EXPORT. Italy: HAROCA HOLDING, Zug controls BERO ITALIA, Milan (tea and coffee); the Belgian firm GENERAL BISCUIT takes over GUGLIELMONI BISCOTTI, Mortara. Netherlands: SOVEDI, Brussels supplies 95% of the capital for a Dutch sales company; the Belgian firm DE TORENS sets up a Dutch company.
27	PAPER & PACKAGING	France: LA CELLULOSE DU PIN, Paris (subsidiary of ST GOBAIN and PRICEL) joins corrugated cardboard makers to set up SOCAR, Paris.
27 - 28	PHARMACEUTICALS	Belgium: MERCK & CO, U.S.A. opens a branch near Brussels; SCOTT & BOWNE, London winds up its subsidiary at Forest, Brussels. France: ASPRO-NICHOLAS, London de-centralizes some of its French interests.
28	PLASTICS	France: GRAHAM, Paris takes 30% in RECHERCHES & DEVELOPPEMENTS INDUSTRIELS. Netherlands: DR E.J. SWAAB's VERENIGDE FABRIEKEN & SWABIMEX set up a joint Amsterdam subsidiary.
28 - 29	PRINTING & PUBLISHING	Belgium: REUBEN H. DONNELLEY, U.S.A. (DUN & BRADSTREET group) forms a Belgian sales company. France: LIBRAIRIE ARMAND COLIN, Paris takes over EDITIONS BOURRELIER.
29	TEXTILES	Belgium: DEERING MILLIKEN, New York and J.J. DIERMAN, Ghent agree to rationalize the latter's at Ghent; CHANRAY, London and KLEDING-INDUSTRIE DE VRIES & SUSAN form a joint Belgian sales subsidiary. France: DARNAT-DUMAS and VETEMENTS PARTNER, both of Paris, jointly form COPARDAR there.
29	TOBACCO	Britain: CARRERA'S, Basildon, Essex form a London company to expand overseas sales of SCHIMMEL PENNINCK SIGARENFABRIEK, its Dutch subsidiary.
30	TOURISM	France: BANQUE DE PARIS & DES PAYS-BAS takes 40% in CLUB EUROPEEN DU TOURISME, Paris.
30	VARIOUS	Belgium: BRUNSWICK, Zurich acquires all the capital of its Brussels subsidiary and liquidates it. France: The Yugoslav firm

SLOVENIJALES takes 49% in SOGEPAL, Paris. W.Germany: DE BEERS CONSOLIDATED MINES, Kimberley backs a Munich sales company; URANIA FILMPRODUKTION, Zurich forms a Berlin subsidiary.

AUTOMOBILES

320/19 HINO MOTOR CO, Tokyo is joining Dutch interests in building an assembly works near Vlissingen. It will be financed locally and managed by a new company, NV AUTOMOBIELFABRIEK NEDERLAND. It will start work in 1966, assembling $3\frac{1}{2}$ ton trucks and from 1967 it will also make "Contessa 1300" cars. In the next five years it is expected to reach an annual capacity of 1,500 trucks and 10,000 cars, for sale in Europe, where the group has been selling for several years.

CHEMICALS

320/19 CONDEA PETROCHEMIE GmbH, Brunsbüttelkoog (capital Dm 40 million), which makes "Alfol" brand synthetic alcohol, has formed a 99% French sales subsidiary CONDEA CHIMIE Sarl, Neuilly, Seine (capital Ff 200,000). 0.5% is held by each of its own parent companies, CONTINENTAL OIL CO, Houston, Texas (see No 299) and DEA-DEUTSCHE ERDÖL AG, Hamburg (which has just reorganized its sales organization - see No 312). The new business will be managed by M. Daniel Zelmans, Paris; there are sales agencies already in Hamburg and London.

Since last March (see No 296) DEA has had a subsidiary at Neuilly, Seine, STE FRANCAISE DES PETROLES D.E.A. Sarl (capital Ff 10,000). 50-50 with PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 315), Continental Oil Co (through its subsidiary CONTINENTAL CARBON CO) has an interest in COFRABLACK-CIE FRANCAISE DU CARBON BLACK SA, Ambes, Gironde (capital Ff 15 million - see No 230).

320/19 HARZER ACHSENWERKE KG SCHWEMANN & ALTHOFF, Barnum, Hildesheim, W. Germany, is taking 58% control of ARUFA NV ARNHEMSE RUBBERFABRIEK, Arnhem, whose capital is being greatly increased. The Dutch firm makes natural and synthetic rubber goods for household and industrial use.

The German company belongs to the Schwemann and Althoff families; it employs about 1,000 people building plant and machinery for the chemical, plastic, cellulose, artificial resin and anti-rust coating industries.

320/19 The Canadian firm SUPEREX LTD, Montreal ("Spray-Way", "Spendy", "Bond-O-Flex", "Aluminia Bond" etc chemical products for automobile bodywork) has formed a Paris subsidiary SUPEREX FRANCE Sarl (capital Ff 10,000) 50-50 with M. Henri Duboin, Paris, who has been appointed manager.

The Canadian firm is represented in Europe by WILLIAM THOMSEN, Copenhagen and in several Commonwealth countries; Australia, New Zealand, Jamaica and Trinidad.

320/20 NORTON INTERNATIONAL INC, Worcester, Massachusetts (formerly NORTON BEHR-MANNING OVERSEAS INC - see No 215) is rationalizing its interests in France, where two of its affiliates are going to merge: CIE DES MEULES NORTON SA, La Courneuve, Seine will take over ABRASIFS APPLIQUES NORTON Sarl, Conflans-St-Honorine, Seine-et-Oise, (managed by Mr Wilfred F. Place), and will consequently raise its capital to Ff 29.63 million.

The American group specializes in abrasives and the chemistry of metals, and in refractory materials (alumina "Alundum 38", magnesium oxide "Magnorite", Boron carbide "Norbide" etc). Last year it began to build an abrasives factory at Lillesand, Norway at a cost of $4.6 million. The group has many manufacturing and sales subsidiaries in Europe: MOLE NORTON SpA, Corsico, Milan; DEUTSCHE NORTON GmbH, Wesseling; NORTON (NEDERLAND) NV, Rotterdam (formerly NV v/h VAN DUYL's MASCHINEHANDEL, acquired by Norton at the end of 1963); NORTON BELGIQUE SA, Brussels; NORTON ABRASIVES LTD, Welwyn Garden City, Hertfordshire; NORTON-ASQUITH LTD, Woodbine Works, Shrewsbury; ELECTRO FURNACE PRODUCTS LTD, Hedon, Hull; REFRACTON AG, Zurich, which represents the group in Switzerland, etc. Through CLIPPER MANUFACTURING CO, Kansas City, Missouri, which it acquired early in 1964, it has a controlling interest in several other subsidiaries in France, Germany, Italy, Britain and Luxembourg which make machine tools, cutting and drilling equipment etc....

320/20 HARSHAW VAN DER HOORN NV, Utrecht (chemical installations and products for electrolysis) is an 86% subsidiary of HARSHAW CHEMICAL CO, Cleveland, Ohio (see No 164), which is now forming another almost wholly-owned Dutch subsidiary HARSHAW HOLLAND NV, De Meern (capital Fl 50,000). This will run new plants, making chemical products for industrial purposes (lubricants, grease removers, polishes etc) synthetic crystals and instruments and equipment for nuclear physics. The American company has two other wholly owned subsidiaries, HARSHAW CHEMICAL LTD, a London manufacturing company, and HARSHAW CHEMIE GmbH, a Frankfurt sales company. It holds 50% in HARSHAW-POULENC-COIFFE SA, Limoges (the other 50% belongs to STE DES USINES CHIMIQUES RHONE-POULENC SA, Paris, which makes catalysts, pigments and other chemical products for use in the glass and ceramic industries.

ELECTRICAL ENGINEERING

320/20 G. BAUKNECHT GmbH, Stüttgart, the German manufacturer of electrical domestic appliances (washing machines, refrigerators, freezers, geysers, etc) is extending its network of foreign subsidiaries by setting up BAUKNECHT SERVICE AG at Halwill, Aargau to carry out all services connected with domestic electrical equipment. The new Swiss subsidiary (capital Sf 50,000) is headed by Herr Willy Mueller, a Zurich lawyer who already has interests in STE BELGE BAUKNECHT SA, Brussels (capital Bf 600,000).

The German company recently acquired a controlling interest of 65% in W. KREFFT AG, Gevelsberg, W. Germany a firm which makes cookers and heaters (see No 311). Since October 1964 it has had a sales subsidiary at Strasbourg, BAUKNECHT FRANCE Sarl (see No 277). At the moment it is forging technical and commercial links with the Franco-Belgian group USINES & FONDERIES ARTHUR MARTIN SA, Paris.

320/20 The capital of USOCOME Sarl, Haguenau, Bas Rhin has been raised from Ff 150,000 to Ff 1,500,000, the whole of the increase being subscribed by the Swiss holding company AURATA AG, Zug (capital Sf 50,000). Usocome was formed in France in 1960 by SUDDEUTSCHE ELEKTRO-MOTOREN WERKE GmbH, Bruchsal, the German manufacturer of gears, brakes, couplings etc.

320/21 MOOG SERVOCONTROLS INC., East Aurora, New York (automatic control equipment for the timber, metal, chemical and plastic industries) is forming its first foreign subsidiary at Frankurt. It is called MOOG SERVOCONTROLS GmbH (capital Dm 20,000) and it will be managed by Mr. Harvey B. Kolm of East Aurora.

The parent company's annual turnover is about $20 million; it runs factories at East Aurora; Paramus, New Jersey and Los Angeles.

320/21 Through its HANCO INTERNATIONAL Division HANNON ELECTRIC CO, Canton, Ohio, is forming its first European subsidiary HANCO INTERNATIONAL (EUROPA) NV, Amstelveen, Netherlands. Like its parent, this company will make special heating plant and equipment (oscillating screens, conveyor belts, electrical resistances, etc). Its Fl 50,000 capital belongs half to the parent company, 19.44% each to Mr. Runrd Sijbrandij and Mr. Adolf V. Bergsneider, and 11.11% to Mr. Cornelis Visser't Hooft.

320/21 The household electric appliance company MOULINEX SA, Bagnolet, Seine (capital Ff 21.75 million - see No. 290) has taken 25% of the shares in SIAMENA-STE INDUSTRIELLE D'APPAREILS MENAGERS Sarl (capital Ff 20,000), which has been formed at Alencon. It has done this through SODENOR-STE DE DECOLLETAGE DE NORMANDIE Sarl, Alencon, Orne (see No. 288). 75% control of the new company is held by M. Rene Le Monnier, Paris and it will be managed by M. Pierre Din, M. Gaston Estivié, M. Roger Georges and M. Alain Saint-Martin.

320/21 STE FRANCAISE D'EXPORTATION DE MATERIEL DE TRACTION - "TRACTION-EXPORT" Sarl (see No. 313) has finally been set up at Paris, (capital Ff 0.3 million). The controlling interest is held by STE GENERALE DE CONSTRUCTIONS ELECTRIQUES ET MECANIQUES ALSTHOM SA, Paris, (54%); its partners in the new firm are the two other firms of locomotive builders M.T.E. SA, Paris., (formerly LE MATERIEL DE TRACTION ELECTRIQUE Sarl) and SA DES ETS BRISSONNEAU & LOTZ, Paris (see No. 294), which hold 34% and 12% respectively.

320/21 CODITEL SA, Brussels, which runs a large network of TV and radio transmitting aerials, is setting up an almost wholly-owned subsidiary, CODITEL BRABANT SA, Brussels (see No. 283). The parent company's main shareholders are ELECTROBEL SA (40.8%) and S.N.I.-STE NATIONALE D'INVESTISSEMENTS SA, Brussels, (37.5%). The balance of the new subsidiary's Bf 15 million capital is held by ELECTROBEL and various affiliated companies : STE POUR L'INDUSTRIE BELGE ELECTRAFINA SA, Antwerp; GEFILUX SA, Luxembourg; STE DE L'ELECTRICITE DE LA BASSE MEUSE SA, Brussels; and POWER SUBSIDIARY CO S.A.H., Luxembourg.

ELECTRONICS

320/22 The Italian company STA SEMICONDUTTORI-S.G.S. SpA, Agnate Brianza (see No. 295) is going to set up a new subsidiary in West Germany called S.G.S. FAIRCHILD, to run a silicon semi-conductor factory which is to be built in response to the rapid expansion of the German electronic industry. The Italian group's sales in Germany have increased 65% this year.

The Italian S.G.S. was set up in 1957 by ING. OLIVETTI & CO SpA, Ivrea; since 1960 it has been held one third each by Olivetti, FAIRCHILD CAMERA & INSTRUMENT CORP, Syosset, New York - through its division FAIRCHILD SEMI-CONDUCTOR CORP, Palo Alto, California-, and TELETTRA-LABORATORI DI TELEFONIA ELETTRONICA & RADIO SpA, Milan; it represents its American shareholder in Europe, Africa, the Middle East and some Asian countries. It has recently been expanding its manufacturing capacity elsewhere than in Germany: in France, its subsidiary S.G.S. FAIRCHILD SA (set up in April 1962) has decided to build a factory at Rennes; in Britain, S.G.S. FAIRCHILD LTD, Ruislip, Middlesex, (set up in 1961) is going to build a second factory at Falkirk, in Scotland, which will be starting production in 1967; in Sweden, a silicon semi-conductor factory should be starting production at Märsta next spring.

320/22 "DUDEINS" INDUSTRIEGERAETE-HANDELS GmbH is extending its sales network in West Germany by opening a branch at Hamburg. The firm was set up at Dusseldorf in March 1961 (see No. 115) as a subsidiary of the Dutch company DOEDIJNS INDUSTRIELE & HANDELSONDERNEHMING NV, The Hague, which manufactures automatic and remote control equipment. Since October 1963 the Dutch firm has had a wholly-owned subsidiary at Paris, DOEDIJNS FRANCE Sarl (capital Ff 10,000 - see No. 228).

320/22 The Paris group CIE FRANCAISE THOMSON HOUSTON SA (see No. 316) has simplified its Italian interests by merging two of its Milan subsidiaries: THOMSON ITALIANA has taken over THOMSON ESPELETTRA SpA, which became a limited company (capital lire 10 million) in February 1963, and sold electric and electronic materials and appliances. THOMSON ITALIANA (formerly THOMSON ITALIANA COMPONENTI SpA), capital lire 660 million, has a factory making electronic components for radio, TV, domestic and industrial appliances etc. at Pardero Dugnano.

ENGINEERING AND METAL

320/22 CEGEDUR-CIE GENERALE DU DURALUMIN & DU CUIVRE SA, Paris (see No. 300) is planning to strengthen its productive arrangements by backing the formation of STE CENTRALE DES EMBALLAGES EN ALUMINIUM SA, which is planned to have a capital of Ff 10 million, and of STE ARMORICAINE DES EMBALLAGES D'ALUMINIUM SA (capital Ff 1.3 million). It has about 90% control and the remainder is held by STE DE DEVELOPPEMENT REGIONAL DE BRETAGNE, Rennes, Ille-et-Vilaine; it will be responsible for setting up a factory at Quimperlé, Finistère.

Cegedur has been 58.5% jointly controlled by PECHINEY and UGINE groups since the end of 1964 (see No. 279) and another 25% is held by C.G.E.-CIE GENERALE D'ELECTRICITE.

320/22 The manufacturing company AKRON STANDARD MOLD CO & ZAENGL (A-Z) REIFENFORMBAU GmbH (capital Dm 0.6 million; headed by Mr. Emory Edward Becht) has been set up at Munich by the American makers of vulcanization moulds AKRON STANDARD MOLD CO, Akron, Ohio, in partnership with the Munich firm KARL ZAENGL, which makes equipment for repairing and re-treading tires.

320/23 The American group BELOIT CORP, Beloit, Wisconsin, has gained control at Milan of FABBRICA ITALIANA MACCHINE STAMPAGGIO ED INIEZIONE SpA. Beloit is represented in Italy by BELOIT ITALIA SpA (formerly FONDERIE OFFICINE POCCARDI A. GALLINA & CO, in which the paper group CARTIERE BURGO SpA, Verzuolo and Turin, has a 32.34% interest). Its new acquisition makes machinery for the paper and plastic industries (especially for plastics; for two years it has had a licencing agreement for this type of work with HENSCHEL-WERKE AG, Kassel); its capital has been raised to lire 343 million, and under the new name of BELOIT FIMSAI SpA it will be headed by Mr. Vernel E. Johnson.

The American group has centred its European sales organization around Switzerland, where it is represented at Zurich by a branch of BELOIT INTERNATIONAL CORP, Panama, which was made into a subsidiary (capital Sf 6 million) at the end of 1964; and also by a branch of another subsidiary, BELOIT-WALMESLEY INTERNATIONAL C.A., Caracas, which sells its own machines and also sells for E.D. JONES CORP, Pittsfield, Massachusetts, BELOIT ITALIANA SpA and the associated British company THE WALMSLEY (BURY) GROUP LTD, Bury, Lancashire. The group also has various sales representatives such as BELOIT PAPERMACHINES SA, Paris; BELOIT INTEGRATED PROJECTS LTD, Kingston-on-Thames, Surrey, etc...

320/23 The Swedish manufacturer of pneumatic and hydraulic machinery MEKANPRODUKTER HANS HOLM A/B, Stockholm (see No. 319) is continuing to extend its sales network in the Common Market; it has just set up a Belgian subsidiary MECMAN SA (capital Bf 300,000) at Auderghem, Brussels, of which Mr. Robert Olesksiewiez will be managing director.

The parent company, headed by Mr. Hans F. Holm, recently set up MECMAN GmbH at Hamburg, and it has sales representatives under the same name at London and Oslo.

320/23 The group NORTON CO, Worcester, Massachusetts, has backed the formation in France of N.C.R. EUROPE Sarl, to do all kinds of metal processing using the techniques of its affiliate, NATIONAL RESEARCH CORP, Cambridge, Massachusetts (and its subsidiary N.C.R. CORP, Newton, Massachusetts), which manufactures tantalum and its alloys. Norton took over N.R.C. in May, 1963. The new French firm (St. Julien-en-Genevois, Haute Savoie; capital Ff 20,000) will be headed by M. Jacques M. Martinoni, who also heads several sister companies at Rueil-Malmaison, Seine & Oise: CONSTRUCTION EQUIPMENT & MACHINERY CO (INTERNATIONAL) Sarl (capital Ff 100,000; formerly CLIPPER EUROPE Sarl) which has direct control of the new firm; and CONSTRUCTION EQUIPMENT & MACHINERY CO (FRANCE) Sarl, (capital Ff 722,000; formerly CLIPPER FRANCE Sarl). These two firms, which both make machine tools and particularly stone-saws with diamond cutting edges, have belonged to the Norton group since it took over the CLIPPER MANUFACTURING CO, Kansas City, Missouri, early in 1964. (Clipper was subsequently renamed LAKE RIDGE INVESTMENT CO).

Lake Ridge, which shares control with Norton and its subsidiary ABRASIFS APPLIQUES NORTON Sarl of Construction Equipment & Machinery Co (France), has several subsidiaries in Europe including: at Lörrach DEUTSCHE CONSTRUCTION EQUIPMENT & MACHINERY CO GmbH (capital Dm 1.02 million; formerly DEUTSCHE CLIPPER GmbH); at Milan CONSTRUCTION EQUIPMENT & MACHINERY CO (ITALY) SpA (formerly CLIPPER ITALIANA SpA); at Bascharage, CONSTRUCTION EQUIPMENT & MACHINERY CO (LUXEMBOURG) SA (formerly CLIPPER LUXEMBOURG SA) etc...

320/24 The French company TEFAL SA, Sarcelles, Val d'Oise (headed by M. Marc O.E. Gregoire - see No. 292) has set up a 70% sales subsidiary at Charleroi, ALUTEF NV (capital Bf 2 million - managing director M. Armand A. Bouche), to sell the parent company's household articles, sports and camping equipment and other products on the Belgian market.

Tefal (capital raised recently to Ff 1.26 million) makes household articles in metal covered with a thin non-stick layer of "fluon" (the fluorocarbon resin "Teflon" manufactured by E.I. DU PONT DE NEMOURS). A few months ago it set up a Milan sales subsidiary MONDIAL-PENT Srl (capital lire 3 million).

320/24 The German company PASSAVANTWERKE MICHELBACHER, HUETTE & CO, Michelbacher Hütte /Michelbach/Nassau, which makes equipment for piping and purifying water, has strengthened its hold on the Dutch market by forming a sales subsidiary at Utrecht called TECHNISCH BUREAU VOOR BEDRIJFS- & AFVALWATERZUIVERING NV. It holds 90% of the Fl 10,000 capital, the balance belonging to its manager, Mr. Udo Passavent.

320/24 FAEMA SpA, Milan (capital lire 1000 million - see No. 45), which makes machines for coffee bars, is about to set up a Frankfurt subsidiary. In France it is represented by FAEMA PARIS SA, which recently raised its capital from Ff 505,000 to Ff 783,000.

320/24 CULLIGAN FRANCE SA, Paris (which is linked with the specialist water-treating firm CULLIGAN INC, Northbrook, Illinois - see No. 308) is adding to its organization a Strasbourg agency called CULLIGAN-ALSACE-NORD Sarl (capital Ff 20,000), the manager of which is M. Gerard-Albert Haegel, Strasbourg.

320/24 In order to expand its Dutch business, EXPORT METALL INDUSTRIE GmbH, Meschede, the German metal dealers, are forming an almost wholly owned Amsterdam subsidiary, EXPORT METAAL INDUSTRIE PRES TURB NV (capital Fl 50,000).

FINANCE

320/24 At New York, ICCA - INTERNATIONAL COMMERCIAL CREDIT ASSOCIATION has been set up by four private banks - one American, one French, one British, one Canadian - to help long-term export credits. BANQUE INTERNATIONALE A LUXEMBOURG SA (see No. 316) has been appointed banker to the new organization, of which M. Paul Louis Hirsch is secretary-general.

ICCA was founded by: EXPORT PROCUREMENT CORP, New York; LOUIS HIRSCH & CIE, Paris; WILLIAM BRANDTS & SON, London; and INTRAFINA LTD, Montreal. To make its international operations more efficient, ICCA will probably be extended to include commercial banks in West Germany, Italy, the Netherlands, Switzerland, Luxembourg, Sweden and Austria.

A few months ago, six finance and banking houses grouped in EUROPEAN CREDIT UNION-UNION EUROPEENNE DE CREDIT, formed a partnership offering manufacturers of capital goods a new kind of international credit to finance their sales abroad: the partners - BANQUE LAMBERT, Brussels; DISKONT & KREDIT AG, Düsseldorf (subsidiary of DRESDNER BANK AG); UNION FRANCAISE DE BANQUE SA, Paris (CIE BANCAIRE SA group); BOWMAKER LTD, London; AUXILIAR INTERNACIONAL DE CREDITO SA-AUXICREDIT, Madrid (group UNIFIBAN - UNION ESPANOLA DE FINANCIACION); and SALJFINANS A/B, Stockholm (group SVENSKA HANDELSBANKEN A/B) - organize the financial side of the sale, so that for the exporter, the operation is just like a cash sale on the home market.

320/25 The holding company AKZESSO FINANZIERUNGS GmbH, Basle, has obtained 25% in FIWE HOLDING Sarl, Fribourg (capital Sf 1.8 million - see No. 234), which, however, remains under the equal control of Mme. Fritz Karl Schulte and Mme. Ewald Schulte, the wives of the two directors in charge of the leading German stocking manufacturers, SCHULTE & DIECKHOFF KG, Horstmar, Munster. The capital of the Fiwe Holding is therefore held in the same way as that of CONPAR HOLDING Sarl (capital Sf 900,000), which was formed recently at Fribourg.

Akzesso belongs to Herr Werner Otto, head of the mail order group OTTO VERSAND GmbH & CO KG, Hamburg.

320/25 A new investment company, CIE TRANSMARITIME D'INVESTISSEMENTS SA has been set up in Luxembourg. Its $1 million capital has been subscribed by BANQUE INTERNATIONALE A LUXEMBOURG SA, two directors of which, M. Rene Franck and M. J. Leydenbach, are also directors of the bank's new holding. Also on the board will be Dr. Ernst H. Van der Beugel, The Hague, who is a director of NATIONALE-NEDERLANDEN NV, Delft (see No. 286) and of ALG. BANK NEDERLAND NV, Amsterdam, which was created last year by the merger between DE TWENTSCHE BANK NV and NED. HANDEL MIJ (see No. 305).

320/25 American interests held by Mr. John Ahlers, New York, and Mr. Augustus K. Karg, Madison, New Jersey, are backing UEBERSEEBANK AG, Zurich (capital Sf 4 million). The president is Mr. Peter Herold, Küsnacht, and it will undertake banking business in Western Europe, on the continent of America, and in the Far East.

FOOD & DRINK

320/25 The Belgian company GENERAL BISCUIT CO (GBC) SA, Herentals (capital soon to be raised to Bf 310 million - see No. 306) has taken over the biscuit firm GUGLIELMONI BISCOTTI SpA, Mortara, Italy (capital lire 450 million), which will change its name to GBC - AFD GUGLIELMONI SpA; the board will be M. Edouard de Beukelaer (president), M. Louis Parein (vice-president), MM Henri Parein, Roger Nijssen, Edouard de Beukelaer Jr. and Mlle. B. de Beukelaer; M. Joseph Verbruggen will be technical director.

The Belgian group was formed by the merger between two biscuit firms, MANUFACTURE DE BISCUITS PAREIN SA, Antwerp, and BEUKELAER'S FABRIEKEN BISCUIT & CHOCOLADE NV, Herentals, and it is now one of the largest biscuit companies in Europe. Even before the Italian takeover it was well represented in the Common Market; in France by BISCUITS PAREIN FRANCE SA, Bondy, Seine, which was set up in November 1962 (capital Ff 0.5 million - see No. 179) and DE BEUKELAER FRANCE SA, Roubaix, which was set up in 1963 (capital raised recently from Ff 100,000 to Ff 200,000); in Germany by FLAEMISCHE KEKSFABRIK ED. DE BEUKELAER KG, Kempen, Nordrhein, and in Britain by the WATFORD BISCUIT CO LTD, Watford, Hertfordshire. In Belgium its sales network includes HANDELMIJ CODEPA NV, Herentals (formerly HANDELMIJ DE BEUKELAER BISCUITS & CHOCOLADE "NIFACO" NV).

320/26 The chocolate and confectionery group BENSDORP INTERNATIONAL NV, Bussum (see No. 311) increased its interests in West Germany (where it already controls BENSDORP GmbH, Kleve) by forming on its premises WIMEX GmbH WAREN-IMPORT & EXPORT, to trade in food products. Its capital is Dm 20,000, and its managers are Mr. Louis W.G. Bensdorp, Bussum, and Mr. Jan A. Hey, Nijmegen.

The Dutch group's sales organization abroad has consisted until now of BENSDORP GmbH, Vienna, BENSDORP (GREAT BRITAIN) LTD, London, W.L.M. BENSDORP CO, Boston, Massachusetts, BLOOKER BELGIE NV, Mortsel, Antwerp, and CACAO BLOOKER (FRANCE) SA, L'Etang-la-Ville, Seine & Oise. Its interest in Blooker is held through KON. CACAO- & CHOCOLADEFABRIEKEN BLOOKER NV, Amsterdam, whose links with the Bussum group have been strengthened by the formation of a joint sales company with CACAO- & CHOCOLADEFABRIEKEN BENSDORP NV, which will be directed by Mr. A. Duyn (see No. 311).

320/26 SOVEDI - STE DE VENTE & DE DISTRIBUTION SA, St. Gilles, Brussels, has put up 95% of the capital for a new sales subsidiary at Nijmegen, SOVEDI NEDERLAND (capital Ff 500,000); the balance is held by IZARRA - DISTILLERIE DE LA COTE BASQUE Sarl, Bayonne, Basses Pyrenees. The directors of the new company will be MM Pierre, Robert and Max Cointreau, and M. Pierre Virant of Neuilly-sur-Seine.

Sovédi (capital Bf 6 million) was set up recently (see No. 311) by the French distilleries MAISON E. REMY MARTIN & CIE, Cognac, Charente (45%); COINTREAU Sarl, Angers, Maine & Loire - through STE BELGE COINTREAU & CIE Snc, St. Gilles (5.2%) and its subsidiary SIMFA - STE D'IMPORTATION & DE FABRICATION SA, St. Gilles (39.8%) and Izarra (10%). The three French companies also have a joint minority holding in the firm which sells for them in West Germany, SCHNEIDER-IMPORT GmbH & CO AG, Bingen (see No. 290).

320/26 The French group SOURCE PERRIER SA, Vergeze, Gard, is going to reorganize its chocolate and confectionery interests around CHOCOLAT MENIER SA, Paris (capital Ff 10 million). This firm is controlled by the holding company CHOCOLAT ROZAN SA, in which Perrier recently acquired a large shareholding (see No. 303). Menier, which has factories at Noisel, Seine & Marne, and at Oloron-St.-Marie, Basses Pyrenees, will take over SACI - SA DE CONFISERIE INDUSTRIELLE, Tourcoing (capital Ff 1.23 million); LES DRAGEES DE FRANCE - ANC. ETS DEBOYRIE SA, Paris (capital Ff 2.253 million); LES BISCUITS DUPONT D'ISIGNY SA, Paris (capital Ff 1.36 million); and ETS LORIOT - STE ALSACIENNE DE CONFISERIE & DE CHOCOLATERIE SA, Schiltigheim, Bas Rhin (capital Ff 1 million). It will also receive the sales company STE CONTINENTALE DE CONFISERIE SA, Paris (capital Ff 1 million), an almost wholly-owned subsidiary of Source Perrier.

320/26 ORGANISATION SCIENTIFIQUE D'EMBOUTEILLAGE SA (capital Bf 1 million) has been set up at Molenbeek-St-Jean to import, bottle and sell wholesale wines, spirits, alcohol, beer, fruit juice and every kind of drink. Two French wine merchants, MARCEL GOULARD SA, Bordeaux, Gironde, and PAUL JABOULET AINE SA, Tain-l'Hermitage, Drome, have taken 16.4% each in the new firm, which will be headed by M. Robert J. Goffart, a wine merchant from Woluwe-St-Lambert (another 16.4% shareholder). The French shareholders are represented on the board by two directors, M. Bernard Ginestet and M. Louis Jaboulet.

320/26 DE TORENS NV, Aarschot, Belgium, which belongs to the Belgian family Geens, has set up an almost wholly-owned Dutch subsidiary called F.V. GEENS (NEDERLAND) NV, at Schiedam (capital Fl 500,000). The new firm, which will make and sell alcoholic and non-alcoholic drinks, will be headed by Mr. Jacobus P. van Tiggele.

320/27 BERO ITALIA SpA has been formed in Milan with a capital of lire 16 million to import and deal in tea and coffee. The president is Sig. Giancarlo Beraldi, Milan, who holds 20% of the shares; the other 80% are held by HAROCA HOLDING GmbH, Zug (capital Sf 1.6 million). The Zug company was founded by the Rothfos family, including M. Jan Beernd Rothfos, manager of DEUTSCHE EXTRAKT KAFFEE GmbH, Hamburg. In April this year it became 54.37% controlled by BECAIHOLDING GmbH, Zurich, which bought that shareholding from Mr Bernhard Rothfos, who is a partner in the importing and wholesaling firm KAKAO-EINKAUFS, GmbH, Hamburg (capital Dm 2 million). He is also associated with the chocolate, cocoa and confectionery manufacturers PETZOLD & AULHORN GmbH, Hamburg (employing over 500 people) and with the holding company PETZOLD & AULHORN GmbH, Zug formed in December 1963 with a capital of Sf 200,000 (see No 237).

320/27 The German company SINALCO AG, Detmold (capital Dm 1.7 million) which makes soft drinks, has set up an Austrian subsidiary, SINALCO ERZEUGUNGS- & VERTRIEBS GmbH, at Schärding (capital Sch 100,000; headed by Herr Bernhard Willee and Herr Ernst August Elbächter, of Detmold). Sinalco has factories at Helsinki and Reykjavik.

PAPER & PACKAGING

320/27 LA CELLULOSE DU PIN SA, Paris (joint subsidiary of CIE DE SAINT-GOBAIN SA and PRICEL SA) is backing the formation of SOCAR-STE CONTINENTALE DU CARTON ONDULE SA, Paris. It controls 40% of the Ff 100,000 capital direct and 12% each through its subsidiaries STE DES ANCIENS ETS WALTON & PLACE SA, Pantin, Seine and SIDEK-STE INDUSTRIELLE DES EMBALLAGES KRAFT, Paris. The remainder is held by several corrugated cardboard manufacturers: CARTONNERIES DE CHAMPAGNE SA, Reims (12%), PAPETERIES & CARTONNERIES ROBERT SOUSTRE & FILS SA, Saint-Sevrin-sur-l'Isle, Gironde (9%), MANUFACTURE DE CARTONNAGE DE LA COTE D'OR SA, Dijon (9%) and MANUFACTURE D'EMBALLAGE DU MIDI SA, Apt, Vaucluse (5.4%).

La Cellulose du Pin recently formed a sales company A.F.P.-CENPA SA, Paris (capital Ff 100,000) in which it is 50-50 partner with LA ROCHETTE CENPA SA (see No 299).

PHARMACEUTICALS

320/27 The London chemicals and pharmaceuticals group ASPRO-NICHOLAS LTD (see No 250) is de-centralizing some of its interests in France by moving out to Gaillard, Haute Savoie, three of its companies which were formerly at Chatou, Seine-et-Oise: LABORATOIRES ASPRO-NICHOLAS SA (capital Ff 2 million); NICHOLAS FRERES SA (capital Ff 220,000) and LABORATOIRES DE LA DISPHA Sarl (capital Ff 10,000). The group has a large factory at Gaillard which was begun in 1960 (see No 98).

Another of the group's subsidiaries, NICHOLAS DE PARIS Sarl (capital doubled last year to Ff 500,000) has transferred from Chatou to Villeurbaine, Rhone; two others are staying near Paris: INTERVET SA (capital Ff 100,000, president M. J. A. E. Salles, manager Mr William Ian) which makes chemical and veterinary products, and J. C. & J. FIELD SA (capital Ff 10,000; headed by M. L. Petit) which was set up early last year to promote the sales of perfume and cosmetics.

320/28 MERCK & CO INC. Rahway, New Jersey (see No 267) has opened a branch at Etterbeek-Brussels on behalf of its Haarlem subsidiary MERCK-SHARP & DOHME NEDERLAND NV; the new branch will be headed by Dr J. Kestelyn. The American group, with a turnover last year of $286.7 million, is the second largest pharmaceutical laboratory in the U.S.A. It has a sales network covering the whole of Europe, and numerous European manufacturing subsidiaries, with factories at Cologne and Bad Aibling in West Germany, at Pavia in Italy, Haarlem in Holland, Chenove in France, and Ponders End and Hoddesdon in Britain, etc.

320/28 The London chemical and pharmaceutical group SCOTT & BOWNE LTD (see No 227) has wound up its sales subsidiary SCOTT & BOWNE SA, Forest-Brussels; the liquidators are Mr Charles Muirhead and M. F. Hermans. The Brussels firm (capital Bf 1.5 million) set up in 1936, was the group's sole remaining interest in the Common Market since it disposed of SCOTT & BOWNE GmbH, Frankfurt(together with the Frankfurt sales subsidiary DEPHARMA GmbH, which it controlled) to ASPRO-NICHOLAS LTD (see No 234) almost two years ago.

PLASTICS

320/28 The Amsterdam pharmaceutical companies, DR E.J. SWAAB'S VERENIGDE FABRIEKEN NV and SWABIMEX NV have set up a joint 50-50 subsidiary SWABIMEX POLYPRODUCTEN MIJ NV at Amsterdam (capital Fl 20,000) to manufacture and sell products made from polyvinylchloride (PVC). Mr A.J. Swaab and Mr Hirschel are directors of the new company.

320/28 RECHERCHES & DEVELOPPEMENTS INDUSTRIELS Sarl (capital Ff 50,000) has been set up at Paris by M. Andre Moynet (51%) and M. Gabriel Taburet (10%). GRAHAM SA, Paris (see No 286) has taken 30% in the new firm; this includes the 2% private holding of its president, M. Frederik L. Graham, who is also managing director of WITCO CHEMICAL -FRANCE Sarl, Paris.

M. Taburet has contributed to the new company his exclusive dealership agreement with RAYMOND DEVELOPMENT INDUSTRIES - R.D.I., Huntingdon Park, California. R.D.I's techniques for weaving fibre glass and making "Raypan" polyester will be used by the new firm for the whole European market.

PRINTING & PUBLISHING

320/28 The American firm THE REUBEN H. DONNELLEY CORP, Wilmington, Delaware, a member of the economic, financial and technical publishing group DUN & BRADSTREET INC, New York (see No 220), has set up at Woluwe St Lambert DONNELLEY DISTRIBUTION (BELGE) SA; it holds 25% of the Bf 500,000 capital directly, the balance being held jointly and equally by Mr Curtiss E. Frank, executive chairman of Dun & Bradstreet, and two of the group's directors, Giles McCallum and Karl G. Clement. The new firm will mail advertising brochures and articles of all kinds; its directors are Mr Paul P. Roothooft, of St Josse ten Noode, president of the group's first Belgian subsidiary, James B. Hurlock of Paris and Earl S. Lathrop Jr. of New York, who heads one of the group's holding companies in Switzerland, DONNELLEY VIERHAND AG, Zug, which in its turn controls VIERHAND RECLAMEDIENSTEN NV, Haarlem, and the Haarlem firm's subsidiary VIERHAND PREMIUMS NV, which was set up last year.

The New York group is already represented at St Josse ten Noode, Brussels by DUN & BRADSTREET (BELGIUM) NV, and it has other interests in Europe such as DUN & BRADSTREET FRANCE Sarl, Paris, DUN & BRADSTREET GmbH, Frankfurt; DUN & BRADSTREET LTD, London; MOODY'S INVESTORS SERVICE LTD, London; ROBB HOLLAND LTD, London; DUN & BRADSTREET S.L., Barcelona etc.

320/29 The publishing firm LIBRAIRIE ARMAND COLIN SA, Paris (capital Ff 1,215,000, later raised to Ff 1,415,000 and then to Ff 4,245,000) has taken over entirely its subsidiary EDITIONS BOURRELIER SA, Paris (capital Ff 1,400,000), with works in Paris and property at Bagneux, Seine.

TEXTILES

320/29 An agreement in principle has been made between the New York textile group DEERING MILLIKEN INC (see No. 301) and the Ghent firm J.J. DIERMAN SA (see No. 166) to rationalize the use of Dierman's weaving factory for the tyre industry at Ghent (re-treading, cable-work and weaving). The Belgian firm will keep its factory at Sleindige and contribute its Ghent factory to the initial capital of a subsidiary set up by the American firm to expand its business.

Deering Milliken, which last year bought the British company WATERSIDE MILL CO (BURY) LTD, Elton, Bury, Lancashire, for £540,000, a few months ago set up a sales subsidiary at Frankfurt, DEERING MILLIKEN GmbH.

320/29 The 50-50 partnership agreed between CHANRAY LTD, London, and the group KLEDING-INDUSTRIE DE VRIES & SUSAN NV, Amsterdam, (mens' and boys' clothing) to sell Hong-Kong textiles on the Benelux market (see No. 313) has resulted in the setting up of a sales subsidiary in Belgium, CHANRAY BELGIUM NV, St. Josse ten Noode, Brussels, (capital Bf 400,000). The Amsterdam company is represented in the new firm by a subsidiary, DE VRIES & SUZAN SA BELGE, St. Josse ten Noode, and it is a direct shareholder in CHANRAY (NEDERLAND) NV, which it set up with the London firm last April. It also has a Paris subsidiary, DE VRIES & SUSAN FRANCE Sarl (see No. 286) and agents at Luxembourg, Aix-la-Chapelle, Lausanne, Oslo etc..

320/29 Two Paris ready-to-wear clothes firms DARNAT-DUMAS SA (capital Ff 0.9 million) and VETEMENTS PARTNER SA (capital Ff 3 million have gone into partnership to form COPARDAR Sarl at Paris (capital Ff 3.3 million), which will do all kinds of textile business, especially manufacturing and selling mens', womens' and childrens' clothes.

TOBACCO

320/29 CARRERAS LTD, Basildon, Essex, has backed the formation in London of SCHIMMELPENNINCK SIGARENFABRIEKEN (EXPORT) LTD, (capital £100) to represent abroad and to expand the sales of SCHIMMELPENNINCK SIGARENFABRIEK v/h GEURTS & VAN SCHUPPEN NV, Wageningen, the Netherlands which makes cigars and cigarillos. Two and a half years ago Carreras, member of the South African group REMBRANDT TOBACCO CORP, Stellenbosch (see No. 291), took a 50% interest in the Dutch firm.

The British company, which produces a wide range of cigarettes and tobaccos such as "Craven A", "Piccadilly", "Guards" etc, last March set up in similar conditions CARRERAS GROUP MARKETING LTD (capital £100), a sales subsidiary to promote the sales of the whole group, which includes ROTHMANS OF PALL MALL LTD, JOHN SINCLAIR LTD, MURRAY SONS & CO LTD, Belfast, etc..The group's trading operations in the Common Market are directed from Paris, where Carreras opened a branch several months ago.

TOURISM

320/30 BANQUE DE PARIS & DES PAYS-BAS SA (see No. 317), has increased its interest in the tourist trade by acquiring about 40% of the Ff 2.75 million capital of CET-CLUB EUROPEEN DU TOURISME SA, Paris. This company will manage holiday villages in several Mediterranean countries (Italy, Yugoslavia, Morocco, Israel, etc) and hotels at several winter sport centres in the French Alps. It was formed in 1958 by M. Francois Louis Huet, (now the president and managing director), and in November 1964 9.1% of its shares were acquired by the Swiss company SEFIT-STE D'ETUDES, DE FINANCEMENT & D'INVESTISSEMENT TOURISTIQUES SA, which was formed at Fribourg in January 1964; its capital is Sf 200,000 and its president M. Roger Max, Geneva.

Banque de Paris already has large tourist interests, including the following: SOFITEL-STE FINANCIERE DE GESTION & D'INVESTISSEMENTS IMMOBILIERS & HOTELIERS SA, Paris (see No. 217), CIE DE SERVICES & D'HOTELLERIE SA, Paris, CIE INTERNATIONALE DES WAGONS-LITS & DES GRANDS EXPRESS EUROPEENS SA (see No. 291). etc.

VARIOUS

320/30 The South African group DE BEERS CONSOLIDATED MINES LTD, Kimberley, has backed the formation at Munich of a sales subsidiary DE BEERS INDUSTRIE DIAMENTEN (DEUTSCHLAND) GmbH, (capital Dm 100,000), which will be headed by Mr. Arthur Alexander Linari Linholm.

The group, which is the world's largest diamond producer, is in partnership with I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD, London, in AFRICAN EXPLOSIVES & CHEMICAL INDUSTRIES LTD, through DE BEERS INDUSTRIAL CORP LTD, Kimberley. In 1962, it put up half the capital of a new synthetic diamond factory at Shannon, ULTRA HIGH PRESSURE UNITS (IRELAND) LTD.

320/30 BRUNSWICK AG, Zurich, has acquired all the Bf 500,000 capital of its Brussels subsidiary BRUNSWICK BELGIUM SA and liquidated it, giving the trade to another Brussels subsidiary, STADIUM BOWLING SA (see No. 142-capital Bf 1.25 million) which was set up in 1962 to run bowling alleys. It is almost wholly-owned by the Zurich holding company, the balance being held by BRUNSWICK GmbH, Frankfurt, and BRUNSWICK NEDERLAND NV, Breda. It has now gone into the sale of sports equipment, furniture, medical and hospital equipment, outboard motors, boats etc.

320/30 Yugoslavian company SLOVENIJALES, Ljubljana, which makes wooden furniture for export, has shown its interest in the French market by taking 49% in SOGEPAL Sarl, Paris, which has just had its capital raised from Ff 51,000 to Ff 100,000. Sogepal will consequently become SLOVENIALES FRANCE Sarl, and is moving to Stirling-Wendel, Moselle, where it has a 10% affiliate, ASIMEX Sarl.

320/30 URANIA FILMPRODUKTION GmbH, Zurich, (capital Sf 20,000) has set up a Berlin subsidiary, URANIA FILM-PRODUKTION GmbH (capital Dm 20,000; headed by Mme Ines Dietrich of Zurich). The parent company, which makes documentary and feature films was founded in March 1956, with Mr. Warner Calderoni of Toronto among the shareholders.