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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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December 21, 1967

No. 440

C O M M E N T

From Brussels

IMPASSE

Not unsurprisingly, there are no tidings of comfort and joy for Britain from Brussels to round off the sad year that has seen her second bid for Common Market membership get under way. Mr. Wilson promised the country that he would have an answer on the question by the end of 1967, and on December 19 this answer was communicated from Brussels in the joint statement by the foreign ministers of the Six (for text, see Community, below). This answer, such as it is, falls into that most frustrating of classifications, the formalised "agreement to disagree": the Five have in effect refused to associate themselves in any way with France's de facto veto on British entry at the present time, but the extremes of this attitude and the Dutch near-militant quest to get Britain into the Community have somehow been thrown together in a communique that in fact does no more than couch in diplomatic terms the impasse that has existed between the Six for many months now.

By all accounts, the two-day meeting was a very heated affair, and indeed the communique makes no attempt to hide the fundamental differences of opinion that persist between the Five and France. Voices were apparently raised in anger during the session in camera on Tuesday, but it does appear that Italy's request that a vote be taken on the question was refused. This is just as well, for such a vote might well have placed France in such an invidious position that complete breakdown would have resulted, and something more dangerous and disappointing by far than a mere formal statement of disagreement could have resulted, not only damaging Britain's prospects still more, but placing the whole Community venture in extreme jeopardy. General de Gaulle, in his press conference on November 27, hinted that he could yet stand by and watch the EEC founder, "if the others so wished it".

"Il n'a jamais été question de veto", said de Gaulle last May, but this meeting saw France come the closest yet in the present round of debate and discussion to precluding British entry altogether. What in fact saved the day, annoying though it might be for the more radical supporters and seekers of British membership, was the conciliatory, middle-of-the-road approach recommended and pursued especially by Germany, through Herr Willy Brandt. Despite the fact that he has recently made some fairly grim pronouncements to his own parliament about France's attitude, foreseeing stagnation if she persisted in this way, and calling upon the French "not to make life difficult for themselves and for others", Herr Brandt nevertheless seems to have succeeded in the Council in preventing absolute deadlock: Britain's bid may now be frozen, but the Six have not fallen apart. Perhaps the key to this continuing, though tenuous cohesion, lies in the Six's unanimity over the one, fundamental issue: in the communique all are agreed in principle (indeed as dictated by the Rome Treaty) to the idea of enlarging the Community - and they are further agreed that Britain's economic situation must be put to rights if she is to be a member of the Common

Market. But there the common ground peters out: the Brussels statement shows quite clearly that France will not countenance negotiations for British membership until this economic rehabilitation is complete, whilst the Five will go no further than acknowledging that such a process "will take a certain length of time". Because of this, because the Five are still attached firmly to the question of how to get talks under way, while France adheres to the issue of Britain's unpreparedness for entry, there was of course no agreement on the next procedural step, and this means that the next Council meeting on the question will not be soon. No date was set, and no gathering seems likely before the end of January at the earliest.

Impasse, therefore - but will these few weeks serve as a useful breather for the Six, or will the Community lapse into a near-comatose state? On the bright side, or rather to take the least pessimistic view, because the Foreign Office met the Brussels statement with an immediate reiteration of its declaration that Britain's application remains in, there is at least some hope that France's demands will in some slight measure be met in the interim. Within the coming months there is every hope that devaluation will begin to pay off, and the fact that the British Government is sticking to its guns can only profit the cause: any accusations of half-heartedness have been well and truly nipped in the bud. Also on the assets side is the fact that M. Couve du Murville, despite his unflinching adherence to the case made out by General de Gaulle, though in more coldly diplomatic terms, in fact refuted the argument put up by the Five that negotiations would be long and arduous when they did come: once this stage was reached, he maintained, the process of Britain's entry would be fairly rapid - a few months would suffice. The only thing that could make the talks protracted was the inclusion in the agenda of Britain's economic and monetary problems; if negotiations were begun now, this would be necessary, and could yet lead in the end to disappointment for Britain; but as far as France could see, this was none of the Six's business. But these glimmers of hope in fact relate only to the ultimate acceptance of Britain, and what must really give cause for concern is the immediate situation in the Community - should this itself come to grief, the repercussions would be enormous.

An ominous rumble has already been heard in Brussels: Mr. Luns of the Netherlands spoke of a "black day, for the Community, and for Europe", and, as if to prove that actions speak louder than words, his representative at the Agricultural Ministers' meeting, within hours, broke up a discussion on farm finance. This could well be the first of a number of moves by the more militant of the Five to take a really tough line with France, and attempt to force concessions over the British issue, banking on the fact that France is no better placed than any of her partners to suffer the break-up of the Community at this stage. M. Jean Rey, for the Commission, also had words of warning for the Six, reminding them that a veto on British entry could jeopardise such vital matters as the renewal of the Yaounde Convention of Association for African states, the renegotiation of the agricultural finance regulations, and the association talks with the Mediterranean countries.

Even if the crisis fails to become as overt or as dangerous as this, there is nevertheless the possibility of a diplomatic war of attrition in the Community. Rather than force any open rift over the various integrational matters before them, the member countries may simply drift back behind the (very considerable) national barriers still subsisting, into, for instance, renewed national coal markets, or the refusal to pass the fiscal reforms demanded by the customs union.

It should not be forgotten that France as much as anyone has shown proclivities in this direction, for instance seeking protection from an invasion of her domestic appliances market by Italy (see No 437, Community), and the EEC is not yet so deeply entrenched that its failure is impossible. Dynamism at all times is a prerequisite to its success, and the already failing spirit of progress in member states could be done irreparable damage by the present crisis over Britain. For the Six to feel safe in their venture at this time, it would have been well for them in recent months to have managed to get legislation over the customs union, and the future of European industry though with fewer half measures and fewer provisos.

Despite the intense interest Britain now has in seeing her case advanced it may now, paradoxically perhaps, best suit her cause to see the Six bury the hatchet over the issue (which can only be done, it seems, by an agreement to shelve the application for a time), and devote themselves wholeheartedly to the immediate problem arising in the Community: if this means playing the game France's way, then so be it - for the time being. The best hope lies in the EEC progressing, and in Britain devoting herself to repairing the economy: it could well be as damaging for the Netherlands to adopt strong-arm tactics as for Britain to start making obvious soundings about "alternative loyalties". Time is the most critical factor, as always: for Britain's position to remain anomalous for too long would be inequitable, but for France to shrink from negotiations when, in perhaps a year's time the British economy is dramatically improved, would be too unjust for the Five to tolerate the continuance of the Community on such compromising terms any longer. There is perhaps still a case for recommending patience, but once the "sick man of Europe" argument is dispelled, it would be dishonest for any of the Six to settle for the sort of makeshift agreement that Brussels produced this week.

THE WEEK IN THE COMMUNITY

December 11 - December 17, 1967

THE COMMON MARKET

Gentlemen's Disagreement in the Council

On Tuesday, December 19, it became clear that the foreign ministers of the Six could not reconcile their views on Britain's candidature for EEC membership: angry words appear to have been exchanged, but a complete rift in the Community seems to have been avoided (see Comment). The situation now existing between the Six was summed up in the Communiqué issued after the meeting, the text of which is given below.

1) Enlargement: Considering the objectives laid down in the preamble of the Rome Treaty and considering the tasks which member countries have to fulfil under Article 5, which provides that they must abstain from all measures likely to endanger the realisation of the aims of the treaty, the Council of the European Communities, meeting in Brussels on December 19, notes that no member state raised an objection of principle against the enlargement of the Communities. In noting this, the Council bases itself on the idea that new member states fully accept the treaties and the decisions adopted by the Community.

One member state, however, expressed the opinion that this enlargement would modify profoundly the nature and the ways of administering the communities.

2) The need for Economic Recovery: All the member states are of the opinion that the reestablishment of Britain's economic and monetary situation is of essential importance for the question of its membership. Several member states, while stating they were in favour of the objective of Britain's economic equilibrium, did not think, however, that the British economy must be totally restored to health at the moment of British entry.

3) Measures Taken: All the member states recognised that, in particular since November 18, 1967, Great Britain had introduced measures aimed at consolidating her situation in the economic, financial and monetary sphere. All the member states noted that the process of restoring the British economy to health will require a certain amount of time.

4) The Commission's View: The Commission expressed the opinion that negotiations should be opened in the most appropriate form with the states having presented their membership applications in order to study more deeply, as is necessary, the problems underlined in its opinion to the Council of September 29, 1967, and to see if solutions could be found to satisfy the conditions which must assure the cohesion and indispensable dynamism of an enlarged Community.

5) Five to One: Five member states subscribed to the point of view of the Commission. They stated that they were in favour of the immediate opening of negotiations aimed at the membership of Great Britain, Denmark, Ireland and Norway, in order that these negotiations could be held in parallel with the process of restoring Britain's economy.

One member state considered that the process of restoring the British economy must be completed for Britain's application to be reconsidered.

6) No Agreement Yet: As a result, there was not, at the present stage, agreement in the Council on continuing the procedure. The President of the Council has been charged with informing the interested countries.

7) Applications still Stand: The applications for membership of the United Kingdom, Ireland, Denmark and Norway, as well as the letter of the Swedish Government (which has applied for associate membership) remain on the agenda of the Council.

* * *

The Finance Ministers Agree on I.M.F.

Last week's meeting of the Finance Ministers of the Six in the chateau of Champs, Seine-et-Marne, produced no unexpected results. Despite the recent wave of gold speculation, they managed once again to patch up their differences and present a united front for the time being. Their discussions concentrated on the reforms they would like to see made to the International Monetary Fund, and it is understood this means ensuring that a certain number of decisions should require an 85% majority or 15% blocking vote. In practice, therefore, the Common Market countries, provided they can agree, will be able to veto any operations they do not wish to see carried out, since together they can muster a vote of just over 17% in the IMF.

The meeting, which was chaired by the French Finance Minister, M. Michel Debre, also discussed the attitude they should adopt towards the American proposals for replenishing funds needed by the International Development Association, the World Bank's associate organisation for long-term loans without interest to developing nations. The Six agreed that they would not accept the US proposals that 40% of the loans made by the IDA should be tied to purchases from donor countries, and that payments should be deferred. It is still uncertain, however, what amount of money should be made available to the IDA, and the proposals so far made range from \$400 million a year to \$ 1,000 million a year.

* * *

How does the EEC Devalue?

The British devaluation has stimulated the activity of the special committee of the EEC Council, which is working on the procedure to be followed in the case of devaluation or revaluation by one or more of the member states. A new regulation is in an advanced state of preparation and only a few questions remain to be settled. The central problem with which the regulation has to deal is: when and how should the value of the "unit of account", at present equal to the US dollar, or 0.88867088 grams of fine gold, be altered if one or several of the six countries change the par value of their currencies. The importance of this question resides in the fact that the whole agricultural price structure is based on the unit of account (see Studies and Trends, Nos 414 and 415).

If all the member states were to revalue simultaneously and in the same direction, the problem is simple. If the degree of revaluation is identical in all the six countries then naturally the value of the unit of account is changed to the same degree. If the direction of the revaluations is the same, i.e. all upwards or all downwards, but the degrees vary, then the unit of account is revalued to the same extent as the smallest change among the member currencies. If the French franc is devalued by 10% and all other EEC currencies are devalued by 20%, then the unit of account is devalued by 10%. This implies that if one country made no change then the unit of account would remain unchanged, but in fact in this extreme case a separate decision would be taken by the Council, advised by the Commission.

The committee has not yet been able to reach agreement on what happens to agricultural prices when one or more of the member states have changed their parity rates but the Council has not yet decided the fate of the unit of account. The

Commission has recommended that the Council's decision must be made within three days; they thus hope to avoid the possibility of two successive changes in agricultural prices. West Germany, however, thinks that the decision should not be taken until after three days have elapsed. Neither is there any agreement on whether some agricultural prices should be altered to avoid disturbance to markets or whether the decision to alter them has to be unanimous or by qualified majority in the Council. The Commission is anxious that any such decisions should not be taken in haste.

Agreement has been reached in the committee that special cases of hardship due to an alteration in the value of the unit of account should be given special concessionary treatment for a limited period; the only reservation is that such special measures on a national basis must not prejudice the common agricultural policy or the free movement of goods.

The main purpose of the new regulation is to safeguard the agricultural price structure against the effects of devaluation in the member countries, since it is more common for devaluations to take place than revaluations. No answer has, however, yet been considered for the case, admittedly unlikely, where some countries devalue, others revalue and some make no change.

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EEC Increases Freedom of Movement for Agriculturalists within the Six

The ideal of the European Economic Community as laid down in the Rome Treaty implies much more than a mere Common Market for goods and services. Apart from the obvious political ramifications for the Community, there are numerous other areas where the process of harmonisation has had to go beyond the limited confines of a common market for goods and services. Last week we dealt with the harmonisation of customs regulations and transport policy, both of which are a necessary gloss on the simple provisions of the enlarged market, for without the harmonisation of these processes the common market system could not work efficiently, guided by the pushes and pulls of the market process.

Another of these important areas where harmonisation and liberalisation is very necessary, though it was not specifically provided for in the Rome Treaty, is freedom of movement of farmers within the Community. If one applies the ideals of the Treaty to the agricultural sector, choice of location for a particular agricultural enterprise should be determined by economic criteria alone; the profitability of the enterprise and not considerations of nationality or the lack of co-ordination between national laws should really determine the location of the enterprise. A number of Articles in the Treaty (Nos 52 - 58) did allow for this contingency, but did not specifically mention agriculture; they allow for freedom of establishment within the Community and specify particularly the abolition of restrictions based on economic activities. Because no specific arrangement was afforded to agriculture in the Treaty, ad hoc directives for agriculture were formulated to enforce the same conditions for agriculture as for the rest of the economy.

Freedom of establishment for agriculture is now in the process of being introduced to the Community. The period of transition, which began at the very end of 1961 and will be completed by January 1, 1970, allows for the gradual break-down of national frontiers in agriculture. First, non-nationals were granted the small concession of being able to set up an agricultural enterprise on deserted farmland or uncultivated land, then non-nationals were allowed to set up an agricultural enterprise, if they had been employed as agricultural workers over an uninterrupted period of two years, in the host country. By the end of the transition period in 1970, there will be complete freedom of establishment, with no restrictions, for farmers who wish to settle in another member state.

Methods of Implementation

In accordance with Article 52 of the Treaty, the Council may issue directives to enforce equality of treatment on all the member states. The Commission makes a proposal which must then be agreed to by the Economic and Social Committee and the European Parliament by a qualified majority. The directives are binding on the member states in that they must ensure that the substance of the directive is enforced by municipal law, but the actual details of the legislation and its enforcement is left to the member state. Belgium, Germany and France have already put through legislation to this effect, and similar legislation should follow soon in the other three countries.

Freedom to Supply Services in Agriculture

Articles 59 - 66 of the Treaty also cover the freedom to "supply services". The latter are not the tertiary sector services of economic terminology, but refer to the temporary performances of certain services without any stable permanent installation in the host country; this would include such services as the hiring out of equipment and crop treatment. This form of trading is especially prevalent in frontier zones, so the legislation which liberalised this sector under the Council directive of December 14, 1964, has particular effect in these areas. The directive dealt with such fields as technical assistance, crop spraying and dressing and fruit picking and packing, and municipal laws covering the field have already been passed in Germany and Belgium.

General Effects

The number of non-national farmers operating within the Six is as yet quite small. Recent statistics have yet to be worked out for most of the EEC countries, but the Netherlands recently published figures for the number of established farmers in the Netherlands who are nationals of other member states, and this amounted to a mere 94, of which the large majority (78) were Belgians. Thus, at the moment at any rate, these directives are affecting a very small number of people within the Community, but as the directives become more and more liberal, and as time goes on, they will play an increasingly important role in the Community agricultural system. This will result in the increased specialisation of the agricultural economy of the Six, as it

slowly but surely swings itself into line with the economic forces which drive the European economic machine, whose functioning has until quite recently been unnecessarily hampered by the restrictions of the national frontier and all that this entails .

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TRANSPORT

Slow Progress for the CTP

It looks at last if some progress is to be made towards the common transport policy, for the Transport Ministers concerned, meeting in Brussels on December 13 and 14, managed to agree on the first basic steps. So much time had been taken up with this topic that even the most optimistic had begun to despair, and the problem has become more urgent due to the effect of transport on the free movement of goods. However, the Community followed the example of Euratom a week before, and managed to avoid a complete failure, with the agreement covering the minimum number of proposals. Even so, no formal decisions were taken, although the Commission had long ago prepared package deals for each particular problem, taking into account national interests. It was agreed at the meeting that the Six would take the necessary decisions before June 30, 1968, but this should not create any special problems. The Community - provided it does not come to a standstill - should thus be able to take more fundamental decisions affecting the common transport policy. But here again the question of British membership has a bearing.

Agreement was reached largely as the result of a compromise between the Dutch and West Germans, since the latter accepted that the quota for Dutch road transporters in West Germany should be consolidated, although the "Lebel Plan" aims at the federal railway system getting a much larger amount of heavy goods traffic. The Six also agreed that as a first liberalisation measure there should be a Community quota of 1,200 authorisations for road hauliers for three years. This will be accompanied by a series of measures aimed at harmonising existing situations and eliminating as far as possible various indirect distortions to competition (State aids, social and fiscal harmonisations, who bears the costs of infrastructure upkeep and maintenance). Steps will also be taken to begin a preliminary harmonisation of rail transport (standardising accounts). Overall, the agreement covers a fairly restricted field, but it is the first step towards a common policy, and even if it is somewhat limited, the effects could be far-reaching.

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EXTERNAL RELATIONS

Yugoslavia, East Africa and Israel - More Stirrings, but little Concrete

On December 12, the EEC Council met to discuss various problems in the field of external relations: one would, however, be hard put to find any real progress

in their discussions. In each matter that came up for discussion, a rift became apparent between the French position and that held by the other, or at least some of the other partners.

Some progress was, however, made with regard to the non-preferential agreement that is to be concluded between the Community and Yugoslavia, in that the permanent representatives have been given the necessary authority to draw up a negotiating mandate for the Commission. It was also agreed that agriculture should not be excluded from the negotiations, but France and the Netherlands differed from the majority on this point. Agriculture is of great significance in the Yugoslav economy, beef in fact being the country's biggest export item. France, however, mindful of the Community's already precarious position in the agricultural sector, was unwilling to make any concessions in this field.

According to an official government statement from Belgrade, the conditions are now "ripe" for Yugoslavia to nominate in the near future a representative in Brussels. Negotiations have been taking place on and off for two years now, and the hope of the Yugoslav government is to gain some conclusive commercial agreement at the end of it all. The Common Market countries are amongst Yugoslavia's biggest trade partners; from January to October of this year the Six accounted for 30.7% of Yugoslav exports and 38.8% of their imports. Over the same period, 60% of Yugoslav food exports and 50% of their primary products exported went to the Common Market countries. On the other side of the coin, 50% of the country's imports of machines, equipment and chemical products came from the Six.

The Yugoslav balance of payments difficulties are at the moment proving to be the cause of a certain degree of anxiety. During the course of this year the deficit has rocketed from last year's figure of \$60 million to \$235 million, part of which at least can be attributed to the increasing difficulty of selling to the Common Market countries. Industrialists, both in the Six and in Yugoslavia, are keen to see a propitious outcome to the negotiations, for both sides would certainly gain in the industrial sector and especially in the fields of technical, scientific and financial co-operation.

* * *
E . F . T . A .

Faroes to Join EFTA

The Faroe Islands have decided not to delay their application to join the European Free Trade Area any longer; they will probably be putting in a definite application to join sometime during January. The matter is receiving particular attention at this time at Thorshavn (capital of the Faroes), where Danish jurists and local officials have been meeting to work out the details of the tariff changes that joining the customs union is likely to involve.

When Denmark signed the Stockholm Convention, setting up EFTA in 1960, she exercised her right under Article 43 to make the Convention applicable to the Faroes at a later, and at that time, unspecified date. (The Faroes, although enjoying internal autonomy since 1948, is still dependent on Denmark for a number of matters, including civil law and foreign affairs.) The Islands have now decided that they can no longer remain isolated economically from the Seven without jeopardising essential financial and trade interests.

About one third of the population of 37,000 is occupied in the fishing industry, the biggest client of this industry being Britain, and notably the Scottish canning industry. If preferential agreements could be secured for these exports by joining the customs union, the Islands would be able to expand their fishing interests and thereby be able to support more adequately the increasing population of the country.

Since the soil of the Islands is particularly poor, the islanders must look increasingly away from the land to trade to support their increasing population. (There has been a 12.56% population increase over the last ten years.) The Islanders fish mostly for cod and more recently for herring, after large shoals were discovered to the North of the Islands. The expansion of exports of these fish to the United States, Spain and Greece, and especially of prepared fish, such as quick-frozen fish fillets, the value of exports to the United States in 1966 being 20 million kroner, has much to do with the intention of the Faroes to become a member of O.E.C.D.; negotiations have already begun to this end.

* * *

M. Hirsch Supports the British Case

Last week, M. Etienne Hirsch, former president of the Euratom Commission, wrote an article in Le Monde expressing his views as to General de Gaulle's attitude to the question of British entry. According to M. Hirsch, the French President is more than ever before hostile to British entry into the EEC, and in order to avoid a "brutal veto" has used all the means at his disposal to prevent even the first stage - the opening of negotiations - being reached. He may have hinted that there is a way out, in the shape of a commercial deal. But this is contradictory, for to achieve such an objective negotiations would have to start.

The former Euratom president says that General de Gaulle is well aware that all of France's Common Market partners believe that Europe needs Britain as much as Britain needs Europe. For without Britain, Europe will never be able to match the industrial strength of the United States or be on equal terms with the two super-powers. The proposed "commercial arrangement" would in no way really deal with these problems, and for a country which has to readjust its structures with a clear idea of its future in mind, unacceptable. The need for a transition period is obvious, but its character requires negotiation since Britain has accepted the Rome Treaty. But it is not realistic to think that she can become linked to a continually progressing Community without have a say in its decisions or having a fixed date at which it can join.

Those who believe, wrote M. Hirsch, that the countries of Continental Europe can benefit for Britain's technological advance, whilst keeping her waiting at the door are suffering from a double illusion: 1) a technological community needs a common market and a common industrial policy to be effective; and 2) it is very unlikely that Britain would be willing to take part in a technological community if she is kept outside the EEC.

General de Gaulle may threaten the Five with the break-up of the Community should Britain join, but if that was the case, France would be the biggest loser - apart from breaking her legal obligations - for her industry would lose its best markets, whilst French agriculture would be dealt a severe blow. The Five would also suffer, but might replace France by some sort of arrangement with Britain.

M. Hirsch ended by suggesting that the Commission should be allowed to start talks with Britain as requested in its report and especially after devaluation, since these might result in British economic decisions being taken which could help the development of the Community. "This moderate but firm approach would be a valuable support for the majority of French, who would like to see the door of the European Community opened to a Britain, who during a crucial year, alone withstood the onslaught of Nazism, and whose famous and burdensome sterling balances are the aftermath of its heroic war effort."

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Editorial Note

Because of the Christmas holiday, there will be no edition of Opera Mundi-Europe (English language version) on December 28. The next edition will be on January 4 (nos 441-2).. We wish subscribers the compliments of the season.

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EUROPEAN TECHNOLOGY

AIRCRAFT INDUSTRY

Concorde: High Hopes but.....

Last week saw the rolling-out of the first Concorde prototype 001 at the Sud-Aviation works in Toulouse. That this Anglo-French supersonic airliner, the first of its kind in the world, has reached this stage of development is a considerable achievement for all concerned, for the project has suffered many reverses in the five years since Britain and France signed an agreement to build a supersonic jet airliner.

Nowadays the Concorde is often chosen to illustrate the success of European aerospace co-operation, and the project has certainly enabled experience to be gained of the sort of difficulties involved in technical co-operation between two countries. 001 is due, if the scheduled programme is maintained, to begin flying tests on February 28, 1968 after several months of intensive ground tests, and the whole aviation world will be waiting to see what happens. The project has involved some of the most thorough pre-flight testing and planning ever for a commercial liner, but none of this can replace the actual flight trials. These will be the crunch for the European aerospace industry, for if they are successful, one can reasonably expect the options for 74 Concorde now taken out by some 16 airlines to stand, and further orders to come in, possibly as many as 200 by the time the airliner enters service in 1971. The existing options are due to be taken up by late 1968, with the national flag carriers for France and Britain as well as Pan-American taking eight each from the first twenty-four.

Competition.

Both the United States and the Soviet Union are engaged in the construction of supersonic transports (SST). In the United States, Boeing, which already controls a large share of the world's commercial airliner markets has been awarded the contract to develop a prototype. This is a swing-wing aircraft carrying some 250-300 passengers at around 1,750 mph, or 300 mph faster than Concorde, but it is not expected to enter service until 1974 or 1975, which should give the Anglo-French SST a lead of some three to four years. If this turns out to be the case and Concorde successfully completes its trials, the latter's sales prospects will be considerably improved, giving Britain and France a reasonable chance of recovering some of the £500 million devoted to the Concorde R & D programme. Altogether some £180 million has already been spent, with another £320 million left to finance production, and the sums involved are likely to rise rapidly with around £100 million tied up in the period 1969-1970. The Boeing aircraft, which carries over twice as many passengers, will also cost twice as much as the Concorde, but despite the governmental backing given to the latter, there seems little doubt that when the decision is taken next year on financing quantity production a strong attempt will be made to find outside backing. Some observers are wondering whether

the announcement of more stringent economic cuts by the British government may not affect production of the Concorde. However, the political repercussions in the light of Britain's Common Market bid, despite France's objections, would be extremely serious.

The Russian SST or TU-144 is expected to be slightly faster than the Concorde, but with 126 passengers as compared to the Concorde's 132. Its first flight will probably take place some time in the first three months of 1968, but whether this will be before or after the Concorde is as yet uncertain. As a commercial rival to the Anglo-French project its threat is likely to be slight, but since the Russians have begun to show a growing interest in selling their aircraft to the West, it is a competitor which should be borne in mind.

The "Bang".

One major unresolved question facing the future of Concorde and its operation is that of the supersonic bang. The supporters of the project do not believe that this will greatly hamper its performance, if at all, since they think it can be routed in most cases to fly over areas of low population density or across water. Although such a solution may be viable in large parts of the world, the plane's advantages could be annulled if supersonic flights across the United States are banned. The manufacturers claim that it could make money by flying subsonic, but this would have to be proved in practice for the airlines to be convinced.

By this time next year the European aerospace industry should know reasonably well whether it has a chance of surviving as a viable independent force with a domestic market of its own, or whether it is to become a subcontractor for the United States. During the coming 12 months, the Concorde should show its capabilities; the Anglo-French and West German Airbus project may have been joined by other countries, and a decision taken to build a prototype, whilst the Anglo-French Jaguar should have flown in the spring of 1968; West Germany having taken a firm decision as to whether it wants to take part in the project, or buy the aircraft. If all of these projects continue as hoped, the future of Europe's aerospace industry will be assured well into the seventies, but if there are several failures or cancellations, the position will become critical.

* * *

"No" to the BAC2-11.

The decision by the British Government not to finance development of the BAC2-11 200 seater was not unexpected by the majority of observers, since there were £120 million development costs involved, as against the mere £15 million needed to launch the Trident 3B, seating 146 passengers. The "axe" also means that the Rolls-Royce RB-211, which was to be used to power the BAC project will now have to win export markets without being used in domestic aircraft, but devaluation may well have given it a considerable additional chance of being chosen to power the various US airbuses to be built by Lockheed, Douglas and Boeing.

Despite the opposition to the Trident 3B by the Chairman of BEA, Sir Anthony Milward, who had originally sought to buy Boeing 727-200's, the airline is likely now to order 30 or more of this version of the Trident, powered by Rolls-Royce Spey jets and with a small booster for short runways. With a range of 1,400 miles at 580 mph it could be in service in 1970, and a number of foreign airlines are reported to have shown an interest in the Trident. Hawker-Siddeley are believed to have designs for a 170 seater high-density version.

It was also announced that the proposed Government-inspired merger of Hawker-Siddeley and BAC, Britain's two air-frame companies, has been postponed indefinitely. Devaluation is given as the reason for making the proposed move unsuitable for the time being, but any return to this policy is likely to be put aside for a few years yet.

* * *

ELECTRONICS

France: The "Plan Composants".

Another move was made last week by the French Government to try and build up an independent electronics industry. Following on its launching of the "Plan Calcul", to build up a viable national computer industry some two years ago, it was decided on Wednesday by the French Cabinet that help to develop a national micro-electronics programme (already called the "Plan Composants") should be instituted. The scheme, which involves the expenditure of some 20 million francs (around £1.7 million) during the next two years, will be under the direction of M. Robert Galley, who is already in charge of the Plan Calcul, since both are linked. The main research will be concentrated on integrated circuits, essential for the computer industry as well as for aerospace work, telecommunications and other electronic fields.

The companies likely to be involved in this move are the group being formed by the merger of Thomson-Brandt and CSF and Silec -Ste Industrielle des Liaisons Electriques (already linked to CSF) and it is possible that at a later state the subsidiary of Radiotechnique - part of the Dutch Philips group - will become more closely concerned, though it will still continue to receive government funds for research.

French observers have stressed the need for the programme to be well co-ordinated and for the funds, which are not very large, to be put to the best possible use. They wonder whether the French Government is not having some second thoughts about the keenness it has shown to have the major American micro-electronics firms set up production facilities in France.

* * *

IRON & STEEL

--- And a Boost to the "Plan Professionnel"

After long-protracted negotiations the merger of the three major Lorraine steel firms, De Wendel (2.9 million tons p.a.), Sideler (2.55 million tons p.a.) and Mosellane (1.7 million tons p.a.) has now gone through. The group is now the biggest in France, its combined capacity (7.2 million tons) exceeding that of the recently-formed Usinor-Lorraine-Escaut group, (7 million tons), and is the fourth biggest in the Common Market after Thyssen-Oberhausen (12 million tons p.a.), Hoesch-Hörder-Hütten-Union-Hoogovens (10 million tons p.a.) and Finsider (8 million tons p.a.).

Over the last two years it has been the policy of the French government to encourage mergers in the French steel industry under the "Plan Professionnel" in order to combat increasing competition on the European scale. The policy has received the approbation of both sides of industry, and especially of the Steel Makers' Federation under its president, M. Jacques Ferry, who recently summed up the policy of rationalisation in the dictum that, for a multi-product steel company to succeed in the European arena, it must produce between five and ten million tons of steel per year. Following the July 1966 agreement between the Federation and the government, M. Ferry has been working in close association with the French finance minister, M. Michel Debre on the details of this and other mergers in the French steel industry. The Government has been granting the merging steel companies low interest rate loans and cheaper fuel rates in order to encourage and cheapen the cost of the mergers.

As a result of the "restructuring" policy, the French steel industry is now ranged in three distinct groups, the Northern Group, led by Usinor, the Eastern Group (De Wendel-Sideler-Mosellane) and the Central Group, which is still in the process of being created. The actual form of the Central Group has yet to be finalised, but a number of co-operation agreements have been formulated between the chief protagonists, notably C.A.F.L. (Compagnies des Forges et Ateliers de la Loire) and S.F.A.C. (of the Schneider group at le Creusot) to cover the interim period. The Central Group, which is to specialise in the production of high quality steels, is to be formed as the inevitable result of the recent financial difficulties of the leading high quality steel producer in the region, the Pompey company, which produces 20% of the total output of this commodity in France. The steel production facilities of the companies concerned will be taken over by a consortium, headed by Ugine, and the group could possibly include the Sarre steel group Roeschling, though M. Debre is said not to be keen on the idea.

The three partners of the new Lorraine group have been linked by an association agreement since December of 1964, when they joined forces to set up a new steel concern, Sacilor at Gandrange to produce oxygen steel. At the beginning of this year, the three companies began to co-operate in the technical field as a precursor of the complete merger. De Wendel, the biggest company in the new group, is a

public limited company with a capital of Ff.250 million; its 1966 steel output reached 2.9 million tons and its iron mines in that year yielded some 7 million tons of ore. De Wendel, an old family company, employing some 13,000, has a number of steel complexes in the la Fensch valley, (Hayange), in the valley of the Orne (Jœuf, Moyeuvre) and also has factories in Champagnac (Haute-Vienne) and Messempré (Ardennes).

L'Union Siderurgique Lorraine-Sidelor has a capital of Ff 350 million and a turnover which in 1966 reached Ff 1,276 million. It has large iron mines in Lorraine whose output is now in the region of two and a half million tons per annum. The company has three large steel complexes in the region, two in the Orne valley (Homecourt and Rombas) and one at Micheville. Sidelor also owns factories at Hautmont (Nord), Deville-les-Rouen (Seine-Maritime), Marnaval (Haute-Marne) and Champagnole (Jura).

S.M.S. (Societe Mosellane de Siderurgie) has a capital of Ff 150 million and an annual turnover of Ff 1.7 million. It was formed a few years ago by the merger of two firms, Union des Consommateurs de produits Metallurgiques et Industriels and La Societe Metallurgique de Knutange, the combined production of the group now being 1.7 million tons of steel. S.M.S. has two steel complexes in Hagondange (in the Moselle valley) and one at Knutange-Nilvange. The group also has a foundry at Ars-sur-Moselle and owns ore deposits. Its payroll is in the region of 13,000.

Though this concentration of the French steel industry is an economic necessity, it will bring in its wake a number of serious social implications. Certainly unemployment will rise. Some sources quote a conservative figure of 10,000 within five years, others a less hopeful figure of 15,000; if the rationalisation is as thorough-going as is hoped these figures could easily be surpassed. As rationalisation becomes more easy to implement, with the government incentives, the rate at which labour is laid off will increase, so the local authorities must work even more diligently to attract new industries to swallow up the large pool of young labour, which Lorraine has to offer. Such sweeping reforms, as always, are not without their concomitant problems..

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ADVERTISING

** The Belgian agency SA GUY AREND INTERNATIONAL SA, Jette-Brussels (formerly CIE D'AFFICHAGE & DE PUBLICITE GUY AREND), has merged with an associated firm, SAVIEX Sarl, Jette, and as a result, increased its capital to Bf 4 million. With M. G. F. Arend as president, its sister company is Inter Immobiliere Arend-I.I.A. SA (capital Bf 1 million), whose managing director is also M. Arend.

AUTOMOBILES

** VAN DOORNE'S AUTOMOBIELFABRIEKEN D.A.F. NV, Eindhoven (see No 382), has placed a large order with the German GERLACH-WERKE GmbH, Homburg, Saar, for crank-shafts and axles for its new "Daf 55". This vehicle will also be equipped with an 1100 cm³ Renault engine, modified for the "Variomatic" transmission system, D.A.F. having obtained a licence for this from RENAULT SA of Billancourt (see No 438).

Gerlach Werke is an affiliate of the Völklingen metal group Roehling'sche Eisen- & Stahlwerke GmbH (see No 393). It has Dm 27.5 million capital, employs some 1,800 people, and its main customers are Volkswagenwerk AG, Wolfsburg; Daimler-Benz AG, Stuttgart, and Bayerische Motoren-Werke AG, Munich.

BUILDING & CIVIL ENGINEERING

** The Rome property company ISTITUTO ROMANO BENI STABILI SpA, Rome (capital Lire 24,000 million - see No 412), is to take over two affiliated companies: SOC. IMMOBILIARE LA FONTANA TREVI (capital Lire 100 million) and IMMOBILIARE DUOMO-PATTARI SpA (capital Lire 500 million). The absorbing company is a 48.4% affiliate of the Florentine group BASTOGI-Soc. Italiana Per Le Strade Ferrate Meridionali SpA (see No 439).

Istituto Romano Beni Stabili recently took over several other property concerns, including Finanziaria Immobiliare Agricola-Safia SpA (capital Lire 12 million), Immobiliare S. Giacomo SpA (Lire 1 million), and Immobiliare Colle Ara SpA (Lire 100 million).

** The Belgian group headed by the Seghers brothers has backed the formation in Deurne, Antwerp, of NV SEGHERS AANEMINGEN (capital Bf 2.4 million) for civil engineering work, especially mains, sewers and roads. Two companies in the group are directly involved: PREFALITH NV, Aalter (37.5%), and INTERDINA NV, Buggenhout, with a token shareholding. The latter took an 80% interest in 1961 in the formation of Dinamec NV, Ghent, for the construction of farm buildings. Prefalith (capital Bf 14 million) employs some 200 workers in the manufacture of prefabricated building sections for schools and factories. It has an 88% controlling interest in the Antwerp firm of Dinaco NV.

The other main firms in the group are Bockaert & Thienpont NV - Botha, Aalter (trading in building materials, concretes, etc.) and Seghers & Gebroeders (capital Bf 10 million) of Beveren, Waas.

** The Japanese manufacturer of civil and heavy engineering equipment KOMATSU MFG CO LTD., Tokyo (the leading Japanese exporter in this sector) has strengthened its Common Market interests with the formation of NICHIMEN KOMATSU BAUMASCHINEN GmbH (capital Dm 100,000), Manager Mr. Yukio Ando.

Since January 1967 (see No 395) the Japanese group has had a Belgian subsidiary Komatsu Europe SA, Antwerp (capital Bf 6.675 million).

** The Belgian manufacturer of linen padding and panels for furnishing and the building industry LINEX NV, Lauwe has wound up the Cologne subsidiary DEUTSCHE LINEX GmbH formed in September 1957 with a capital of Dm 20,000.

The Belgian firm, which a few months ago took over Panofor SA, Mariembourg (around 200 on payroll) still has a number of foreign interests including Linex-France SA, Killeme, Nord (capital Ff 3,2 million). Its technical department, Verkor SA, Lauwe, helped to set up the Greek PANOBEL - Ste Pour La Fabrication & L'Exploitation de Panneaux de Particules SA (capital Dr. 30 million) a 76% subsidiary of Colfinindus - Cie Financiere & Industrielle SA, Brussels (see No 421).

** The Rome group VIANINI SpA (building and concrete pipes - see No 394) is to take over another of its subsidiaries based in Sardinia VIANINI SARDEGNA SpA, Sassari and Porto Torres (capital of Lire 300 million) which makes prefabricated reinforced concrete modules.

With a capital of Lire 5,000 million Vianini has ten factories in Italy, and turnover for 1966 amounted to Lire 10.61 million. The group, which a few months ago opened a branch in the United States under Signor G. Astolfoni, has since taken over two other affiliates, Vianini Sicilia SpA, Catania (Lire 20 million) and Vianini Milpac SpA, Latina.

** The U.S. GYPSUM CO., Chicago (the leading American producer of plaster - (see No 278) intends to go ahead with a project to build a factory making insulating panels at Ghlin near Mons. Due to begin manufacturing in late 1968 or early 1969 this will require an initial investment of some Bf 140 million.

The American company already has an exclusive Belgian representative, Fourisol SA, Wilrijk, Antwerp for its sound-proofing materials for the building industry. Through its subsidiary Panama Gypsum Co. Inc., Hamilton, Bermuda, the American group has had a 20% subsidiary since 1964 in another Belgian concern Gyproc-Benelux NV, Wijnegem (see No 248), where control is shared with the British firm Gyproc Products Ltd., Gravesend, Kent (the part of B.D.P. Industries Ltd. group) and Ste Financiere Eternit SA.

CHEMICALS

** The UNILEVER group of London and Rotterdam (see No 437) has raised to 92% its controlling interest in the Madrid firm of LEVER IBERICA SA (capital unchanged at Ptas 220 million), which specialises in detergents and chemical products.

The group's other Spanish interests include Agra SA Acidos Grasos & Derivados, Bilbao (margarine), Vinolia SA, Barcelona (toilettries) and Industrial del Prat de Llobregat SA, Madrid (dormant).

** The Dutch synthetic resins and polymer and polyester plasticisers concern SCADO-ARCHER-DANIELS NV, Zwolle, has linked with the Spanish JOSE MARIA FUENTES SA, San Sebastian, for the production of maleic, genolic, acrylic and epoxy resins. The Zwolle firm (see No 406) came under the control of the Rotterdam UNILEVER NV group a few months ago, and is also a 30% affiliate of the American group ARCHER DANIELS MIDLAND CO, Minneapolis, Minnesota (see No 416).

A joint manufacturing subsidiary called Scado y Fuentes SA will be formed to implement the present agreement. The new firm will act as exclusive Spanish agent for Scado, and at the outset it will use Fuentes' Alza, San Sebastian plant, before moving into its own, to be built at Asteasu, Guipuzcoa.

** The West German firm BAUTA-BAU CHEMIE GmbH, Recklinghausen, has linked with Dutch interests represented by M. Joel Roet, The Hague, to form a Dutch sales subsidiary BAUTA NEDERLAND NV, The Hague (capital Fl 50,000). This will trade in materials for the building industry, mainly chemicals and plastics.

The German firm is owned by Herr Werner Deitermann, who also controls, along with Herr Helmut Deitermann, the chemical protectives concern Deitermann oHG Chemiewere (for timber and exterior paints). Deitermann's products are made under licence in France by the concern based in Paris and Dijon, Oxydro SA.

** The New York chemical group UNION CARBIDE CORP (see No 420) has made its Geneva subsidiary, UNION CARBIDE EUROPE SA (formerly UNION CARBIDE EUROPA SA) responsible for the opening of a Brussels branch under Messrs. John H. Wilson and William A. Gay.

The group, which already has an Antwerp subsidiary, Union Carbide Belgium SA, recently had a branch office opened in Düsseldorf by its West German subsidiary, Union Carbide Deutschland GmbH, Wissen, Sieg, following similar moves in Hamburg and Mannheim.

** The Dutch chemicals trading concern VECOM NV, Maasluis (degreasing solvents, anti-corrosives and rust removers etc. - headed by MM. W. J. H. Verbon of Vlaardiggen and J. B. de Vries), has formed a new holding company in Luxembourg called VEPALUX SA (capital Lux F 200,000), in addition to that which it formed in 1965 under the name of Vecom International SA.

The Dutch firm is represented in West Germany by Vecom GmbH Vertriebsgesellschaft für Vecom-Erzeugnisse, Bremen (see No 409), and it has a branch in Belgium at Antwerp. Distribution of its goods in France, which was handled between 1965, and 1966 when it was wound up, by Vecom France SA, Rouen (see No 333), is now covered by Ste d'Applications & de Ventes des Produits & Procèdes Vecom SA, Amiens, Somme, formed early this year.

COSMETICS

** ELIZABETH ARDEN INC, New York, the American cosmetics and beauty products company (perfumes, lotions, face creams, soaps, etc.), has given

Mr. Telford M. Allen the job of co-ordinating the activities of its subsidiaries in France and Benelux and of preparing the ground for the building of a new factory in Benelux.

With an overall turnover of around \$65 million throughout the world, the New York company has the following interests in Europe: in the Six, SA des Ets Elizabeth Arden de Paris (whose capital was recently increased to Ff 2 million), Elizabeth Arden SA, Ixelles-Brussels (payroll of about 125), Elizabeth Arden GmbH, Constance (with a branch in Düsseldorf), the capital of which was increased in March 1966 to Dm 5 million and which has a payroll of 300; Elizabeth Arden SpA, Milan (capital was increased to Lire 250 million at the end of 1965). In the Seven, the group has an associate company in London, Elizabeth Arden Ltd, and a subsidiary in Switzerland, Elizabeth Arden GmbH, Zurich (capital Sf 1.3 million), which recently came under the directorship of Mr. Carl W. Gardiner, the president of the New York company. Elsewhere in Europe, the group controls the Austrian Elizabeth Arden GmbH at Dornbirn, which also has a branch in Vienna.

ELECTRICAL ENGINEERING

** The capital of the Dutch company VEREENIGDE INSTRUMENTEN FABRIEK ENRAF-NONIUS NV, Delft (electro-medical, X-ray equipment and industrial gauges - see No 380), has raised its capital from Fl 630,000 to Fl 3.3 million. This has been completely backed by the insurance companies Hollandsche Societeit Van Levensverzekeringen NV, Amsterdam (see No 438), and Nationale-Nederlanden NV, Delft, who together hold 30%, and the London group Evershed & Vignoles Ltd (see No 418), whose shareholding will now stand at 25%.

The latter had a 50% interest in the former NV Ned. Roentgenapparaten-fabriek Evershed-ENRAF before this merged with Ned. Instrumentenfabriek "Nonius" to become Enraf-Nonius during 1965.

** The Paris company CIE DES COMPTEURS SA (see No 429) has strengthened its interests in the control and measuring instruments sector by acquiring a large shareholding in SA DES ETS JULES RICHARD, Paris (capital Ff 1.68 million). The latter specialises in making meteorological equipment and employs around 300 people. One of Cie des Compteurs' most recent moves was the formation on a joint basis with the London company Parkinson Cowan Ltd of Parkinson Cowan Compteurs Ltd, Stretford, Manchester (see No 429). Since 1965, the American company Robertshaw Controls Co, Richmond, Virginia, has had a shareholding in Cie des Compteurs.

ELECTRONICS

** The sales side of the Italian electrotechnical and electronic group ING. C. OLIVETTI & CO SpA, Ivrea (see No 429), has been strengthened by a new subsidiary called ATEMSA SpA, Ivrea (capital Lire 50 million), with Dr. M. Ceccoli as president and headed by Sigs. G. Treves and G. Molino.

** The West German manufacturer of electronic and mechanical equipment WANDERER WERKE AG, Cologne, has signed an agreement covering the distribution in Britain of its desk-top electronic calculators "Wanderer-Conti" with the London company SUMLOCK COMPTOMETER LTD., a member of the LAMSON INDUSTRIES LTD., London (see No 386), which produces a wide range of office systems.

The Cologne company is a former wholly-owned subsidiary of Wanderer Werke AG Werkzeugmaschinenwerk, München, and is a 30.7% affiliate of the Paris company Cie des Machines Bull SA. It recently underwent a massive internal financial reorganisation; its capital was first of all reduced from Dm 10 million to Dm 2 million, and then increased to Dm 7.5 million, and it is now under the control of a banking group headed by Dresdner Bank AG, Frankfurt (see No 422). Abroad it has two subsidiaries, Wanderer France Sarl, Paris, and Wanderer Italiana SpA, Milan.

** CONTROL DATA CORP, Minneapolis, Minnesota, is trying to purchase 100% control of the Dutch electronic control instrumentation concern in which it bought an 82% interest in 1962, MIJ VOOR ELECTRISCHE BEDRIJSAUTOMATISIERUNG ELECTROFACT NV, Amersfoort (see No 424).

Control Data has numerous Common Market interests, especially subsidiaries in Brussels (Electrofact Belge SA), Düsseldorf (Electrofact GmbH), Milan (Electrofact SpA) etc.

** VERO ELECTRONICS LTD, Chandler's Ford, Eastleigh, Hants, which makes universal printed circuits, has formed a subsidiary in France called Vero Electronics France Sarl, Boulogne-sur-Seine, Hauts-de-Seine (capital Ff 20,000). Until now, it has had as its French agents (successively): COMELIN - Ste de Constructions Mecaniques, Electriques & Electroniques de Limours SA, Limours, Yvelines, which merged in 1966 with Perrin Electronique SA, Fallieres-St-Nabord, Vosges; and COMATEL - Comptoir Europeen de Material Electronique, Malakoff, Hauts-de-Seine.

The British company, which is headed by Mr. Geoffrey Verdon-Roe, has two subsidiaries in the home country: Vero Machine Tool Co Ltd, and Vero Precision Engineering Ltd, Southampton, Hants. Abroad, its other main interest is the German Vero Electronics GmbH, Bremen, formed early in 1965, in addition to which there is a subsidiary in the USA.

ENGINEERING & METAL

** The American DZUS FASTENER CO. INC, West Islip, New York, (miniature engineering and quick-action locks and closures for cars and aircraft - headed by Messrs. Th. Dzus and L.F. Acker) has made its British manufacturing subsidiary DZUS FASTENER EUROPE LTD, Farnham, Surrey, responsible for its expansion in the Common Market, thus the sales director of this firm, Mr. R.F. Knight, will shortly open a branch in Belgium.

The French company has long had Dzus France SA, St. Cloud, Hauts-de-Seine, as its French licensee, while its agent in West Germany is Fram Filter GmbH, Beienheim.

** With the aim of managing jointly the shareholdings they have in METALLFESELLSCHAFT AG, Frankfurt (see No 437), the Berlin group SIEMENS AG (see No 438) and the Frankfurt DEUTSCHE BANK AG (see No 439) have decided to make over their interests in Metallgesellschaft to a newly formed investment company, whose capital will be held 66.6/33.3. This will be a minority shareholder in Metallgesellschaft (capital Dm 175 million), with a 35% interest. The other shareholders are Dresdner Bank AG, Frankfurt (see No 436 - 25%) and Schweizerische Gesellschaft Für Metallwerke AG, Zurich (see No 355 - 16.6%) which is also a 30% affiliate of Metallgesellschaft.

** Further to its reorganisation in the sectors of heavy engineering (see No 384), foundries (see No 384), shipbuilding (see No 381), ship repairs (see No 435), and railways (see No 343), the I.R.I. group of Rome (ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA) is to make over the "Auxiliary Engines" division of its subsidiary NUOVA SAN GIORGIO SpA, Genoa-Sestri (see No 408) to the firm of C.M.I. - COSTRUZIONI MECCANICHE INDUSTRIALI GENOVESI SpA, Genoa-Fegino.

C.M.I. was formed late in 1966 with an initial capital of Lire 100 million (since raised to 3,000 million) by I.R.I. (with 49%) and its subsidiary Finmeccanica SpA (with 15%), and in consequence of the present move it will raise its capital further to Lire 3,600 million.

** The Dutch concern, J.E. STORK VENTILATOREN N.V. of The Hague, which specialises in ventilators of all kinds, has set up at its own headquarters a subsidiary under the name of MIJ. TOT EMPLOITATIE VAN ONROERENDE GOEDEREN JUNO-STRAAT N.V. with a capital of Lf. 500,000, the company will be concerned, under the direction of M. Munninghoff, with all kinds of property deals in the Netherlands, as well as in the rest of Europe.

** The Amsterdam firm of KOOPMAN & CO TECHNISCHE HANDELMIJ NV, which until now has acted as Dutch representative on behalf of the Swedish engineering group ALFA LAVAL A/B, Tomba (see No 400), has made its sales organisation to the group's Groningen subsidiary Alfa Laval NV. As from January 1968, this firm will centre its sales activities on Amsterdam, though it will continue to make its agricultural products in the Groningen factory.

In the Netherlands, the Swedish group has another representative, called Zephyr Koel - & Luchttechniek NV.

** The refuse disposal equipment concern, STE D'EQUIPMENT, MANUTENTION & TRANSPORTS SA - SEMAT, Paris (works at Versailles) has taken 65% in forming SEMAT ESPANOLA SA in Madrid, with local investors: the new firm has Ptas. 3.7 million capital, and is for engineering.

The French company (managing director M.R. Rey) employs about 150 people in the manufacture of garbage containers, vacuum cleaner receptacles, sweepers, rubbish disposal vehicles, dustbins, paper sacks etc. Since September 1963 it has had a subsidiary in Milan called Rey Italiana Srl (capital Lire 500,000), which is under the sole directorship of M. Rey.

** The American chemicals and metal group KAISER ALUMINIUM & CHEMICAL CORP, Oakland, California (see No 432) is seeking permission to build an aluminium foundry in the Rhineland or Westphalia. This news comes at a time when ALUMINIUM NORF GmbH, Norf (see No 389), the 50-50 joint subsidiary of the groups ALCAN ALUMINIUM Ltd, Montreal, and VEREINIGTE ALUMINIUM-WERKE AG, Bonn, is putting into service its hot-rolling mill, the first in Europe, with an annual capacity of 200,000 tons.

In West Germany, the group's interests include the Coblenz administration company, Kaiser Aluminium Verwaltungs GmbH, the Coblenz branch to its Oakland subsidiary Kaiser Aluminium Werke Inc, formed in September 1967 to take over the manufacturing activities of the former (see No 427); the aluminium cable and wire-drawing concern, Kaiser Aluminium Kabel Werke GmbH, Berlin, and the co-ordination company, Kaiser Aluminium & Chemical (Europe) GmbH, Frankfurt.

** The Italian ATOS-OLEO DINAMICA SpA, of Cinisello Balsamo (Milan), (fuels and lubricants) has made a technical co-operation agreement with the "Hydraulic Equipment" Division of the London group ENGLISH ELECTRIC Co. Ltd, (see No 435), and has also made it its exclusive distribution agent for Britain, the U.S.A. and the Commonwealth (for hydraulic pumps).

The Italian firm, which is represented exclusively in France by Samac SA, Cluses, Haute Savoie, produces friction and piston pumps, pressure control valves, automatic and manual controls, delivery regulators, joints and sundries.

** SA DES CONSTRUCTIONS DES APPAREILS POUR L'INDUSTRIE - S.C.A.P.I, Vilvorde (see No 343) has appointed the recently-formed Paris company I.B.E.L. France Sarl (capital Ff 20,000) as distributor for its taps, valves and other hydraulic equipment for heating and industry. The French company is headed by M.J. Rondeaux (principal shareholder with a 60% interest).

S.C.A.P.I. is the Belgian subsidiary of the Dutch engineering and precision casting group G. DIKKERS & CO NV, Hengelo, which itself has had a Paris subsidiary G. Dikkers Sarl since 1960. There is also another Belgian subsidiary bearing its own name as well as one in London and Copenhagen. It is represented in most European countries: Kronberg, Taunus, West Germany, Milan, Madrid, Sweden, Lisbon.

** DURR DO BRASIL SA, (Sao Paulo), the Brazil subsidiary of the German surface treatment concern, OTTO DURR, ANLAGEN FUR OBERFLACH-TECHNIK of Stuttgart-Zuffenhausen (see No 435) has added to its plant and equipment by taking over the Brazilian company in the same field, SOLTREONIC SA (which has a number of licensing agreements, particularly with the Hamburg firm, Blohm & Voss AG - see No 422).

Apart from its joint subsidiaries in Paris (see No 335) and London (see No 370), held in conjunction with De Vilbiss Co. of Toledo, Ohio and Tunzini SA of Paris (at present in the process of merging with Ameliorair SA, Paris - see No 431), the German company also has foreign interests in Otto Durr AG, Winterthur, Zurich (capital Sf. 120,000) and Otto Durr GmbH at Chur, Grisons (capital Dm. 20,000).

** The French international heavy machinery trading concern TRADEX INTERNATIONAL - STE TRANSATLANTIQUE D'EXPORTATION & DE DEVELOPPEMENT ECONOMIQUE SA, Paris, has strengthened its European network with the formation of TRADEX INTERNATIONAL BELGIQUE SA, Liege (capital Bf 2 million). Members of the new company's board are MM. Jacques Bataille (president of the founder) Martial Trelu and Didier Ruffat, whilst the managing director is M. Julien Ernst.

The company's recent moves included the formation of a subsidiary Tradex International GmbH, Vienna (capital Sch 400,000). There are others in London, New York and Montreal.

** The American company MILLER PRINTING MACHINERY CO, Pittsburgh, Pennsylvania, has formed a wholly-owned subsidiary, MILLERMATIC ENGINEERING SA, Charleroi (capital Bf 250,000), which will import-export, trade in, lease and maintain printing machinery. The members of the new concern's board are Messrs. Mowry, Young, Hultgren Hoffmann and Moecke.

The founder is a subsidiary of COMMERCIAL CREDIT CO, Wilmington, Delaware, which also controls (a 90% direct interest) the West German Maschinenfabrik Johannisberg GmbH, Geisenheim. This has some 700 people employed in making printing machinery.

** GIUSEPPE MINGANTI & CO SpA, Bologna, has made a further agreement with the Polish group METAEXPORT, Warsaw, and with its Milan affiliate ITALMEX-INDUSTRIA ITALIANA MACCHINE SpA (see No 341). The first agreement with the Polish firm was for technical co-operation (see No 353), and the manufacture in Poland under Italian licence of single- and multiple spindle lathes for metal working.

Under the new agreement, Italmex, which acts mainly for the Polish state concerns Impemetal, Warsaw, and Stateport Pebiscitowa, Kayowice, will import automatic lathes from the two largest Polish machine-tool concerns, and will place the distribution of these, under the trade names of "Minganti Fat" and "Minganti Cegielski" with the Bologna firm, which will also service them, supply tools and technical aid, etc.

** The New York UNION CARBIDE CORP (see No 420) has gained absolute control of the West German DUNKERMOTOREN PRAZISIONS-KLEINST-MOTOREN GmbH, Bonndorf, Schwarzwald, having bought up the 25% holding of the Dunker family. The company makes micro-motors, has a payroll of 800 at its factory at headquarters in Lorrach and at Baden, Sulzburg, Baden and Ewattingen, Schwarzwald (annual turnover in the region of Dm 16 million per annum - its capital is now Dm 4.6 million).

In Germany, the pivot of the American group's chemical activities is its subsidiary, Union Carbide Deutschland GmbH of Wissen, Siegen (formerly Unicar Apparatebau GmbH), which has subsidiaries in Hamburg, Mannheim and Düsseldorf (see No 411).

FINANCE

** CREDIT GENERAL DU NORD & DU CENTRE SA, Boulogne-sur-Mer, Pas-de-Calais, has been formed by the merger of five French hire purchase credit companies (domestic appliances and furniture). This has Ff 150,000 initial capital, soon to be raised to Ff 1.14 million; the director is M. Frete.

The companies concerned are Union Economique de Boulogne-sur-Mer SA (formed 40 years ago) headed by M. S. Ardaens; Union Economique de la Region Eudoise Eu, Seine Maritime; Mutuelle Commerciale de Douai SA, Douai, Nord; Union Economique de Dunkerque SA, Dunkerque, and Union Commerciale de l'Orleanais SA, Orleans, Loiret, the gross cumulative assets of which are estimated at Ff 2.02 million.

** The London group UNITED DOMINIONS TRUST LTD (see No 342) has sold its 50% shareholding (acquired in early 1964) in the Amsterdam finance company INDUSTRIELE DISCONTO MIJ. NV (see No 303) to ALGEMENE BANK NEDERLAND NV, Amsterdam (see No 438), which now has almost complete control of the company.

The British group will, however, maintain the close links it has had for the past few years with the Dutch bank. It has a number of other interests in Europe: 1) a 45% interest acquired in 1965 in the Stockholm finance and credit concern A/B Motorvärden - and its subsidiary A/B Antokredit - when S. G. Warburg & Co, London, took a 4% interest; 2) in the Zurich medium-term export finance house VDT Internationale Finanz AG, Zurich, formed in 1967 in association with International Finance & Services Ltd, London, and the Zurich bank Julius Baer & Cie (through Fibena AG, Chur), with respectively 15% and 45%; 3) in the Madrid credit establishment SOFIVAC-Soc. de Financiacion de Ventas a Credito SA (see No 388), formed in 1966 by two Spanish groups, Banco de Vizcaya SA and Banco Central SA (see No 339).

FOOD & DRINK

** The Belgian group UNION FINANCIERE D'ANVERS - BUFA NV (see No 436), having gained control of the British chocolate concern, MEURISSE LTD, London and Antwerp, for the sum of £270,000 (see No 412), has now wound this subsidiary up and transferred its Belgian assets to the subsidiary Ste Financiere pour le Developpement du Commerce - SOFIDECO NV, Antwerp (formerly Transbag NV).

Sofideco has thus had its name changed to Chocolaterie Meurisse SA, and its capital increased to Bf 55 million. It has MM Jacques Meurisse and L. de Smedt as president and secretary general respectively, and its directors are M. P. Michelet (sales), R. Vander Linden (production) and J. Schellemans.

** SOPROMER - STE BRETONNE DES PRODUITS DE LA MER has just been established in Lorient. Its aim is to buy up surplus catches so as to keep prices of fish at a reasonable level. The board of the new venture includes representatives of the fishing fleets from the four ports involved - Douarnenez, Concarneau, Etel and Lorient - as well as of processing and distribution concerns and financial companies.

** L'INDUSTRIE DU SOJA - INDUSOJA, which was set up earlier this year as a 50-50 venture by the American CARGILL INC group of Minneapolis, Minnesota - the world's largest soja exporter - and three French firms SOPROGA (a subsidiary of Kuhlmann), PROVIMI and SOCOA (a group of Breton agricultural co-operatives - see No 410), is to start construction of a soja processing plant at St. Nazaire, Loire-Atlantique in early 1968. With a daily capacity of some 500 tons, this is due to begin operating in 1969, and will cost around Ff 23 million. However, since the company was formed, the one-sixth share held by Socoa has been acquired by Ste de Synthese & Oxydation - Synoxy, a member of the Edmond de Rothschild group.

It will be the American group's fifteenth plant of this type in the world, but at St. Nazaire a similar plant is being built by EURO-SOJA, formed by Lesieur and Unipol, who had broken off negotiations with Cargill. Other members of Euro-Soja are the Belgian oil concern Vandemoorteele and the international trading firm Blünge.

** NESTLE ALIMENTANA SA, Vevey (see No 438), has partially reorganised its French interests by a split/merger operation on STE INDUSTRIELLE DE SPECIALITES ALIMENTAIRES SA, Paris (see No 291).

The Paris company's capital was raised in November 1966 to Ff 45.65 million, but it has now made over its assets to: 1) Ste Alimentaire Moderne SA, Blanc-Mesnil, Seine-St-Denis (see No 339), which together with Sopad SA, Courbevoie, Hauts-de-Seine, holds shares in several companies in the group, such as Institut Francais d'Etude des Produits Alimentaires-Ifea SA, Courbevoie, Cie Generale des Cafes-Cogeca SA, Paris, etc.; 2) Ste Industrielle de Transformation de Produits Agricoles-Sitpa SA, Paris (Ff 8.11 million).

** The French milk products group CHAMBOURCY SA, Clamart, Seine (formerly J. A. Benoit SA, Marseille - see No 433), is to improve the financial standing of its 55% Turin subsidiary CHAMBOURCY SpA by raising its capital to Lire 200 million, in anticipation of the building of a milk factory next year.

The Italian company was formed a few months ago (at the same time as Chambourcy Dairy Products Ltd, London - see No 422 - a joint venture with Jobs Dairy Products Ltd, and has branches in Genoa and Milan. Its president is M. J. Benoit, and its managing director is M. M. Wolkhart, who represents an Italian group holding a minority interest: Sibetto-Imbottigliamento Bevante Torino SpA, Turin (managing director, Sig. Carlo Fossati). Before the company has at its disposal goods made on the premises, it will distribute products made in the Marseilles factory of the French group.

** The STE DES SUPERMARCHES MONTREAL, which will shortly open its first Paris supermarket, has just bought another two in the Paris region, one at Raincy and the other at Aulnay-sous-Bois. Previously owned by M. Galliene, these were under the "E. Leclerc" sign. Supermarches Montreal, in which the Canadian company STEINBERG has a 40% interest, also intends to open a medium-sized supermarket at Chambourcy.

** 21 Belgian wholesalers and other distributors of alcoholic and non-alcoholic drinks have linked to form a co-operative concern called COPALI, which will act as a central purchasing concern for their requirements.

MINING

** The chemical and metal group PREUSSAG AG, Hanover, having already bought from the Lower Saxony Land Bank (the Braunschweigische Staatsbank of Brunswick) through Niedersachsen GmbH of Hanover, its holding in the metallurgical and mining concern, UNTERHARZER BERG & HUTTENWERK GmbH, Goslar (see No 438), has gone on to negotiate a similar deal following the withdrawal of Niedersachsen from the salt-producing company Norddeutsche Salinen GmbH, Stade (see No 336).

As a result, Norddeutsche Salinen will no longer have any association agreements save those with Preussag and the Dutch group Koninklijke Zout-Organon NV of Deventer and Arnhem (see No 437), which owned respectively only 26% and 37% of the equity. Norddeutsche Salinen, whose capital stands at Dm 18 million exploits the salt pans at Schoningen and Stader Sand.

OIL, GAS & PETROCHEMICALS

** BRITISH PETROLEUM CO LTD, London (see No 437), is to reshape its Italian interests by merging two subsidiaries in Milan: British Petroleum Italiana SpA will absorb Raffineria Italiana B.P. SpA (capital Lire 3,000 million - see No 259).

The first of these (capital Lire 11,500 million - turnover Lire 218,600 million in 1966) a few months ago completed some two years of negotiation with the authorities, and received the go-ahead to build a 3 million tons p.a. refinery at Volpiano, Turin. It is also just completing the setting up at Leghorn of a 17,000 tons p.a. lubricants blending plant. Its main interests in the Italian refining sector are represented in Irom SpA, Porto Marhera, Venice (49%), and Edoardo Garrone SpA, Genoa (20%), the annual capacities of which are respectively 5 million tons (currently being increased to 8 million) and 7 million tons.

** The Swiss company OLEODOTTO DEL RENO SA, Chur, Grisons (see No 313 - capital Sf 40 million), a member of the E.N.I. group of Rome (see No 435), the capital of which is held directly by HYDROCARBONS HOLDING AG, Zurich (65%), and SNAM SpA of Milan (35%), has offered the cantons of Grisons and St-Gall a 15% holding in the concern, since the pipeline which the company is constructing from Genoa to Ingolstadt passes through these two cantons.

This pipeline, which is to work in conjunction with the international one from Trieste to Ingolstadt, the so-called "TAL" (see No 418), will soon be provided with a feeder to supply the Volpiano, Turin, refinery belonging to the British Petroleum group; work on the refinery is to begin in the near future.

** The New York TEXACO INC group (see No 426) has rationalised its Italian interests by having TEXACO SpA, Rome take over PETROFINANCE ITALIANA SpA, Genoa. This was acquired in November 1966 from the French concern Petro France SA (see No 384) which is headed by M. Joseph Nahmias. To carry out the move, the Rome concern reduced its capital by half to Lire 163.5 million, and then raised it to Lire 789.5 million.

** GULF OIL CORP, Pittsburgh, Pennsylvania (see No 427) is to regroup its Italian interests around its subsidiary GULF ITALIANA SpA, Rome. M.L. Buday was recently appointed managing director of this company, replacing M. R de Ruchemont, vice-president of Gulf Eastern Marketing Ltd, London. It will absorb the companies, Azienda Agricola del Pioppo SpA and Sagni SpA (formed a few months ago to build a 3 million tons p.a. refinery at Vignate, Milan).

Gulf Italiana (sales amounting to Lire 10,130,000 in 1966), which stems from the former A.P.I.R. - Azienda Petroli Italiana Romana SpA (purchased in 1963 from the Fiat group) raised its capital in 1966 to Lire 6,000 million. Through Armoil SpA, it discovered the deposits at Ragusa in Sicily, later taken over by the state E.N.I. group. Recently it also formed links with the Fiat group to obtain offshore drilling permits for the Adriatic.

PAPER & PACKAGING

** Another merger in the Italian paper industry will strengthen the position of the Trieste group CARTIERE DI TIMAVO SpA, Trieste (capital Lire 8,000 million). Headed by Signor P. Ferraro this will take over two Trieste subsidiaries: CELLULOSA VENEZIA GIULIA SpA (capital Lire 100 million) and RETTIFICHE & LAVORAZIONI MECCANICHE SpA (Lire 60 million - see No 333).

** Ten French paper and packaging firms (paper bags and cartons) have joined together to form the sales co-operative FRANSAC S.C. in Brussels. The capital of this concern is Bf. 15,000 and the managing director M.F. Daniel.

The companies concerned in the link are: LAFARGE EMBALLAGE SA (Calluire, Rhone), BOWATER Emballage-Reims SA (Rheims), LA ROCHETTE CENPA SA (Paris), LA CELLULOSE DU PIN SA (Paris), Papeteries de L'Est SA (Chaumont), Papeteries Martin Freres SA (Paris), Bernard Ghesquieres & Cie Snc (Lille, Nord), Morquin & Muguet SA (Vitry-sur-Seine), Paul Pellat-Finet & Cie SA (Nice) and Roland-Cattenieres Emballages SA (Cattenieres, Nord).

PHARMACEUTICALS

** LABORATOIRES DELALANDE SA, Courbevoie, Hauts-de-Seine (see No 389) the pharmaceuticals group owned by the Delalande family, has made its Geneva branch into a subsidiary called DELALANDE SA (capital Sf 100,000). This will produce and sell pharmaceuticals under M. Andre Courtaigne, Paris.

The group specialises in products to treat blood circulation difficulties

and respiratory troubles. It heads a number of companies including Fimorga SA, Neogrog-Delalande & Quignon Snc, Centre de Recherche Delalande (all in Courbevoie) and Laboratoires Carrion SA, Paris. Abroad it has two other subsidiaries Laboratori Delalande SpA, Turin and Laboratoires Delalande SA, Brussels.

** Although it already has a number of subsidiaries outside West Germany, namely in Milan, Brussels, Amsterdam, Paris etc., C.F. BOEHRINGER & SÖHNE GmbH, Mannheim-Waldhof (see No 396), the third biggest producer of pharmaceuticals in Germany after Farbwerke Hoechst AG, Frankfurt and Farbenfabriken Bayer AG, Leverkusen, is about to inaugurate a large-scale foreign investment programme, taking in especially Italy, Austria, Spain and Latin America.

The company, which enjoys a number of links in the research and distribution fields with the American chemical and pharmaceutical group G.D. Searle & Co. of Stokie, Illinois, employs some 3,100 people in West Germany and has a group turnover of Dm. 250 million.

PRINTING & PUBLISHING

** The American publishers RICHARD ABE & CO LTD, Portland, Oregon has formed an almost wholly-owned Amsterdam subsidiary RICHARD ABEL & CO NV in which a token shareholding is held by M. Jan R. Voute of Amsterdam. With an authorised capital of Fl 54,000 the new venture will publish and trade in books under Mr. R.E. Abel.

TEXTILES

** As part of the reorganisation of its North American interests, the Dutch carpet and felt manufacturer EERSTE HOLLANDSE VILTFABRIEK GEBR. VAN HEUGTEN NV, Amersfoort (see No 430) has formed a new holding company GEBROEDERS VAN HEUGTEN GEMEENSCHAPPELIJK BEZIT AMERIKA NV, Scherpenzeel (authorised capital Fl 500,000). The aim of the new company is to head HANDELMIJ. GEBR VAN HEUGTEN-AMERIKA NV - directly in control of Van Heugten-Canada Ltd and Van Heugten-USA Inc - and the Lucerne finance company Van Heugten Western Hemisphere AG, which was formed in September 1967 to back financially the group's North American expansion.

The remainder of Van Heugten's interests are headed by two other holdings: 1) NV Gemeenschappelijk Bezit Gebroeders Van Heugten responsible for all manufacturing and sales subsidiaries; 2) NV Houdstermij. "De Westerlaak" which controls Reclame Adviesbureau "De Westerlaak" NV, Assurantie Kantor "De Westerlaak" NV, Transportonderneming "De Westerlaak" NV and Financieringsmij. "De Westerlaak" NV. Abroad the group has interests in Hamburg, Copenhagen, Gothenburg, Beirut and Halstead, Essex. It is especially strong in Switzerland through Van Heugten AG (sales) Van Heugten Export AG (international affairs) and Geroma Service AG (carpet marketing).

** The Dutch manufacturer of women's foundation garments and lingerie, LECORE FOUNDATION, The Hague (see No 327), is to boost its Common Market interests with the establishment of production facilities at Hamont in Belgium. Employing some 200 people, this will make Lecore's products under the Mary Quant label.

The Dutch firm - factories at Vlijnen Berlicum and Roosteren - has had a West German subsidiary since the end of 1965, Lecore-Handels GmbH, Oberhausen, Rheinland.

** The recently-planned rationalisation of the Spanish interests of A.K.U.-ALGEMENE LUNSTZIJDEN UNIE NV, the Dutch group of Arnhem, has become a reality following the takeover of PERLOFIL SA, Madrid, Alcala de Henares, by La Seda de Barcelona SA, Barcelona. Perlofil forms part of the Banco Urquijo SA group, and has been affiliated to AKU since 1961; La Seda will increase its capital to Pts 1,068 million as a result of the deal.

** The organisation of the Milan textiles and household linen firm VICENZO SUCCHI SpA (see No 389), has been tightened up by the absorption of two wholly-owned subsidiaries: 1) B. C. & A. FLLI TOSI SpA, Busto Arsizio (capital Lire 20 million), which produces towelling at its headquarters at Cuggiono; 2) MAR SpA, Milan (capital Lire 20 million), which owns a lace-trimmings factory at Rovellasca, Como.

TOBACCO

** The Swedish tobacco company, SVENSKA TOBACS A/B, Stockholm, which employs some 2,000 people for an annual output of around 300 million cigars and cigarillos, has acquired a majority interest in the Dutch firm of ELISABETH BAS NV SIGARENFABRIKEN v/h H JOS VAN SUSANTE & CO, Boxtel, and in its subsidiary LA PAZ SIGARENFABRIEK NV. Both these companies were until now owned by the Susante family: between them, they employ some 1,200 people, and produce around 100 million cigars a year, about 15% of which are exported.

TOURISM

** The Belgian travel agency WASTEELS, which has had a subsidiary in Luxembourg since June 1967 (called Voyages Wasteels Sarl of Esch-sur-Alzethe - see No 423), has also expanded into the Netherlands by setting up a company, REIZEN WASTEELS NV, Maastricht, with a capital of F1 50,000. The owners of the company Messrs. Rene C. Wasteels and Z. Wasteels, are also acting as the directors.

The other interests of the Belgian agency consist of a holding in the co-operative society Voyages Transalpino Wasteels S.C., and an association with the Swiss firm Reisebureau A. Kuoni AG, Zurich, part of the 50-50 subsidiary Voyages Wasteels Sarl, Geneva, formed in October 1965 to carry migrant foreign workers.

TRADE

** STE FRANCAISE DES NOUVELLES GALERIES REUNIES SA is about to bring about a rationalisation of its interests in Paris by absorbing its 43.6% subsidiary STE FRANCAISE DE MAGASINS MODERNES SA; the latter runs a score of large stores in the provinces, whose sales totalled Ff 463.1 million in 1966, on a capital of Ff 38.84 million.

Novelles Galeries, whose capital was a few months ago increased to Ff 134.88 million, owns and runs, either by itself or through its subsidiaries, department stores throughout France. In 1966, its central buying office bought goods worth Ff 1,641.5 million, and the turnover of the group (not including the associate companies) reached Ff 2,105 million in the same year. The principal shareholders are: Ets L. Devanlay & Recoing Sarl, Troyes, Aube (represented on the board by its directors, Messrs. Jean and Pierre Levy. - see No 424); Financiere & Immobiliere SA-Finimsa, Luxembourg (part of the Kredietbank NV of Antwerp and Brussels - see No 424); and SA des Monoprix, Paris (part of the Galeries Lafayette SA, Paris, group - see No 377).

** A & O NEDERLAND, Baarn (formerly Ned Grossiers Vereniging), Dutch member since 1964 of the international wholesale and retail grocery chain, A & O INTERNATIONAL, Utrecht) is to acquire a new member in January 1968 - A & O GROOTHANDEL ALBLASSERDAM NV BOON. This company is to be formed by the merger of NV BOON, Alblasserdam, with NV EUROPOORT, Maasluis, and will be under the direct control of NV CENTRALE A & O NEDERLAND.

Centrale A & O (directed by M. C. Groenemegen), will thus head a trading network embracing 17 wholesalers and 1,160 retailers (including 426 self-service and 38 supermarket stores), which together in 1966 made a turnover of around Fl 280 million. It is about to double its capital to Fl 3 million (authorised), a third of which is offered to the managers of affiliated stores. Its other subsidiaries are Handelsonderneming Engevea, which acts as buyer for the wholesalers; Centrum, a medium-term credit establishment for the managers of retail shops; Partex, a property finance house (credit for supermarkets, stores, etc.); and Zegelfonds, which specialises in promotional sales.

TRANSPORT

** The international transport concern UNION SPEDITIONS GmbH, Düsseldorf (capital Dm 20,000), has opened a branch in Great Britain (Feltham, Middlesex); the venture is to be under the direction of Mr. Ernest Roper. The German company is a member of the Union Transport-Betriebe Verwaltungs GmbH group of Düsseldorf, which employs some 900 people. Controlled by Paul Posselt Verwaltungs GmbH, Düsseldorf, the latter group founded in February 1965 (see No 295) Union Transport Italiana SpA in Milan with a capital of Lire 1 million.

TRANSPORT

** The international container transport ATLANTIC CONTAINER LINE LTD - A.C.L. -, Hamilton, Bermuda (administrative head office in Copenhagen) has established in Rotterdam, as its new agent for the Netherlands, ATLANTIC CONTAINER LINE (ROTTERDAM) NV under M.C. van Erven. This will take over from the shipping company NV NEDERLANDSCHE AMERIKAANSCH E STOOMVAARTMIJ. "HOLLAND-AMERIKA LIJN, Rotterdam (see No 434) also under M.C. van Erven.

The Hamilton company was formed in 1963 by a group of European shipping firms headed by the Swedish company A/B Svenska Amerika Linien (S.A.L.), Gothenburg and included at the start Holland Amerika Lijn and two other Swedish firms Wallenius Shipping Co and Swedish Transatlantic Line. The group was then enlarged to include Cie Generale Transatlantique SA, Paris (see No 430) and The Cunard Steamship Co Ltd, Liverpool. By 1969 it will have ten container ships in service (four by 1968) and should thus be able to carry some 30% of all trade between the United States and Europe. A network of representatives and agents has been established so as to provide a sound basis for the service. In the United States, one of the affiliates the container transport group More McCormack Inc which has been appointed, while in Europe the position is as follows:

- 1) In West Germany, the group's interests are represented by Atlantic Container Line GmbH, Bremen (a wholly-owned subsidiary of Svenska Amerika Linien), by a general agency given to the Bremen Gottfried Steinmeyer & Co and by local agencies given to Axel Dahlstom, Hamburg and Deutschland-Ubersee Verkehrs GmbH (branches in Düsseldorf, Berlin, Frankfurt, Hanover, Munich, Nuremberg and Stuttgart); whilst the general agency for the transport of cars has been given to the Bremen firm Karl Geuther & Co.
- 2) In Sweden the group is represented by Atlantic Containers Line A/B, the subsidiary of Svenska Amerika Lijn
- 3) In Britain by Atlantic Container Line Ltd
- 4) In Belgium the general agency has been given to E. Sasse Scheepvaartagentur NV, Antwerp (part of the Sasse group) whilst car transport is the responsibility of Cie Belge d'Affretement Sprl-Cobelfret, Antwerp.
- 5) In Italy it is Agenzia Marittima M. Bournique of Leghorn - branches in Milan, Genoa and Naples - which has been appointed.
- 6) In Austria, the Vienne company Oesterreichische Seefrachtkontor GmbH is its representative.
- 7) In Switzerland two Basle transport concerns Danzas AG and Natural AG (subsidiary of the London Lep Group Ltd - see No 291) have been appointed.

** The American international concern SEA-LAND SERVICES INC, Elizabeth New Jersey (part of the McLean Industries Inc group, Delaware - see No 393) has established an Antwerp transport services firm, SEA-LAND BELGIUM NV (capital Bf 500,000) with Mr. Raymond S.H. Notis as managing director.

The founder controls a regular container line between the United States (from New York and Boston) to Europe (Rotterdam, Bremen and Grangemouth, Scotland). It is well represented in the Six by Sea-Land (Nederland) NV, Rotterdam and Sea-Land (Germany) Transports, Bremen; there are agents in Belgium: Furness' Scheepvaart & Agenturen Mij. NV and in France; North Atlantic Trailers Sarl, Lille. Since February 1967 it has been represented in Switzerland by a subsidiary Sea-Land (Switzerland) AG, Basle.

** The CIE NANTAISE DES CHARGEURS DE L'OUEST SA (see No 397), the Nantes joint subsidiary of the two Paris shipping companies, NOUVELLE CIE HAVRAISE PENINSULAIRE DE NAVIGATION SA and CIE NAVALE CAENNAISE SA, has set up a 54% Belgian subsidiary called CIE NANTAISE SA at Antwerp; the new company will be under the chairmanship of M.H. Raynard and the board will consist of Messrs. B. Serenne, managing director and F. Vergouts, C. Fromont and P. Huygelen, directors.

The capital of Bf. 1 million has been put up jointly by the founder company and Worms & Cie N.V. of Antwerp, a subsidiary of the French group of the same name, which can count amongst its holdings an interest in Cie Nantaise des Chargeurs (9.3%), Ets. J.J. Carnaud & Forges de Basse-Indre SA, Paris (member of the De Wendel group and a 22.2% shareholder in Cie Nantaise) and two of its own subsidiaries at Nantes, Cie Morbihannaise de Navigation SA and Cie de Navigation de la Loire Maritime.

VARIOUS

** CARL FREUDENBERG KG of Weinheim, Bergstrasse, the West German specialists in leather and plastic goods for the shoe industry, has set up a London subsidiary for both manufacturing and selling; the firm is called CARL FREUDENBERG & CO (U.K.) LTD. and has a capital of £150,000.

The parent company, which contributed Dm. 72 million to the venture, employs some 10,000 and now has an annual turnover of over Dm. 500 million. In West Germany, it has a wholly-owned subsidiary, Conrad Tack & Co GmbH, at Offenbach, Main (capital Dm. 7 million) and also controls Gustav Hoffmann GmbH, Kleve (capital Dm. 9.75 million) and Fremawerk Martini & Co. KG., Augsburg.

** Swiss investors led by M. Victor Fischer of Geneva, and Swedish backers under Mr. Karl T.W. Wahlberg of Stockholm have linked 50-50 to form a company in Haarlem called EXPANSION FILMPRODUCTIE (EPROD) NV. This has Fl 10,000 capital, and is to produce films, especially for television, under its two founders and Mr Carl O Frunck of Stockholm.

** The French leather treatment company, BOLLOC'HSA (Saint-Brieuc, Cotes du Nord - capital Ff. 109,200) has backed the Munich export-import company "SAGIMEX"-FRANCO-DEUTSCHE HANDELS GmbH. This firm is to have a capital of Dm. 30,000, and will have Messrs. M. Bouille and P. Bolloc'h (Saint-Brieuc) as directors.

** The Italian jewellery firm, ORVAL SpA of Alessandria has formed a sales subsidiary in West Germany called ORVAL GOLDWARENHANDEL GmbH (Schwabisch Gmund) with a capital of Dm. 21,000 and S. Orlando Conca, Alessandria as managing director.

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		Istituto Romano di Beni Stabili	B
C.M.I., Genoa	G	Italmex	I
Cargill Inc	K		
la Cellulose du Pin	M	Kaiser Aluminium & Chemical Corp	H
Chambourcy	K	Komatsu	C
Comatel	F	Koopman & Co	G
Comelin	F		
Compteurs, Cie des	E	Lafarge	M
Control Data Corp	F	Lamson Industries	F
Copali	L	Lecore Foundation	O
Credit General du Nord & du Centre	J	Linex	C
D.A.F.	B	Metalexport, Warsaw	I
Delalande	M	Metallgesellschaft	G
Deutsche Bank	G	Meurisse	J
Dickers & Co	H	Miller Printing Machinery	I
Disconto	J	Minganti, Giuseppe	I
Dunkermotoren	I		
Duomo-Pattari	B	Nantaise des Chargeurs de l'Ouest	R
Durr, Otto	H	Nestle	K
Dzus Fastener	F	Niedersachsen	L

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Nouvelles Galeries Reunies	P	Union Speditions	P
Nuova San Giorgio	G	United Dominions Trust	J
		Unterharzer Berg & Hüttenwerk	L
Olivetti	E		
Orval	R	Van Heugten, Viltfabriek	N
		Vecom	D
la Paz Sigarenfabriek	O	Vereinigte Aluminiumwerke	H
Perlofil	O	Vero Electronics	F
Planfinance	I	Vianini	C
Prefalith	B		
Preussag	L	Wanderer-Werke	F
Provimi	J	Wasteels	O
Quant, Mary	O	Zucchi, Vincenzo	O
Renault	B		
Reno, Oleodotto del	L		
Richard, Jules	E		
la Rochette Cenpa	M		
Sagimex	R		
Saviex	B		
Scado-Archer-Daniels	D		
Scapi	H		
Sea-land Services	Q		
Sechers Aanemingen	B		
Semat	G		
Siemens	G		
Snam	L		
Socoa	K		
Sofideco	J		
Soltreonic	H		
Soproga	K		
Sopromer	K		
Stork Ventilatoren	G		
Sumlock Comptometer	F		
Supermarches Montreal	K		
Susante & Co	O		
Svenska Tobacs	O		
Texaco	M		
Timavo, Cartiere del	M		
Tradex International	I		
U.S. Gypsum	C		
Unilever	C,D		
Union Carbide	D,I		

