Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

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COMMENT
A Letter from Brussels

SOME PACKAGE DEAL

The negotiating methods of the Six, and the rhythm of their advance towards the establishment of the Common Market, often give a curious impression. Instead of making steady progress, by dealing with the very complex problems of unification one by one, they proceed by a series of bounds, each marked by a mammoth negotiating session, in which the most intractable technical problems are lumped in with more vital political issues. The EEC has been likened before to a motor propelled by crises, in each of which a marathon session round the table ends in a package deal. Dynamic certainly, but hardly smooth-running.

But this method of progression is, in fact, inherent in the system. The Treaty of Rome itself is an amalgam of compromises, in which only the most basic principles are clearly defined. As a result, every time some concrete shape has to be moulded out of the mass of compromise, the only way it can be done is through large-scale bargaining. This repetitive trend of events has led to the gradual formation of a frame of mind, possibly since as far back as 1957 and certainly since January, 1963. The pressure of events in favour of a balanced compromise has remained strong; it is this pressure which forced the Six to take another leap forward on December 15, 1964, with the agreement on the Mansholt Plan. But political impetus has been lost in the process and the "gentlemen's disagreement" (see No 344 p 1) in Luxembourg was not the kind of thing to revive it. On the contrary, by underlining the disagreement between France and her partners - somewhat unnecessarily, since the problem of the veto was largely a false one - that agreement has probably served to weaken the Community's will to advance still further. Be this as it may, it is apparent that national egoism and the quid pro quo are becoming more and more the rule for negotiations between the Six. Not that this is necessarily a bad negotiating technique. But it makes the optimism expressed in Paris (even in the Elysee) about the turn of events seem somewhat artificial when looked at from Brussels.

In essence, the debate is limited, once more, as it was at the time the Treaty was being discussed, to a confrontation between the protagonists of a "European" and of a "world" point of view, with France as the champion of the first and West Germany of the second. France is insisting on the common agricultural policy and is ready to pay for it with industrial union, but is no more enthusiastic than she ever was about the common commercial policy which Bonn is loudly demanding. When the Six started work again in Brussels, after the Luxembourg meeting, the French ambassador, M. Boegner, insisted that it had been agreed to give agricultural financing priority and to conduct "parallel" but not linked negotiations on the Kennedy Round. According to him there was no reason to make agreement on the second point conditional on the first; in other words, he was trying to "undo the package". Discussions between the Six were resumed on the basis of the Commission's memorandum of July 22, 1965, which does deal with the problem of financing the common agricultural market, but its scope is much wider; it is, in itself, the draft of a package deal. It was accepted on October 26 by the Five (subject to certain modifications and additions) as a "basis for discussion". France also accepted it, but with the evident intention of making more substantial modifications.

The Commission's paper provided that by July 1, 1967 free circulation of agricultural and industrial products should be complete. This is a revival of the Wormser-Lahr agreement concluded in Paris just before the Common Market crisis, which the Commission originally believed would be short-lived. To keep to the date set, the Council of Ministers would have the difficult task of drawing up at extremely short notice: the joint marketing organization for sugar, fatty materials, tobacco, fish products etc; also the supplementary regulations for the marketing organization for fruit and vegetables; it would have to fix common prices for milk, beef, rice, sugar, olive-oil and oil-seeds; it would have to lay down a policy on competition in agriculture etc. This is quite a task considering the present lack of dynamism, and ministers are already talking of the agreed date in terms of a working hypothesis.

Then there is Germany's insistence, designed to satisfy her farmers and despite her free trading principles, that prior to any discussion the price of milk must be fixed at the high level of 39 pfennigs a litre and maintained by Community subsidies: so the temperature falls a few more degrees. It brings to mind the lengthy battle waged by Herr Schwarz, the German Minister of Agriculture, in defence of German grain prices. It can well be said that milk is now as important a question as grain was then. An adjournment thus seems to be almost inescapable, especially since some of the finance ministers are fully occupied in fighting inflation and would probably not be sorry to see national agricultural prices remaining where they are. This would satisfy logic - but what about the political angle?

France has no intention of giving up any of the advantages she has gained, especially as regards the application of common prices for grain from July 1, 1967 and the financial repercussions that this will have on the Community. And this is where Italy comes in, as she invariably does sooner or later in any disagreement which starts out by involving only France and Germany. The Italians are not in the friendliest of moods and they have got a stalwart champion in Sig. Fanfani, the Italian Foreign Minister. They have good reason for being annoyed: apart from concessions intended to reduce their future contributions to FEOGA (European Agricultural Guidance and Guarantee Fund) the Italians had been given to understand that the Common Agricultural Policy would be speeded up in the other sectors as well as grain. This would give Italy some additional and fair compensation. The marketing organization for fruit and vegetables, rice, tobacco, olive-oil etc. should help Italy to balance the cost of implementing the cereals policy which is particularly hard on her. Some of these measures should even have been completed already. So the Italians are faced with the prospect of the grain policy coming into force at the appointed time while the others may be adjourned to a more convenient date. Their fury has been increased by two incidents: the "Orange War" where they had every right to think that their partners were not greatly inclined to stick to their promises,and

Germany's unilateral decision to extend to Algeria, Italy's direct competitor in many sectors, the benefit of the last inter-Community tariff reduction. So it may well be that the original Franco-German dispute will be further complicated by a strong Italian attack which, in this instance, may not be delayed until the last minute.

If things are put back till after July 1, 1967, Sig. Fanfani may try to insist on this measure being applied to all sectors of agriculture. The Germans and the Commission also feel that the grain agreement of December 1964 can not be applied on its own but that it must be linked eventually with the application of agreements on other agricultural products. This idea which could cause another crisis, is strongly opposed by Belgium and Luxembourg. If the Italian Foreign Minister gets no joy on this score he will surely try for some financial compensation, probably in the form of a 100% Community guarantee for the fruit and vegetable market by July 1967. This request has already caused anxiety in certain quarters. But Sig. Fanfani might also take this opportunity to press home two other points with much wider implications: first of all the definition of an Association policy particularly in relation to Association candidates from Mediterranean countries whose products are in direct competition to those of Italy. This had previously been suggested by Sig. Saragat in his time. Secondly, that the Commission should draft proposals aimed at establishing some kind of balance between European agricultural production and possible markets. This means curbing surplus production and easing the burden of FEOGA contributions which are so costly for Italy. However, since surpluses are most likely to occur in grain production this suggestion, which is nevertheless sanctioned by the Treaty, might cause some misgivings among the French.

The outlook is fortunately a little brighter for the agricultural finance policy. Despite the loaded nature of the question of increasing the powers of the European Parliament and the Commission the time of reckoning (1970) is now too far off to rouse any great sense of urgency. The Dutch have referred to it but probably only to satisfy their own Parliament. In fact the Six have accepted the myth propounded by M. Couve de Murville on June 15, 1965 that free circulation of goods does not necessarily mean the "single market stage". However, according to the principles adopted in January 1962, it is at this stage that agricultural levies should go into common funds. When the French Foreign Minister (to the great satisfaction of some of his colleagues) dropped the idea of a common levy system he also solved the problem of the Community's "own resources" and the question of such resources being under the budgetary control of the European Parliament. This delicate point, which was directly responsible for the crisis on June 30, is therefore settled: the finance regulation will be adopted for the period 1965-1970 which means that it can not be reviewed.

So the only problem remaining as far as the agricultural finance regulation is concerned is finance itself. Unfortunately this is no small matter as at present, for it directly concerns everyone. On the basis of the concessions made to the Italians by M. Giscard d'Estaing, the French Finance Minister, on the evening the crisis blew up, the Commission was able to draw up suggestions with accurate figures. But this has apparently still not settled the matter.

The problem is two-fold: how far is the Common Agricultural Policy to be financed by FEOGA, and how much is each member expected to contribute? In the first case, France is in more of a hurry than the others to see FEOGA completely taking over the entire cost. But there is also a political problem because Germany does not want draw-backs to be allowed for her partners' exports of agricultural products to the "Soviet-occupied zone". In the second instance a system of national contributions has been agreed, as the imposition of a common levy has been postponed. Agreement has also been reached with the Commission that these contributions should be partly calculated according to a fixed scale and partly according to net agricultural imports of the member states from non-Common Market countries. Of course this kind of calculation can be done in different ways which leaves considerable room for manoeuvre. But it offers fewer problems than two other German demands.

Germany is insisting first of all that its FEOGA contribution must not under any circumstance exceed 31% of FEOGA's needs, which makes a complete nonsense of all the Commission's careful calculations, and secondly that draw-backs should no longer be given for net exports (exports less imports in each sector) but for gross exports that is to say all exports no matter what the volume of corresponding imports. This would mean Germany getting a slice of the FEOGA cake, but would raise FEOGA subsidies to a level that would turn most Finance Ministers grey overnight.

This leads to the second part of the Commission's memorandum on the balanced development of the Common Market. The completion of the Customs Union by July 1, 1967 is accepted in principle. It seems unlikely that France will oppose speeding up the removal of tax barriers, sought by Germany and which would be a major contribution to free circulation of goods. The progress required in the matter of regional and social policy in order to satisfy the Italians will also be approved without much difficulty. Besides, it is even more in M. Couve de Murville's interest to show willing since he has insisted on the European Patent Convention and the "European Company" being added to the Commission's proposals.

This leads to the most important and most disputed point of all: the common trade policy. Here the Commission suggests a parallel between the internal development of the Community and that of its external relations. The emphasis is on export credits to Communist countries (expecially East Germany) and of course on the Kennedy Round. These suggestions are basically supported by Germany with the backing of the Netherlands; France, however, remains aloof. Obviously the Kennedy Round negotiations at GATT are on the Six's agenda but France is still sticking to her guns: agreement on procedural concessions, but no move in any sector until the agricultural policy is under way.

Taking the situation as a whole it looks like a big Franco-German conflict, with Italian and Dutch interludes. Whenever France has dug her heels in, Germany has increased her demands, some of which look decidedly trumped-up. So once again Belgium and Luxembourg are in their usual role of "honest brokers" only this time they are somewhat confused by the complexities of the problem. They feel that political hot chestnuts like the powers of the European Parliament should be left in the fire and they will more than likely bring pressure to bear on the Netherlands so as to prevent the Dutch stirring the embers too violently. They also think there can be no question of revising the December 15, 1964 agreement that expenditure on grain and grain-fed animal produce should be passed over entirely to FEOGA on July 1, 1967. They consider that this was a pledge to France and that as far as pledges are concerned, everyone should have learnt their lesson from June 30. At the same time they also hold that the 1967 date should stand for the other agricultural products. So they were the first to approve when the Council decided on March 1, to hold more meetings.

These two countries (and no doubt others as well) will probably side with France in the face of Germany's most unreasonable demands. But they will join the opposite camp to ensure that the Common Market can put up at least partially complete proposals so as to get the Kennedy Round moving again. On the composition of the future single Commission, which is another item in the "package deal", they will among the staunchest supporters of nominating outstanding personalities who would offer a certain degree of political "coverage". This is the heart of the matter as they see it. On the other hand they are almost converted to the idea of rotating the presidency and vice-presidencies of the single Commission. The last big question is: who will be the first president, Professor Hallstein or someone else?

THE WEEK IN THE COMMUNITY
February 28 to March 6, 1966
From our Correspondents in Brussels and Luxembourg

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THE COMMON MARKET

Time-Table Trouble

The French return to Brussels after eight months' absence enabled the Community engine to start turning over again on the last day of February; it was cold and took some shifting. Everybody was terribly, terribly polite and it was all a little embarrassing.

In the early discussions it was soon obvious that some of the ministers had lost the knack of Brussels-style negotiation and forgotten many of the finer points with which their files on agriculture bristle; not to mince matters, the debate at times got into a muddle.

Politically, everybody was gently but firmly sticking to his guns, so no substantial progress was possible; at the end of the meeting the French were saying such things as "Last June, the Five were loudly declaring that a few hours would have been enough to settle the question of the financial regulation; but look at the mess we are in to-day".

Scarcely fair comment, for it overlooks the fact that eight months have been lost and that time remains a vital factor in these negotiations, on subjects as far removed as agriculture and the Kennedy Round. The main date is July 1, 1967 (see Comment p 1) and last week the Six did at any rate make up their minds:

(a) not to give up that date, at least as a "working basis", for removing the last barriers to free circulation of both agricultural and industrial goods, and

(b) to hold more meetings in the next few weeks and try to attain that objective.

It is normal that the first stage towards agreement in substance should be agreement on the time-table; normal, too, that the agricultural and industrial parts of the Common Market should evolve in balance and in parallel; normal, again, that its internal trade and external relations should develop side by side. To call these things normal is, however, an understatement; after all the time that has been wasted, they have become a pressing necessity, and if the Six cannot now synchronize them they will have to admit a failure of the first order.

February 28 and March 1 did bring some progress. If everybody is to get what they want out of the negotiations, they will have to be ready to advance simultaneously on both fronts, but it is equally true that if all are to get their due, proper negotiations will be necessary too. M. Couve de Murville, the French Foreign Minister, did his bit by agreeing that there should be a meeting on April 4 and 5 devoted to the Kennedy Round. He is always careful to get his procedure right, and in his wording he took pains to avoid giving the impression that he was abandoning priority for the agricultural finance regulation. This will not be a "special " meeting, but an "additional" one; it will not discuss the Kennedy Round negotiations at Geneva "exclusively", just "mainly". The meeting will in fact come after three others, all of which will be confined to agricultural subjects. The French Foreign Minister has therefore kept his good tactical position but he has also practically agreed to the "package deal" (see No 343 p 7)

All the same, the Six are still in trouble over their time-table, and the crisis in the Belgian Government is not going to help. Mr Mansholt has shewn some optimism and recalled that technical drafting for the main agricultural regulations is well advanced; the political decisions on them, however, have still to be taken.

One simplifying fact is that agriculture has ceased to be political dynamite between now and 1970.

The finance regulation is no longer something which will come up for revision, and the Dutch now seem likely to content themselves with getting a vague declaration of intent that the European Parliament's budgetary powers will be extended. The Germans also seem likely to give up their request that FEOGA rebates should apply to gross exports. Community financing of grain production from July 1, 1967 is thus confirmed.

Against this simplification of the situation, however, France's partners are all naturally anxious to fix a ceiling on the financial cost, or at any rate to spread it out over a period. Germany will certainly be FEOGA's main debtor and she is defending her position most tenaciously. With some support from Italy, she is suggesting that the policy for agricultural production should be contained within certain limits. These two countries have already made definite proposals for a sugar production quota. This puts into reverse the whole trend of the Community's agricultural policy as it has been understood until now, and the arguments for the sugar quota can be summarized as follows:

(a) FEOGA charges would be smaller if production were limited and therefore so would Germany's contributions;

(b) In theory the quota is on a Community basis, but in practice each member-country would have a share of the total production and this would enable the weaker producers (often German) to survive and it would also permit high prices (to the benefit of German farmers) without danger of over-production;

(c) An internal quota for the Community's agricultural production would indirectly give producers outside it the guaranteed outlet which previously the Six have categorically denied them.

These suggestions, however, are not only opposed by France. They may not succeed and quite probably they are put forward for tactical reasons. The motives would be to get more attention from FEOGA for the need to improve the weaker national agricultures and also to obtain a better understanding of the German attitude towards the Kennedy Round.

As soon as the talks began on February 28 Herr Schmücker, the German Minister for the Economy, put the problem very clearly. He said, in effect, "Europe cannot afford the luxury of financing an expensive agricultural policy without adequate means - that is, without selling more externally. Germany will be making the largest financial contribution and she must insist that progress on agricultural finance and the Kennedy Round negotiations at Geneva should keep in step". He would also like this keeping in step to apply to the common trade policy, but there he runs into sharp resistance from M. Couve de Murville, who regards this policy as remaining a matter for the individual governments unless and until they form a political union.

The French Foreign Minister was particularly reticent about Germany's renewed request that the conditions of long term credits to East Bloc countries should be co-ordinated. He could hardly refuse to have the subject investigated, but he does not want it to lead to definite proposals for harmonization, and so he managed to arrange that it should be carried out by the Permanent Representatives and not by the Commission. He also tried to make them, and not the Commission, responsible for preparing future ministerial discussions. Does this mean that France is going to make a systematic attempt to by-pass the Commission? It may only be a new demonstration of formal procedure, but it is fairly obvious that unless the Six have the benefit of the light which the Commission throws on their problems (and soon perhaps its arbitration as well) they will lose themselves in a jungle of hexagonal negotiations. Germany's attitude seems to bring up afresh some of the basic principles of the common agricultural policy, so there is some amusement in the thought that France is the country which stands to gain most from the Commission's helpfulness and its orthodoxy.

Thinking of the Commission's work leads naturally to thinking of the personal positions of Prof Hallstein and his colleagues. At a discreet luncheon given by M. Spaak, the only point on which agreement was reached was that the presidency and vice-presidency should go the rounds, but this is not yet official and the period of office might be two or four years. With two years, there would be a much greater probability of Prof Hallstein's mandate being renewed, so that it would end more or less simultaneously with the transition period. The Five are certainly prepared to do battle on his behalf,and only if France imposed a veto on him would they support any other candidate (Sig del Bo, rumour has it). There seems little doubt now that Mr Mansholt will remain vice-president; however freely he may express himself, Europe, even France, cannot do without his ability.

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Two Agreements Abandoned

The parties concerned have told the EEC Commission that they are giving up agreements which are subject to the anti-cartel provisions of the Rome Treaty. The first agreement was between six firms (four Belgian, one German and one Dutch) who had fixed quotas dividing the Dutch silica market amongst themselves. They had also made a further agreement with a group of four distributors, who undertook to buy silica only from the members of the combine, and to fix minimum prices.

The second instance involved two chemical firms, one German and one French. Having process patents for a certain type of plastic, each had granted the other free licences for these patents, as well as the right to confer secondary licences. However, although the licensees did not have to pay royalties, they were obliged to obtain non-patented products essential to the process from the licensing firms, rather than avail themselves of the offers of competing concerns. This led to a complaint from a French competitor, which was upheld by the Commission: it was established that this obligation to take supplies from the licensing firms constituted an illegal extension of the monopoly created by the patent.

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Towards a Textiles Policy

The Commission's investigators have just submitted a note on the textile industry. This document recommends the adoption of a structural policy intended to rectify the production problems of this industry, which in the Common Market tends to be particularly sensitive. It also makes a close study of the ways and means of evolving such a policy.

The Commission justifies this desire for joint action by the importance of the industry and by the magnitude of the problems it is facing. It employs some 1,800,000 people, or 6% of the total labour force of the Community, while production reaches 8% of the total for the Common Market, and exports and imports account for 8% of all Common Market trade with non-member countries. At the same time, its most sensitive branches (cotton, wool and knitteds) attract 60% of all textile-workers and yield 50% of all external trade.

Since 1953, the textile industry within the Community has expanded by annual increments of 4%: lower than the average for the larger industries. This is because:

(1) Consumption is only increasing slowly inside the Common Market countries.

(2) The textile industry has gained ground in developing countries, especially since the end of the War. This competition has caused a fall in exports from the Six, especially those of yarn, fabrics and knitted articles. Although imports to EEC countries have remained relatively low in proportion to consumption, this competition too has at times been appreciable, because it has tended to concentrate on specific lines and to undercut Community prices.

(3) Significant changes have occurred in recent years both in the technical field and in products (new fibres etc.). The industry in the Community has attempted to modernize, and indeed has achieved a 10% reduction in the labour force whilst maintaining or even improving production. In spite of this, European textile plant has not really been sufficiently modernized or utilised, particularly in comparison with results achieved in the USA.

The tight corner into which this course of development has led the textile industry has already induced several member-countries to come to its rescue. These measures may clash and infringe the rules of competition laid down in the Rome Treaty, as well as threaten relations with non-member countries. For this reason the Commission suggests that they be harmonized; following set guide-lines which should be carefully studied. This is how it defines the main objects to be achieved:

(1) Increased Competitiveness

Modernisation of plant and a higher rate of utilization for it should be aimed at, especially in the expanding branches of the industry. The tendency to combine must be pursued, but not indiscriminately: a world role for Common Market textiles could be assured by the creation of a limited number of large groups, while it would be desirable to maintain a significant number of small and medium-sized concerns for sub-contracted and specialist work. Lastly, research should be intensified.

(2) Labour Mobility

In spite of the present boom, this is still a serious problem. Firstly there is a high proportion of female operatives (57%), who are less mobile, less skilled and hence less easily transferred. As a result the industry is often concentrated in the older industrial centres, where structural problems are more persistent. The Commission is recommending a thorough survey of the geography of the various branches of the textile industry, with a view to sorting out those areas where redundancy could cause the greatest hardship.

The Commission's suggestions for achieving these objects are as follows:

(a) Drafting A Common Trade Policy

The main intention here would be to remove the abnormal pressures brought to bear on the Common Market by imports of cheap textiles. The method would be to arrange with foreign manufacturers (especially in developing countries) for them to be offered an increasing stake in the Common Market, while the disrupting influence of their low prices was being remedied. This especially calls for a common attitude towards tariff protection and import quotas.

(b) Applying a Common Industrial Policy

Investment in modernization should be encouraged by financial aid (falling-interest loans, for example), by fiscal measures (faster depreciation) and by the granting of rebates for replacing obsolete plant. Firms could be urged to centralise and amalgamate along the general lines already proposed by the Commission (elimination of fiscal and constitutional barriers and rationalisation of industrial law). Apart from the anticipated effects of future mergers, it is hoped that research will also result from closer cooperation between the textiles research establishments in the Community. Lastly, on labour, the Commission recommends that a two - or three-shift system be worked everywhere as a means of raising the level of plant utilization. The European Social Fund could be used for training labour.

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ECSC

High Authority Approves Arbed-Hadir Combine

The large-scale concentration in the Luxembourg steel industry by which the Arbed group acquired most of the capital of the Hadir company, has now been formally approved by the High Authority. Arbed has bought the 60% shareholding in Hadir formerly owned by Pont-A-Mousson and Marine, Firminy & St Etienne (see No 336 p 12). Hadir's business is centred mainly round the Luxembourg steel complex at Differdange which is situated about 4 kms from Arbed's Esch-Belval Division. Since Hadir's output of raw steel reached 1,400,000 tons in 1965, the result will be a single steel complex in the Luxembourg mining region with a capacity of more than four million tons a year. The factory at St-Ingbert, Saar which also belongs to Hadir, does not produce steel: it only laminates machined wire, drawn wire, tubular strip etc. Apart from semi-finished products supplied by the Differdange factory, 100 kms away, the factory will now get its materials from Arbed-Burbach, Saar which is only about 10 kms distant.

According to the directors of the two companies this concentration will eventually harmonize investment and eliminate double working, as each factory will specialize in a very limited number of products. This should result in considerable rationalization with a simultaneous fall in costs and improvement in the quality of the products.

The High Authority's approval involves certain conditions: it considers that although steel companies should be allowed to adapt themselves to changes in the size of their market and to the requirements of technical progress, effective competition should still be maintained on the steel market as stipulated in Article 66 of the Paris Treaty. Technical and economic development tends to encourage the formation of large groups but it is essential that these groups should be genuinely isolated from each other, that is that there should be no personal or financial links between them.

On this basis the High Authority has decided that Hadir can no longer sell through Davum, the sales organisation of the Pont-A-Mousson group. Because of long-term contracts between the two companies Hadir has been granted a delay (until December 31, 1968) before completely severing this connection with its former owner.

In addition, Hadir will have to renounce its large holding in the share capital of the Dilling (Saar) steel-works, which also constitutes a link between the Arbed-Hadir group and Pont-A-Mousson. As in the case of Davum this holding will have to be given up before December 31, 1968.

Finally, there must be no personal administrative links between the Luxembourg group and the Pont-A-Mousson group. This means that Pont-A-Mousson will no longer be allowed to have representatives on the board of Hadir. One exception may be permitted to this rule because of the minority shareholding which Pont-A-Mousson has just acquired in Arbed's share capital.

At present, the Arbed-Hadir group provides 6.2% of the Community's raw steel. This share becomes 17% taking into consideration the companies with which the group is connected through its holding in the Sidemar coastal steel-works.

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The High Authority is Reluctant to Impose Customs Duties on Coal Imports

Luxembourg: The High Authority is unlikely to endorse the suggestion by coal-producers in the Community that protection of coal should be extended, by means of an external duty at a rate of 9%, to complete the non-tariff measures already in existence. It should have the advantage, in addition to its all-round protection, of considerably reducing distortions affecting supplies of coking coal to inland steel works. Revenue from the customs duty should allow the Governments slightly to reduce the price of Community coal for certain sectors of industry at no extra cost to themselves. The producers think that this could be a means of killing two birds with one stone by helping coal and some of its users who are particularly interested in ensuring adequate supplies.

The High Authority's reply is that it cannot recommend a customs duty, because of the attitude of the Six Governments in the Kennedy Round tariff negotiations at GATT. A year ago five of the member-countries said in Geneva that coal should be duty-free (and were prepared to confirm this in the Kennedy Round negotiations) while West Germany, which at present puts a duty of DM 20 per ton on coal imported from outside the Common Market, was prepared to make a general reduction of 50%. The High Authority says that it is now politically impossible to go back on this position and this view seems to be shared by the Governments of the member-countries. The High Authority does not entirely agree with the producers as to the merits of a customs duty on coal. Not only would it put up the price of imported coal, but it would also encourage the substitution of other forms of power such as fuel-oil and natural gas, both in the case of foreign and Common Market coal.

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STUDIES AND TRENDS

THE ECONOMIC COMMISSION FOR EUROPE AND EUROPEAN AGRICULTURE

By Professor Anatole BRZOZA (Poland)
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Part I

The wave of industrialization in Europe sometimes seems to swamp the importance of agriculture, which however remains the basis of all economic and social progress, because the land is the source of life. For this reason the Agricultural Problems Committee was one of the first organizations to be formed by the UN Economic Commission for Europe. It is run by a joint secretariat of UNECE and FAO (the Food and Agricultural Organization).

Since the formation of UNECE European agriculture has made faster and more solid progress than ever before. With agriculture changing all the time, the Committee has had to redirect its efforts so as to cope with fresh problems. The mandate of the Agricultural Problems Committee, adopted by the fourth session of UNECE in May 1949, defines its main objective in the following terms, by reference to which the Committee's activities must be judged: "The Committee .... will be a centre for discussion and the exchange of information, in order to ensure close cooperation between the governments of Europe on the agricultural aspects of the overall problem of re-building and developing Europe".

Against the political background this function is extremely important, because of Europe's post-war scission; although it is economically and historically one region, it is now divided into two groups of countries with fundamentally different social and economic systems.

This is not the place to analyze the causes of the split, but its effects on relations between the countries of Europe, and on the economy of each separate country and the region as a whole, cannot be ignored. These effects are even greater now that there is an increasing tendency to integrate political and economic systems.

The importance of the split should not be under-rated, but it should not be considered only on the basis of external appearances. The many points where the countries' interests coincide or interlock should not be forgotten, nor the fact that there exist economic ties, both old and new, which have succeeded in creating a European region and a European agricultural industry. In spite of differences in social and political structure or inequalities in the development of the various European countries, many of the characteristics and economic trends of post-war Europe have followed similar lines and produced similar results.

First of all, European countries aim at maintaining full employment and stimulating industrial investment; at increasing urban development and improving public services. For European agriculture, this policy has meant farming being abandoned in favour of other work, a fall in the number of workers and a particularly rapid exodus of young people from the countryside.

At the same time there has been increased mechanization of agriculture, which is being run more and more on the lines of industry, using modern techniques and modern equipment and applying scientific discoveries.

With the number of farm workers falling and mechanization and technical skill rising, the productivity of agricultural labour is naturally improving. After the war agricultural production in most European countries increased at an unprecedented rate. At the same time, the need to cover the rising costs of agricultural reconstruction and to guarantee a fair return to farmers has become a main concern of European economic policy.

With the widening of European agricultural markets and the increase in population and employment, new problems have arisen which can not be easily solved; farm production must adapt to the volume, composition and elasticity of demand.

These problems have resulted in pricing policies for its products, which are intended to maintain a balance between agricultural production and income; these policies have considerable repercussions, not always favourable, on sharing out surplus agricultural production by trade between European countries.

The colossal infrastructure expenses involved in the technical reorganization of agriculture, and the difficulty of ensuring a fair return, have high-lighted, in every European country, the question: what is the optimum size of farms? There is a growing tendency to widen the scope of agricultural activity and to encourage rationalization, without specifying what form this centralisation should take.

Integration with Industry

Although European agriculture's share of total production has fallen, in some ways it has gained importance from its gradual integration into the national economy through links with other industries. Its increasing use of non-agricultural labour and equipment has meant a steady growth in its effect on allied activities.

That is why government has, directly or indirectly, tried to curb or control this spontaneous development. It would be going too far to liken the action of governments in countries with planned economies to that in other European countries, when their premises, their methods of controlling development, and their effectiveness differ. Countries of Western Europe are becoming increasingly conscious of the need to control agricultural production and supply, and they are seeking new centralized methods of control and direction, whatever their social, political or agricultural conditions.

Europe may be split in two, but there are still many problems which concern all its countries and which should therefore be discussed and solved jointly, which can only be done through exchanging information in an atmosphere likely to encourage frank and open discussions.

The Committee's Achievements

UNECE's Agricultural Problems Committe has several achievements to its credit. Since it was formed in 1949 several institutions or procedures have been established to enable countries taking part in its activities to exchange views and information. For instance, the delegates make yearly reports on agricultural developments, production and trade in their countries, on changes in agricultural policy and future plans. This systematic and reasoned presentation of the facts gives the representatives an idea of the market as a whole and of European production which helps them all to acquire a better knowledge of development trends and agricultural policies in each country.

The FAO representative's annual report on the world agricultural situation provides valuable additional information and makes it possible to appreciate the position, importance and role of European agriculture in relation to wider food and agricultural problems. Close cooperation between the FAO and the UNECE Agricultural Problems Committee, especially in dealing with Europe, is essential.

It is equally important that the Committee's activities should be shared with other international organizations, like the ILO and various regional European organizations such as the OECD, the Common Market and the European Agricultural Federation (CEA).

The Committee's annual surveys of the market situation for the main agricultural products (grain, meat, dairy produce, poultry and eggs) are also extremely useful. It also periodically reviews the production and state of the market for other products (vegetables, fruit, potatoes). These reports, based on the statistics provided by the member-countries, are collated by the Secretariat and issued as analyses and overall statistics. They are a useful source of information for the foreign trade experts dealing with agriculture who are usually attached to the national delegations attending the Committee's sessions and help to provide greater flexibility in production and market policies in order to adapt it to fluctuations in production, supply and demand of agricultural products on the European market, especially when coping with the additional difficulties caused by the protectionist policies of some European countries.

(to be continued)

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D	AUTOMOBILES	Netherlands: NISSAN JODOSHA KOGYO, Yokohama, forms sales subsidiary through HART NIBBRIG & GREENE. Switzerland: FIAT, Turin, sets up a new holding company in Lugano.
D	BUILDING & CIVIL ENGINEERING	Germany: MESSERSCHMIDT (aircraft) sets up Augsburg subsidiary to make metal building materials. Italy: EFIM and IRI, both of Rome, form subsidiary 50-50 to promote building industrialization. Netherlands: SCAFFOLDING GREAT BRITAIN (HOLDINGS) gains majority share in BELEGGINGSMIJ BOUWMATERIEEL EUROPA (tubular metal scaffolding). Switzerland: KLEBA AG formed in Lugano to import and sell building materials.
E	CHEMICALS	Belgium: HOOKER CHEMICAL CORP, New York, opens a branch in Brussels. JOHNSON & JOHNSON, New Jersey, USA, sets up Brussels head office for its Dutch subsidiary. France: OLIN MATHIESON CHEMICAL CORP, New York, forms WINCHESTER EUROPE SA for market research and explosives production. Netherlands: CHEFARO, Rotterdam, (industrial chemicals) gains control of the soap firm C.A. WOLTMAN ELPER'S KONINKLIJKE ZEEPFABRIEK, Amsterdam.
F	COSMETICS	Britain: A. MASCHMEIJER, Amsterdam, (oils & essences) sets up London manufacturing and sales unit, for basic chemicals. France: REVLON, Atlanta, USA, takes over PARFUMS RAPHAEL, Paris. Germany: COTTAN PARFUMEURS PARIS forms sister company in Munich. Switzerland: INKA-COSMETIC, Hanover, sets up a sales subsidiary in Zurich. USA: SHULTON, New Jersey, takes over CARVEN DISTRIBUTORS to gain agency for PARFUMS CARVEN-SCARP, Paris.
G	ELECTRICAL ENGINEERING	Belgium & Luxembourg: CIE INDUSTRIELLE DES PILES ELECtriques, France, forms Belgian sales and production subsidiary, to make batteries etc. SCARBUSH, London, and NIERMEIJER RINGVERWARMING, Netherlands, form Belgian joint subsidiary to make and sell electric heating. GENERALE D'ELECTRICITE, Brussels becomes BELGE AEG after its takeover by AEG, Frankfurt. ITT, New York, forms an investment and finance company in Luxembourg. France: ETS BONNET, Villefranche, takes over SOCAF, Lyons (evaporators and condensers). Germany: DEUTSCHE CALORWAY formed to develop heating systems. Netherlands: "AUTOMATIC HOLLAND", Rotterdam, forms a manufacturing and sales subsidiary in Antwerp.
I	ELECTRONICS	Germany: COMPUTER CONTROL, Massachussets, sets up sales subsidiary in Frankfurt.

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I	ENGINEERING & METAL	Belgium: PIERRE DUCATE, Belgium, forms joint subsidiary there with DUVIVIER and ANCIENS ETS GUEDIN, both of France, to make and sell textile machinery. Britain: APPARATENBOUW "MOBA" (poultry-farming equipment) forms British subsidiary. France: SAVIEM (RENAULT group) and ETS RICHARD FRERES form a joint sales and manufacturing subsidiary 66-33. Germany: FEDERAL-MOGUL, Detroit forms a sales subsidiary in Frankfurt. LANSING BAGNALL, Basingstoke, also sets up a Frankfurt subsidiary. Italy: GLISENTI-CASTER Milan (castings) takes over Bologna foundry of ALESSANDRO CALZONI, Milan. Netherlands: STOOMVART (shipping) and NED DOK EN SCHEEPBOUW (shipbuilders), both of Amsterdam, form 50-50 subsidiary to deal in equipment for the oil industry. Spain: BENDIX CORP, Detroit, and its subsidiary BENDIX LOCKHEED link two Spanish firms to create BENDIBERICA, (brakes and compressors).
J	FINANCE	Belgium-Luxembourg: ICAP CORP, New York, sets up a 50% subsidiary in Brussels. HALLMARK SECURITIES, London, forms an investment subsidiary in Luxembourg. Italy: STA MERIDIONALE FINANZIARIA (member of the IRI group through FINSIDER) forms two investment companies in Naples. SIFIR, the Rome investment company, takes over the electricity company SIAL. France: LOCAFRANCE, Paris, (leasing etc) seeks control of LOMICO (at present controlled by GESTION INDUSTRIELLE & FINANCIERE). PONT A MOUSSON, FINANCIERE DE SUEZ and MAROCAINE DE DISTRIBUTION D'EAU all take shareholdings in the new STE DE PLACEMENTS, D'ETUDES ET DE GESTION.
L	OIL, GAS & PETROCHEMICALS	Britain: CHRISTENSEN DIAMOND PRODUCTS, Salt Lake City, and LONGYEAR, Minneapolis, set up a British branch through their Dutch joint subsidiary. Italy: PHILLIPS PETROLEUM, Oklahoma, takes 44.5% in STA PETROLIFERA ITALIANA, Parma. USA: CIE FRANCAISE DES PETROLES plans the first French attack on the American market: it intends to form a subsidiary to take 24% in LEONARD REFINERIES, Michigan.
M	OPTICAL & PHOTOGRAPHIC	Germany: BERKEY PHOTO, New York, sets up a sales subsidiary in Frankfurt.
M	OFFICE EQUIPMENT	Austria: STOLZENBERG BUROMOBELFABRIK LUDWIG MANN, W. Germany, opens a sales subsidiary in Vienna.

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M	PAPER & PACKAGING	Belgium: THE MEAD CORP, Dayton, Ohio, takes a large shareholding in PAPETERIES DE VIRGINAL, Belgium. Canada: CARTIERE DEL TIMAVO, Trieste and Milan, retains 49% of the shares of SOUTH NELSON FOREST PRODUCTS CORP. France: PAPETERIES DE FRANCE Paris increases production capacity by taking shares in CARTONNERIES & PAPETERIES DE L'HERMITAGE, Pas-de-Calais. AFP-CENPA (50-50 subsidiary of LA ROCHETTE CENPA and LA CELLULOSE DU PIN) enjoys a large increase in capital. Italy: SKOGSAGARNAS CELLULOSA EXPORT, Stockholm, forms a sales subsidiary in Milan.
N	PHARMA-CEUTICALS	Italy: RECORDATI LABORATORIO FARMACOLOGICO Milan centralises business by taking over two associates. SYNTEX CORP, Panama, (research) forms a Milan subsidiary for sales and service.
N	PLASTICS	France: METZELLER, Munich, adds to it indirect French interests by forming sales and manufacturing firm at Montreuil in association with ETS BAUMLIN, ALUMINIUM DU BAS RHIN and ETS BORGEAUD. Germany: DEUTSCHE LINOLEUM WERKE, Württemberg, strengthens its ties with GEORG NEAHER, Markröningen, to make it a limited company.
O	PRINTING & PUBLISHING	Britain: ARNOLDO MONDADORI EDITORE, Milan, sets up London branch through REED & COPELAND (solicitors).
O	TEXTILES	Belgium: "NOORDWIJK", Haarlem, Netherlands, opens almost wholly-owned subsidiary at Geluwe. France: C & A BRENNINKMEIJER, Amsterdam, is to open Paris branch for making-up and sales. Germany: PESSERS VAN ZUIJNEN, Tilburg, Netherlands, forms a sales company in Frankfurt. Greece: NIJVERDAL-TEN CATE, Almelo, Netherlands, sets up a spinning unit in Greece 50-50 with HELLENIC INDUSTRIAL DEVELOPMENT BANK.
Q	TRADE	Germany: SINGER CO, New York, (sewing machines) buys 52% in FRIEDRICH SCHWAB, the Hanua, Main, mail-order house.
Q	TRANSPORT	Belgium-Luxembourg: GEORGES HELMINGER, Belfort, France, (land and water transport) opens Luxembourg branch.
Q	VARIOUS	Belgium: KOELSTRA'S KINDERWAGEN, Dorredijk, Netherlands, (prams etc.) opens Brussels branch. THE KITE CO, New York (painting and decorating) sets up almost wholly-owned Belgian subsidiary. France: SVENSKA DIAMANTBERGBORNINGS,

AUTOMOBILES

** FIAT SPA, Turin, (see No 346) has formed a company in Switzerland, INTERNATIONALE HOLDING FIAT SA, Lugano, (capital Sf 50 millions; president M.E. Gamper). Almost all the capital for this enterprise was provided in the form of investments. The Italian group already has one Swiss subsidiary in Geneva, FIAT (SUISSE) SA (capital Sf 1,500,000), which in turn controls two companies, a sales concern FIAT AUTOMOBIL HANDELS AG VERKAUGSTELLE ZURICH (capital Sf 300,000) and finance company, SAVA SA, Geneva, (capital Sf 300,000).

** The second largest Japanese car manufacturers NISSAN JODOSHA KOGYO (NISSAN MOTOR CO), Yokohama (see No 152) has signed an agreement in the Netherlands with HART NIBBRIG & GREENE NV, The Hague for the distribution of 1,000 vehicles a year (mainly the 1300 c.c. Bluebird model and the 2000 c.c. Oedric Sedan). They will be marketed by a subsidiary which has been formed at The Hague by the Dutch company: DATSUM NV. The Japanese company is negotiating similar agreements with several Common Market distributors, especially in Belgium.

Hart Nibbrig is headed by Mr W.R. Greene and is part of HART NIBBRIG & GREENE HOLDING NV (capital Fl 120,000), but it has its own automobile company MIJ TOT VOORTZETTING VAN DE ZAKEN HART NIBBRIG & GREENE NV, Sassenheim (capital Fl 5 million); and a property management firm at The Hague (capital Fl 1 million). It also controls the transport company INTERNATIONALE TRANSPORT- & HANDELSSONDERNEMING GRECO NV, Rotterdam which was formed a few months ago (capital Fl 1,500,000).

BUILDING & CIVIL ENGINEERING

** The state-owned company EFIM-ENTE PER IL FINANZIAMENTO DELLA' INDUSTRIA MECCANICA (funds of Lire 25,000 million) which was formed in Rome in 1964 to encourage the development of new industries has signed a 50-50 agreement with IRI, Rome to give new impetus to building industrialization. A joint subsidiary is being formed EDINA-SOC PER LO SVILUPPO DELL' EDILIZIA INDUSTRIALIZZATA SpA, Rome (president Sig B. Bianchi, former president of FINELETTRICA SpA until it was taken over by FINSIDER SpA - see No 346) which will be directed by Sig F. Mechinella.

** MESSERSCHMIDT AG, Augsburg (aircraft construction - see No 308) is diversifying its production by making metallic structures for the building industry (door and window frames, coatings, light metal prefabricated structures etc); consequently it has set up MESSERSCHMIDT METALL- & MONTAGEBAU GmbH, Augsburg (directors Herr O. Meise and Herr M. Paula). The new company is now in operation at the parent company's Augsburg plant but as from June 1966 it will have its own production unit.

The parent company is controlled by the Messerschmidt family (53.4%). 26% is owned by WAGGON- & MASCHINENBAU GmbH, Donauwörth (a wholly-owned subsidiary of the BOELKOW AG group, Ottobrunn, Munich - see No 340) and 20.66% by BANKHAUS H. AUFHAUESER KG, Munich.

** Dr G. Trizzino, president of CERAMICA SISVI-SICULO SVIZZERA SpA, Palermo, (capital lire 500 million), is also president of KLEBA AG, Lugano (capital Sf 51,000), which has just been formed in Switzerland to import and distribute cement and plastic coatings for the building industry.

** SCAFFOLDING GREAT BRITAIN (HOLDINGS) LTD, Mitcham, Surrey has obtained 60% of BELEGGINGSMIJ BOUWMATERIEEL EUROPA NV, Helmond, Netherlands (see No 198; tubular metal scaffolding). The Dutch company was formed in June 1963 50-50 with EVERTS & VAN DER WEYDEN, NV, Helmond and has depots at Nijmegen, Haarlem, Rotterdam, Amsterdam, etc. It controls EERSTE NED STALEN STEIGER HOLLAND NV, Helmond (builders' materials) and a similar firm at Frankfurt; it also has a Spanish associate.

CHEMICALS

** NV CHEFARO MIJ (CHEMISCHE FABRIEK "ROTTERDAM"), which makes various basic chemicals for industry and also pharmaceuticals ("Chefarine", "Sucrosa"), has gained control of C.A. WOLTMAN ELPER'S KONINKLIJKE ZEEPFABRIEK "DE VERGULDE HAND", Amsterdam. This firm was founded in 1554 and is the oldest Dutch soap-manufacturer.

Chefaro has been part of the KON ZOUT-KETJEN NV group of Hengelo since July 1965 (see No 315) and it has numerous interests in the Netherlands including NV CHEMISCHE INDUSTRIE VAN HASSELT, Amersfoort and three factories at Rotterdam, Amersfoort and Dordrecht. Abroad, it controls CHEFARO Pvba, Borgerhout, Belgium, CHEFARO oHG, Kempen, West Germany and CHEFARO PRODUCTS LTD, Todmorden, England which runs two factories of its own.

** HOOKER CHEMICAL CORP, New York (basic chemical products and plastics - see No 146) which is represented in Belgium by ETS G. ARION Sprl, Brussels has opened a Brussels branch of its foreign Division HOOKER CHEMICAL INTERNATIONAL LTD, Wilmington, Delaware. The new firm will be directed by Mr. R. Smith.

** OLIN MATHIESON CHEMICAL CORP, New York (see No 339) is forming WINCHESTER EUROPE SA (capital Ff 100,000) in Paris as the centre for production and market research into munitions, detonators and sporting guns for its "Winchester - Western" Division (factories at New Haven, Connecticut; East Alton, Illinois; Agnani, Frosinone, Italy; and soon another near Ste Etienne, Loire, France). It already has two Italian subsidiaries, WINCHESTER ITALIANA SpA, Rome and WINCHESTER SpA, Agnani (see No 285) and a shareholding in POUDRERIES REUNIES DE BELGIQUE SA (STE GENERALE DE BELGIQUE group, Brussels).

** Having closed down the Brussels branch (opened in 1961) of its London subsidiary JOHNSON & JOHNSON EXPORT LTD, the chemical and pharmaceutical group JOHNSON & JOHNSON CO, New Brunswick, New Jersey (see No 334) has now formed a head office there for its Amersfoort subsidiary JOHNSON & JOHNSON NEDERLAND NV. This Dutch subsidiary makes and sells dressings, bandages etc and was formed a few years ago at Meppel under the name of MODESS NV (see No 301) through an association between the American group and KON PHARMACEUTISCHE FABRIEKEN v/h BROCADES STHEEMAN & PHARMACIA NV, Pellel (see No 292) which has had its own Brussels subsidiary since 1959 (BROCADES BELGE SA - see No 114).

Johnson & Johnson has had control of chemical and pharmaceutical firms in Belgium for some time. They include LABORATORIA PHARMACEUTICA DR C. JANSSEN NV, Turnhout and RESEARCH LABORATORIUM DR C. JANSSEN NV, Beerse and their sales subsidiaries in Germany and the Netherlands (Tilburg).

COSMETICS

** REVLON INC, Atlanta, Georgia (see No 165) has taken over the Paris firm STE DES PARFUMS RAPHAEL SA (capital Ff 1 million), through its Paris subsidiary PARFUMS PIERRE BALMAIN SA. It has appointed a new president, Mr R. Sinclair. Until now the managing directors have been Baronne Empain, M. J. Cosnard des Closets and M. A. Mazuir, who is director-general of CECA-CARBONISATION ET CHARBONS ACTIFS SA, Paris (see No 337).

Revlon's present subsidiaries in France are: COSMETIC IMMOBILIERE Sarl, Paris, and REVLON SA, Paris (capital recently increased to Ff 10 millions from 5 millions), which has a factory in Rambouillet, Seine et Oise. The latter is at present joining SIFA STE INDUSTRIELLE POUR LA FABRICATION DES ANTIBIOTIQUES SA to form STE COSMETIQUE DE DERMO-PHARMACIE SA (see No 345). There are various Revlon subsidiaries in the rest of Europe: DEUTSCHE REVLON GmbH, Düsseldorf; REVLON SpA, Rome; REVLON BELGIUM SA, Alost, Belgium; REVLON NV, Amsterdam (see No 246); REVLON SA, Zug, Switzerland, and a new branch in London, REVLON FLOWERS CORP.

** INKA COSMETIC GmbH, Hanover, maker of cosmetics and toiletries, has set up a sales subsidiary in Switzerland, INKA-COSMETIC AG, Illnau, Zurich (capital Sf 50,000; managing director Herr H. Franz, who manages the parent company).

The Hanover company has four other subsidiaries in Europe: EURO COSMETIC GmbH, Hanover; INKA COSMETIC (AMSTERDAM) NV (see No 163), Amsterdam; INKA COSMETIC SA (see No 313), Schaerbeek, Brussels, and INKA COSMETIC GmbH, Vienna.

** A. MASCHMEIJER JR CHEMISCHEFABRIEK NV, Amsterdam, (flavourings and natural and synthetic essences for confectionery, baking etc) has formed A. MASCHMEIJER JR LTD, London (capital £10,000) to make and sell basic chemical products for perfume, lotions, creams, brilliatine, ice-cream, sweets, liqueurs etc). The parent company's directors, Mr H.J. Rob of Hilversum and Mr E.P. Den Daas of Amstelveen, also formed an Italian sales subsidiary four years ago: A. MASCHMEIJER JR SpA, Milan.

** COTTAN PARFUMEURS PARIS SA, Paris, which makes beauty products and toilet waters, has formed a sister company in Munich, COTTAN PARFUMEUR PARIS GmbH (capital Dm 20,000; manager Herr E. Schutz).

** SHULTON INC, Clifton, New Jersey (beauty preparations, cosmetics and toiletries - see No 330) will now represent PARFUMS CARVEN-SCARP, Paris in the United States and Canada for promotion and sales of the French firm's perfumery products: it has gained control of J. WARREN KANE INC, New York which was previously responsible for their distribution. The group has re-named its new subsidiary CARVEN DISTRIBUTORS INC and it will be directed by Mr R N. Parks.

Since the beginning of 1962 the French company has had a subsidiary in Geneva, CARVEN-DIFFUSION SA (of which M.R. Merkt is now sole director instead of Mr C.H. Richard). This firm is responsible for launching and promoting the parent firm's licences and trade-marks abroad, (except perfumery and cosmetics which are handled by another subsidiary formed at the same time: PARFUMS CARVEN DISTRIBUTION SA, Geneva).

ELECTRICAL ENGINEERING

** "AUTOMATIC HOLLAND" INDUSTRIE & HANDELSONDERNEMING NV, Rotterdam has formed an Antwerp manufacturing and sales company AUTOMATIC HOLLAND INTERNATIONAL NV (capital Bf 200,000) and holds a token shareholding, but has almost complete control through its holding company "HOFCO" BEHEER- & BELEGGINGSMIJ NV, Rotterdam. Token shareholdings are also held by AUTOMATIC LOEVENSTEIN EXPLOIT-ATIEMIJ NV, the Hague and NV FINANCIERINGSMIJ ERVEN W.S. DAVIDS, Rotterdam.

The parent company was formed in 1961 by Mr Teunis van 't Hoff to make electrical equipment for heating, refrigeration, etc.

** ETS BONNET SA, Ville-franche-sur-Saone, Rhone (capital Ff 9 million; 1965 turnover Ff 79 million - see No 218) has taken over the Lyons firm SOCAF-STE DE CONSTRUCTION & D'APPLICATIONS DU FROID SA (formerly LES ECHANGEURS FRIGORIFIQUES FRANCAIS; capital Ff 630,000). SOCAF (president M.R. de Tellier) manufactures evaporators and condensers.

In April 1962 85.5% of Bonnet was acquired by CIE FRANCAISE THOMSON-HOUSTON SA, Paris (see No 343). Bonnet makes refrigerators and air-conditioning equipment and produces semi-industrial dish-washing machines. It employs about 1,000 people and is licensee for TYLER REFRIGERATION CORP, Niles Michigan (see No 178), which in 1963 became a division of CLARK EQUIPMENT CO, Battle Creek, Michigan (see No 345).

** DEUTSCHE CALORWAY AG, Munich,(capital Dm 100,000) was recently formed to develop systems of electrical heating for buildings. Its president is the Austrian engineer Herr H.Pferschy, Dornbirn, Vorarlberg, who also heads two Swiss companies; both at Lenzerheide, Grisons, CALORWAY HOLDING AG (capital Sf 300,000) and CALORWAY EXPLOITATION SA (capital Sf 50,000).

** M. G.E. Duvernay and M. H. Modane are president and director general of CIPEL BELGIUM SA which has been formed at Molenbeek St Jean by CIE INDUSTRIELLE DES PILES ELECTRIQUES (CIPEL) SA, Levallois Perret, Seine (see No 110). It will make and sell electric batteries for all purposes and all types and also products used in the electrical industry. Its capital if Bf 1 million and most of it is held by the French company; the balance belongs to LE CARBONE SA, Molenbeek St Jean, the Belgian subsidiary of the French group LE CARBONE LORRAINE SA (see No 255).

Cipel Belgium, which makes and sells batteries under the brand names "Cipel", 'Mazda", "Hydra" and "Le Carbone", belongs 30% to EVER READY CO (GREAT BRITAIN) LTD, London (which also owns 50% of the French sales company BEREC FRANCE Sarl), 37% to LE CARBONE LORRAINE (in which UGINE holds 25%) and 7.5% to STE FINANCIERE ELECTRIQUE SA (CIE FRANCAISE THOMSON HOUSTON group). Cipel Belgium also holds shares in several foreign subsidiaries of Carbone Lorraine (including those in Milan, Vienna and Valleyfield, Canada). It has sales companies of its own in Spain, Tunisia etc.

** SCARBUSH LTD, London and the Dutch firm NIERMEIJER RINGVERWARMING NV, Leuwarden have jointly formed and own 20% each in RINGHEATING BELGIUM NV (capital Bf 500,000) to assemble and sell electric central heating equipment and installations in Belgium; EUROPA RINGERWARMING NV, Leeuwarden owns 50% in the new company, whose president is Mr. K.A. Niermeijer, owner of two Dutch firms and director Mr. B. Verellen.

** ITT-INTERNATIONAL TELEPHONE & TELEGRAPH CORP, New York (see No 322) has formed an investment and finance company in Luxembourg: ISE (INTERNATIONAL STANDARD ELECTRIC) FINANCE HOLDINGS SA, which will place one of two $15 million dollar issues which the group intends to launch abroad with the guarantee of an international banking consortium (including 53 in Europe) headed by LAZARD FRERES & CIE and KUHN, LOEB & CO. The loan issued by the new Luxembourg company will bear an interest rate of 4.5%. The purpose of this loan is to finance the American company's expansion abroad, which requires considerable capital, although the capital of two of its subsidiaries, ITT INDUSTRIES BELGIUM SA, Brussels and STE DES PRODUITS INDUSTRIELS ITT SA, Paris was recently raised from Bf 5 million to Bf 20 million in the first case,from Ff 500,000 to Ff 5 million in the second.

** GELEC-STE GENERALE D'ELECTRICITE SA, Ixelles, Brussels (president M. J. Dondelinger; capital raised to Bf 75 million at the end of 1964 - see No 316) will now be known as SA BELGE AEG. This is more in conformity with its membership of the German group AEG-ALLG. ELEKTRIC ITAETS GES AG, Frankfurt which now controls it. Gelec was already the German company's general agent in Belgium.

In a similar operation the German group also gained control of its Milan distributor COMAR-PRODOTTI DELL'INDUSTRIA ELETTROTECNICA SpA which has become AEG-SOC ITALIANA PER ANIONI.

ELECTRONICS

** COMPUTER CONTROL CO INC, Framingham Massachussetts, has set up a sales subsidiary in Frankfurt, COMPUTER CONTROL CO GmbH (capital DM 40,000; manager Mr S.J. Helligan).

The American company, which manufactures computers and electronic equipment, is also preparing to open a Paris branch. It started a London subsidiary in December 1964, THREE CO LTD (initial capital £100).

ENGINEERING & METAL

** Two Amsterdam firms, the shipping company NV STOOMVAART MIJ "NEDERLAND" (see No 341) and the shipbuilders NED DOK EN SCHEEPBOUW MIJ have joined 50-50 to form NV NED BEVOORRADINGSBASIS "OCTOPUS", Amsterdam (capital Fl 1 million), which will deal in, transport and repair equipment for research into and production of oil and natural gas.

The former parent company is a member of the NV NED SCHEEPVAART UNIE group and the latter belongs to the holding companies NV NED DOK MIJ and NV SCHEEPBOUW MIJ.

** ALESSANDRO CALZONI SpA, Milan, the metal group, has made over part of its foundry at Bologna to GLISENTI-CASTER SpA-FONDERIE & OFFICINE MECCANICHE, Milan (capital lire 950 millions) which makes precision castings for the engineering industry.

Glisenti-Caster (president Sig F.C. Glisenti; manager Sig E. Mortara) was formed by the recent merger of two firms making precision castings for pumps, lathes, machine tools etc. These were CASTER SpA, Milan, with a foundry at Bologna, and GUIDO GLISENTI SpA, Brescia, with a factory at Cascina, Brescia (see No 193). One of the chief assets of the second firm was the sales and manufacturing link it forged in 1962 with WILTON TOOL MFG CO, Schiller Park, Illinois, which led to the formation of WILTON GLISENTI SpA, Milan.

** The BENDIX CORP, Detroit, Michigan (see No 312) and its 47.7% subsidiary DBA-BENDIX LOCKHEED AIR EQUIPMENT SA, Paris (see No 306) have jointly arranged the amalgamation of two Spanish firms URRA SA, Pamplona, and AUTOMOCION SA, Barcelona, to form BENDIBERICA SA (capital Ptas 137 millions). The new company will be a direct holding of the American group and its French subsidiary. It will employ some 700 people in the manufacture of air, hydraulic and servo-brakes and of compressors etc.

DBA already has a 25% shareholding in a Spanish firm, which makes electrical equipment for motor cars, CEESA CONSTRUCTORA ELECTRICA ESPANOLA, Madrid.

** LANSING BAGNALL LTD, Basingstoke, Hants has completed its formation of a Frankfurt subsidiary LANSING GmbH (capital DM 1 million; managers Mr J. Allenby, Basingstoke, Hampshire and Herren H. Noack and B. Koja, both of Frankfurt). The move was made as a means of supporting MASCHINENFABRIK WILHELM SCHMIDT, Roxheim, Pfalz (see No 345), which the British civil engineering and materials-handling equipment group recently took over.

** APPARATENBOUW "MOBA" NV, Barneveld, The Netherlands (see No 311) has increased its overseas sales holdings by forming a British subsidiary MOBA NV (UNITED KINGDOM) SERVICING LTD. Apparatenbouw "Moba" NV makes poultry farming equipment (especially chicken weighing machines and devices for inspecting, sorting and packaging eggs etc).

The parent company (capital Fl 500,000; manager M. J. H. Mosterd) exports to the Common Market and EFTA countries and also to USA, Mexico and the Middle East. Its main concessionnaires are ECOLAND SpA, Milan, Italy and ETS VICTOR LEROUX, Garanciere, Yvelines, France. It has recently formed a sales subsidiary in Basle, APPARATEBAU MOBA AG.

** FEDERAL-MOGUL CORP, Detroit, Michigan, which makes ball-bearings, has formed a sales subsidiary in Frankfurt, FEDERAL-MOGUL GmbH (capital Dm 20,000; manager Mr R. Bruce, a director of the group's sales centre in Antwerp).

Mogul's last important move in the Common Market was its takeover of the Turin foundry STA ITALIANA G. TRIONE & CO SpA in 1963 (see No 251). In USA it employs some 11,000 people and has an annual turnover of almost $ 191 millions. Its other European concerns are: STE FRANCAISE DES COUSSINETS MINCES SA, St-Jean-de-la-Ruelle, Loiret (capital Ff 3,900,000), taken over in September 1960, and EVER FABRICA DE RETENES SA, Bilbao, which is an associated company.

** PIERRE DUCATE & CIE Pvba, Courtrai, Belgium, has signed a contract to form a joint subsidiary with two French firms: DUVIVIER & SIX PERE ET FILS SA, who make spinning and twisting looms for linen, and ANCIENS ETS GUEDIN SA, both of Roubaix,Nord. The new firm, DUSIX NV, Courtrai, (capital Bf 500,000) is to make, repair and handle sales and promotion of textile machinery. Of its capital, 34% each has been paid up by the Belgian & French groups in the names of M. P.M. Ducate and M. H.J. Six respectively.

** SAVIEM - SA DES VEHICULES INDUSTRIELS ET D'EQUIPMENTS MECANIQUES, Suresnes, member of the group RNUR-RENAULT, Boulogne - Billancourt and the chassis builder CHENILLES (see No 326) recently signed an agreement with ETS RICHARD FRERES SA, Villeurbanne, Rhone. This is to result in the formation of STE CONTINENTALE DE MATERIELS DE TRAVAUX PUBLICS SA, a manufacturing and sales company, the capital of which (Ff 17 millions) is to be shared 66.6 -33.3 between the founding companies. The new firm will hold 34% in Ets Richard Freres (whose capital will be increased from Ff 16.5 millions to Ff 25 millions), in which SAVIEM (capital recently doubled to Ff 81.8 millions) will also take an indirect shareholding of about 22%.

FINANCE

** The London financial group HALLMARK SECURITIES LTD (chairman Mr S. Bloch) which specializes in property deals, has formed a Luxembourg investment subsidiary (capital Lux F 500,000); this will be the pivot of the group's operation in the Common Market.

Its British interests are centred around several subsidiary companies: CULWORTH PROPERTIES LTD, GROVEHALL INVESTMENTS LTD (which heads property companies), etc.

** ICAP CORP, New York, (headed by Mr. J.P.C. Train; see No 284) has formed a 50% subsidiary in Ixelles, Brussels, called ICAP-BENELUX SA, with a Belgian associate, Mr. W. deFraipont, as its president. This move follows the American financial promotion and administration group's recent formation of two subsidiaries in Athens and Milan, ICAP HELLAS LTD and ICAP ITALIA SpA.

Icap-Benelux has been formed to study, develop, promote and finance all types of venture, but especially operational research, opinion polls, economic and financial studies, schemes for technical aid and shares in offers and tenders etc. Its capital (Bf 500,000) is shared equally on the American side between the parent company and three of its New York associates: TRAIN, CABOT & ASSOCIATES; FORRESTAL, EMMET & CO INC and PIA INVESTING CORP.

** STA MERIDIONALE FINANZIARIA-SME SpA (see No 318 - member of the IRI group through FINSIDER SpA since the latter merged with FINELETTRICA SpA - see No 327), has formed two new investment companies in Naples for developing the South of Italy. One of these, CIA FINANZIARIA DEL MEZZOGIORNO D'ITALIA SpA is directed by Sig V. Giuliani, president of CISAE-CIA ITALIANA PER LO SVILUPPO DELLE ATTIVITA EDILIZIE SpA, Naples (capital lire 400 million); the other, FINANZIARIA DEL SUD SpA, by Sig C. Bossa (a director of SME).

In the same way SME also formed, some months ago, four finance companies in Naples each with a capital of lire 1 million and controlled 95-5 by two companies in the group: SIIMI-SOC IMMOBILIARE INDUSTRIALE DEL MEZZOGIORNO D'ITALIA SpA, Naples (which in 1965 increased its capital to lire 41,200,000) and CISAE SpA. The companies are NAFI-NAPOLETANA FINANZIARIA SpA (directed by Sig V. Giuliani); FIMEZ-FINANZIARIA DEL MEZZOGIORNO SpA (directed by Sig C. Bossa); AFI-ATTIVITA' FINANZIARIE SpA (directed by Sig L. Quaratino) and ESAF-ESERCIZIO ATTIVITA FINANZIARIA SpA (directed by Sig V. Carpio).

** The investment company SIFIR-ROMANA FINANZIARIA SpA, Rome (capital lire 450,000 million - see No 302) has taken over the former electricity company SIAL-IDROELETTRICA ALTO LIRI SpA, Frosinone, Rome (capital lire 5,000 million) of which it already had outright control. SIFIR is 42% owned by LA CENTRALE-FINANZIARIA GENERALE SpA, Milan (see No 327).

** The first French leasing firm LOCAFRANCE SA, Paris (formerly STE D'ETUDES & DE PARTICIPATIONS FINANCIERES & TECHNIQUES - see No 309) is negotiating for control of LOMICO - STE POUR LA LOCATION DE MATERIEL INDUSTRIEL & COMMERCIAL SA, Paris (see No 340), which is now owned 56.8% by STE DE GESTION INDUSTRIELLE & FINANCIERE SA (holding company of UNION FINANCIERE DE PARIS Ses), 21% by CIE DES CAOUTCHOUCS DE PADANG SA (member of the group MM RIVAUD & CIE Snc), 17.5% by HUDSON LEASING CORP, New York and 6.25% by LAURENTIDE FINANCIAL CORP LTD, Vancouver.

Locafrance was formed in March 1962 under the wing of BANQUE DE L'INDOCHINE SA (see No 342) and has just raised its capital from Ff 20 to Ff 30 million. Its other main shareholders are UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (a bank in the SCHNEIDER group - see No 346), BANQUE FRANCAISE DU COMMERCE EXTERIEUR SA (see No 327), COMPTOIR NATIONAL D'ESCOMPTE DE PARIS SA (see No 268), STE CENTRALE DE BANQUE SA, Paris (see No 273), LA PATERNELLE SA, Paris (see No 333), etc.

** CIE DE PONT A MOUSSON SA, Nancy, CIE FINANCIERE DE SUEZ SA, Paris and STE MAROCAINE DE DISTRIBUTION D'EAU, DE GAZ ET D'ELECTRICITE have taken 53%, 27% and 20% respectively of the Ff 12.5 million new capital of STE DE PLACEMENTS, D'ETUDES ET DE GESTION SA, Paris (see No 335). This last company (president M.J.P. Calou; capital Ff 100,000) was formed in 1965 by the SUEZ group. Marocaine represents the group LYONNAISE DES EAUX ET DE L'ECLAIRAGE, which has a 31.5% shareholding in it.

Ste De Placements D'Etudes Et De Gestion has just taken 15% in TUNZINI SA, Paris (see No 340), which has raised its capital to Ff 16,910,000 and co-opted to its Board several directors of AMELIORAIR SA, in which Pont A Mousson, Suez and Lyonnaise Des Eaux hold 15%, 16% and 12% respectively. These directors include M.H. Cousin and M.R. Fauroux from Pont A Mousson, M.P. Poulenc and M.P. Dequesne from Suez and M.F. Henriot from Lyonnaise Des Eaux.

OIL, GAS & PETROCHEMICALS

** CFP-CIE FRANCAISE DES PETROLES SA (see No 343) will be the first French oil company to gain a footing in the American market, once current negotiations are completed. It is to form a subsidiary, TOTAL AMERICAN INC, through which it will acquire a 24% share in LEONARD REFINERIES INC, Alma, Michigan. This company (chairman Mr J.W. Leonard) runs three refineries in Michigan State, two at Alma and one at Pleasant, a terminal at Bay City and a distribution network of some 700 service stations. Its annual turnover is of the order of $ 50 millions, and its wholly-owned subsidiaries are: LEONARD CRUDE OIL CO, MICHIGAN - OHIO PIPE LINE CORP, McCLANAHAN REFINERIES INC, LEONARD PETROLEUM TERMINALS INC, LEONARD OUTDOORS INC, LEONARD FUELS INC and MONROE OIL CO.

** PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 345) has increased its Italian holdings by taking 44.5% in STA PETROLIFERA ITALIANA - S.P.I. SpA. The Italian firm (capital now increased to lire 1,800 million; President Sig M.A.Rivolta, manager Sig M.D. Sartirana), which has its headquarters and refinery at Fornovo Taro, Parma, holds a number of prospecting permits for oil and natural gas, and has several subsidiaries and share holdings: SOC AZIONARIA MINERARIA PADANA ORIENTALE, SOC AZIONARIA MINERARIA PADANA OCCIDENTALE etc.

The American group (see Nos 246 and 289) controls two companies in Italy, SIAPI-STA ITALO AMERICANA PETROCHIMICA IDROCARBURI SpA, Milan (see No 334) and ENERGIA PETROLIO D'ITALIA SpA, Rome (formed July 1964). It is also joint owner of PHILLIPS CARBON BLACK ITALIANA SpA, Ravenna, with the Italian ENI group; and of PHILLIPS FINA SpA, Milan with PETROFINA SA, Belgium.

** CHRISTENSEN DIAMOND PRODUCTS CO, Salt Lake City, Utah, and E.J. LONGYEAR CO, Minneapolis, which make diamond tools and drilling heads for the oil industry have had their joint Dutch subsidiary open a British branch under the direction of Mr F.A. Sewell.

The two American companies, which work in close co-operation, are represented in most countries of the world.

OPTICAL & PHOTOGRAPHIC

** BERKEY PHOTO INC, New York, (annual turnover approaching $42 millions) has formed a sales subsidiary in Frankfurt, BERKEY THEIMER GmbH (capital DM 20,000; managers Messrs B. Berkey and H. Parker, New York and Herr E. Ohlig, Frankfurt). The American firm makes both black-and-white and colour films as well as dealing wholesale in cameras, photographic equipment and optical instruments.

OFFICE EQUIPMENT

** STOLZENBERG BUROMOBELFABRIK LUDWIG MANN KG, Baden Baden, West Germany, has opened a sales subsidiary in Vienna, VERTRIEBSGES DER STOLZENBERG BUROMOBELFABRIK LUDWIG MANN FUER OESTERREICH mbH (capital Sch 100,000; managers Herren L. Haas, Baden Baden, and K. Neumann Titkowitz, Vienna).

The German company (annual turnover approaching DM 18 millions) has a subsidiary in Baden Baden, PAN INTERNATIONAL FUER BUEROPLANUNG & ORGANISATION mbH, and representatives in Belgium, Italy, Luxembourg, Netherlands, Switzerland and a number of African countries.

PAPER & PACKAGING

** STE DES PAPETERIES DE FRANCE SA, Paris, has increased its manufacturing capacity by taking shareholdings in CARTONNERIES & PAPETERIES DE L'HERMITAGE SA, Blendecques, Pas-de-Calais (capital Ff 200,000; president M. W. Schotsmans), which makes strawboard, chipboard and two- and three ply cardboard.

Papeteries de France's last move (see No 340) was to form a Canadian subsidiary, STE D'ETUDES PAPETIERES AU CANADA SA (capital Ff 250,000).

** AFP-CENPA SA, Paris (see No 299), which is a 50-50 sales subsidiary of LA ROCHETTE CENPA SA (see No 345) and LA CELLULOSE DU PIN SA (51.2% subsidiary of CIE DE ST GOBAIN SA; see No 337), has had its capital raised from Ff 100,000 to Ff 8,046,000 as a result of contributions made by its parent companies from their respective sales organizations. La Rochette has transferred to it: CENPA NORD Sarl, Lys Les Lannoy, Nord (capital Ff 400,000); CENPA RHONE Sarl, Villeurbanne (Ff 800,000); CENPA OUEST Sarl, Nantes (Ff 250,000); and CENPA EST Sarl, Strasbourg (Ff 640,000). Cellulose du Pin has contributed AGENCE FRANCAISE DE PAPETERIES SA, Paris (Ff 3,437,000).

** Following negotiations concluded a few months ago (see No 337) between CARTIERE DEL TIMAVO SpA, Trieste and Milan, and ATLANTIC SUGAR REFINERIES CO LTD, Montreal the Italian group will retain 49% in SOUTH NELSON FOREST PRODUCTS CORP, New Castle, New Brunswick (see No 265). South Nelson will be directed by Mr J.H. Gairdner, vice-chairman of the Canadian group, who is the majority shareholder. The New Castle paper factory which has been closed for some months for technical alterations and modernization, will increase its output from 120,000 tons to 150,000 tons a year.

** The paper group THE MEAD CORP, Dayton, Ohio (see No 339) has taken a large holding in the Belgian company PAPETERIES DE VIRGINAL SA (which owns 50% of the French company PAPETERIE BLOUD & GAY SA, Clichy, Seine - see No 272), and is now represented on the board by Messrs Sheets, Evans and Berg. The American group already owns 50% of the Belgian manufacturer of special paper, PAPETERIES DE TISSELT, Tisselt, Malines (see No 331) and it has a distributor and agent in Brussels: GRELCO SA (see No 311).

** Mr C.J. Bergenthal of Djursholm, Sweden and Mr J.O. Boman of Milan from the first board of SKOGCELL ITALIANA Srl (capital lire 950,000), a sales subsidiary set up in Milan by SKOGSAGARNAS CELLULOSA EXPORT AB, Stockholm (see No 281). The Stockholm firm belongs to MORRUMS BRUK AB, Mörrum, NORLANDS SKOGSAGARES CELLULOSA AB, Kramfors and SKOGSAGARNAS CELLULOSA AB, Monsteras, for whom it sells abroad cellulose pulp, timber, paper, cardboard, fibreboard etc.

PHARMACEUTICALS

** RECORDATI LABORATORIO FARMACOLOGICO Sas, Milan (pharmaceutical preparations and cardiological research) has centralized its business by taking over two associates, RECORDATI SpA, Milan and RECORDATI INDUSTRIA CHIMICA SpA, Campoverde di Aprila, Latina, and has changed its name to RECORDATI INDUSTRIA CHIMICA & FARMACEUTICA Sas, Milan.

The group is headed by Dr Arrigo Recordati, vice-president of "Assofarma," the pharmaceutical trade association.

** The pharmaceutical and microbiological research company SYNTEX CORP, Panama has formed a Milan subsidiary SYNTEX FARMACEUTICI, CENTRO IFNORMAZIONI Srl (capital lire 950,000) for sales and services relating to scientific research into hormones etc.

Syntex, which until recently belonged to OGDEN CORP, New York, has its main laboratories at Mexico City, Palo Alto, California and at Oribaza in Mexico. It has subsidiaries in Canada, Mexico and USA and for the last two years a Swiss one SYNTEX PHARM AG, Zug and Zurich. For two months it has also had a British subsidiary SYNTEX PHARMACEUTICALS LTD, Maidenhead. It has links with several European laboratories which use its patents: LABORATOIRES CASSENNE, Paris, RECORDATI SpA, Milan (see No 116) etc.

PLASTICS

** DEUTSCHE LINOLEUM-WERKE AG, Bietigheim, Württemberg (see No 291) has strengthened its ties with GEORG NAEHER, Markgröningen, a synthetic fibres firm which was formerly the sole property of Herr G. Näher. It has now becombe a limited company (GmbH) with DM 2,500,000 capital, 40% of which is held by Linoleum-Werke. The latter makes synthetic resin, rubber and plastic coatings for floors, walls and furniture etc., and has for a number of years been expanding its plastics division.

** The rubber and plastic group METZELLER AG, Munich (see No 334) has added to its indirect interests in France by joining ETS BAUMLIN, ALUMINIUM DU BAS RHIN SA, Wittisheim and ETS BORGEAUD SA, Montreuil, Seine Saint Denis to manufacture and sell expanded polystyrene and its derivatives for moulded articles, building and packaging. They have formed a business at Montreuil called BORGEAUD PLASTIQUES SA (capital Ff 200,000 almost entirely paid up by BYPOR SA, Selestat, Bas Rhin, whose own capital is Ff 100,000). The new firm's president is M. G. Borgeaud, owner of Ets Borgeaud and of the capsule manufacturer STE OBTURA. Its managing director is Mr G. Schmidkonz, a director of CORRECTA WERKE AG, Bad Wildungen (member of the Metzeller group - see No 316). The minority shareholders include M. L. Baumlin, president of ETS BAUMLIN, ALUMINIUM DU BAS RHIN and manager of CARALU Sarl, Wittisheim (plastic wall coverings), HELMUT SCHULTEHIN, Bad Wildungen and RODOLPH BUCHMANN, Mannheim representing the Munich group.

Either directly or through its subsidiaries DR W. SCHEERMESSER & CO KG, Linz, Rhein and POROZYNT GmbH, Obershausen, the Metzeller group is connected with the plastic firms MOLTI FRANCE SA, Bischwiller, Bas Rhin (see No 238), ISOBRA SA, Beziers (joint subsidiary of CEMA -CIE EUROPEENNE DE MATERIELS SA - member of the INTRA BANK SA, Beirut group - and PORON WERKE GmbH & CO KG, Mulheim.

PRINTING & PUBLISHING

** The press and publishing group ARNOLDO MONDADORI EDITORE SpA, Milan, which in 1965 increased its capital to Lire 5,000 million (see No 311) has backed the formation o ARNOLDO MONDADORI CO LTD, London. The new company will be set up by Messrs J.L. REED & J.N. COPELAND, (solicitors) of London with a capital of £1,000 and will be responsible for British representation and sales of the parent firm's publications.

TEXTILES

** CONFECTIE INDUSTRIE "NOORDWIJK" NV, Haarlem, the Dutch clothing firm, has formed an almost wholly-owned Belgian manufacturing and sales subsidiary, BELCIN NV, Geluwe (capital Bf 250,000).

** The Dutch textiles firm PESSERS VAN ZUIJNEN NV, Tilburg (capital Fl 800,000) has formed a sales company in Frankfurt, PESSERS VAN ZUIJNEN VERTRIEBS, GmbH, (capital DM 20,000; manager M. M. Van Acker, Waasmunster, Belgium).

** The clothing and store group NV ALG. CONFECTIEHANDEL VAN C. & A. BRENNINKMEIJER, Amsterdam is going to extend its sales organisation in France by forming C. & A. FRANCE SA (capital Ff 200,000) in Paris to sell and make up textile, clothing and similar goods. Its two West German subsidiaries C. & A. BRENNINKMEIJER GmbH at Düsseldorf with branches at Berlin, Hambourg, Hanover, Nuremberg, Mannheim, Frankfurt, Stuttgart, Hann, Ludwigshafen, Münich, Mülheim, Osnabrück, Dortmund, Wuppertal etc. In Belgium it owns C. & A. BELGIQUE SA, Brussels, MATEOR NV, St-Josse-ten-Noode and BELMODA NV, Bilzen. Its Swiss subsidiary is C. & A. MODE AG, Zurich and its British one C. & A. MODES LTD, London, and it also has American interests.

The Amsterdam firm is a family one, controlled by Mr Ludwig, Mr Cornelius and Mr R.W. Brenninkmeijer. The group has large stores in all the main Dutch towns and uses several holding companies: DICENA NV, Amsterdam (which directly controls the Belgium company Mateor), UNICENA NV, Amsterdam (which controls C. & A. Belgique and two investment companies SURREY BEHEERMIJ NV, and SUSSEX BEHEERMIJ NV, which share the majority interest in PREDUNA NV, FICANDA NV and FINANCIERINGMIJ LEICESTER NV, all of which were formed at Amsterdam early in 1961 - see No 95).

The group's other subsidiaries and associates include NATIONALE CONFECTIE INDUSTRIE NV, Amsterdam (which controls the Belgian company Belmoda), and several Amsterdam companies: PRADAM NV, CENACO NV, ADMINSTRATIEKANTOOR FONDSEN UNIE NV, MIJTOT ASSURANTIE-BEMIDDELING ASCA NV, WINKELCENTRUM AMSTERDAM-NOORD NV. It also holds shares in BELEGGINGMIJ INVERA NV, in which Unicena holds 50%.

** KON TEXTIELFABRIEKEN NIJVERDAL-TEN CATE NV. Almelo (see No 331) has decided to set up a 10,000 cone spinning unit for synthetic and cotton yarns in Greece, the only cotton producer which is an Associate of the Common Market. The Dutch group will have a 50% share in the final project (which will require an investment of about Fl 7,500,000) and so will HELLENIC INDUSTRIAL DEVELOPMENT BANK, a State bank for financing industrial development in Greece, jointly with various local manufacturers grouped together in MACEDONIAN COTTON GINNING CO, Salonika.

Nijverdal-Ten Cate is one of the largest cotton, rayon and linen manufacturers in the Netherlands. It runs factories at Almelo and Nijverdal which include spinning, weaving and finishing textiles; it exports about 40% of its production, mainly to Common Market countries. Its subsidiaries are NV TEXTIELFABRIEK HEDEMAN (100%) Almelo, (weaving and finishing); KON WEEFGOEDERENFABRIEK C.T. STORK & CO NV (100%), Hengelo (weaving and dyeing); NV TWENTSE DAMAST-LINNEN & KATOENFABRIEK (100%), Almelo (bed-coverings); SPANJAARD NV (100%), Borne; (spinning, weaving dyeing and ready-mades); STEVENS TEN-CATE NV, Almelo (work and sports clothes, which has become a 100% subsidiary since the parent company bought out J.P. STEVENS & CO INC, New York, who remain associates in France in ETS PIERRE GENIN SA, Villeurbanne, Rhone - see No 331); KON WEVERIJ v/h J.H. MEYERINK & ZONEN NV (100%, Winterwijk (weaving); TEN CATE MODE NV (100%), Hengelo; (sales of fashion fabrics); STORKMEYERINK NV, Hengelo (90%, the remainder belonging to KON WEEFGOEDERENFABRIEK C.T. STORK & CO); NV VLASFABRIEK ORVELTE (80%), Orvelte (spinning and linen-finishing); KON TWENTSE STOOMBLEKERIJ NV (bleaching and dyeing)and TWENTSE FINISHING COMBINATIE NV, Goor (weaving and finishing - 50%, the remainder being shared between TWENTSE STOOMBLEKERIJ NV and NV NED STOOMBLEKERIJ TE NIJVERDAL). Also in the Netherlands, the company has large holdings in NV NED STOOMBLEKERIJ TE NIJVERDAL (93%), Hallendoorn (bleaching and dyeing) in which it is associated with VLISCO-NV P.F. VAN VLISSINGEN & CO'S KATOENFABRIEKEN, Helmond (TEXOPRINT NV group - see No 267); it is also the second largest shareholder in VLISCO (14% after UNILEVER'S 33.3%).

Abroad, the company has full control of the South African spinning and weaving company MOOI RIVER TEXTILES (PTY) LTD, Mooi River, Natal and an 8% share in Tanzania in TASINI TEXTILES LTD, Dar-es-Salaam (weaving); it also has a large sales organization including DEUTSCHE NIJVERDAL-TEN CATE, Brackwede, West Germany; NIJVERDAL-TEN CATE BELGIE NV, Brussels; A/B SVE-HO, Gothenburg; TEN CATE (ENGLAND) LTD, London; TEN CATE ITALIANA SpA, Milan and TEN CATE FRANCE SA (formerly NIJVERDAL-TEN CATE FRANCE SA), Paris.

TRADE

** Negotiations over the last two years, now being handled by BfG-BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt have resulted in SINGER CO, New York (sewing-machines) buying 52% in the German mail-order firm FRIEDRICH SCHWAB & CO KGaA UEBERLANDVERSAND, Hanau, Main (see No 321) for a price of $16 million. Schwab will now become a limited company. It has a capital of DM 52 million, which can be raised by up to DM 10 million and this limit is now being increased to DM 25 million. The Schwab family, which founded the firm and which until now has been the majority shareholder, will retain an interest in it of more than 25% (the remainder being offered to the public). The family will also continue as head of the firm through Herr F. and Herr A. Schwab, who form the board with a representative of the American group.

Singer now intends to expand its sales not only in Germany but throughout the Common Market. The group was formed more than 100 years ago and for some years has been pursuing an extremely profitable diversification policy. It is represented in 180 countries and makes and sells a wide range of goods including sewing-machines, plastic machines, office machines and equipment, household goods, radio and television sets and textile machines. During the last financial year its turnover rose to $950 million including about $200 million in Europe. In the present trading year its new subsidiary should have a turn-over of about DM 430 million, an increase of 15% on the previous year; it has forty branches and runs two large stores in Berlin and Hamburg (five others are being planned or built).

TRANSPORT

** The French land, river and sea transport company GEORGES HELMINGER ET CIE Sarl, Belfort (capital Ff 3,320,000) has opened a Luxembourg branch with a working capital of Lux F 100,000 (managers M. J. Helminger and M. R.J.M. Bijard). The parent company is 60% owned by the international transport group MORY SA, Paris (see No 268) which is represented in Belgium and Luxembourg by a subsidiary MORY & CIE (BELGIQUE) SA, Antwerp.

VARIOUS

** ROBINSON SCHOENFABRIEK FRANS VERSCHUUR NV, Nijmegen (shoe manufacturers) has taken over the production and staff of SCHOENFABRIEK MYAGRO NV, Groesbeek. Robinson will now be in a position to expand its manufacture of men's shoes, boots and sandals some of which will be exported to Belgium, Canada and West Germany.

** THE KITE CO, New York has formed an almost wholly-owned subsidiary in Belgium NV THE KITE CO (capital Bf 250,000). The New York firm does painting and decorating. The new subsidiary has an American manager, Mr. J.W. Shine.

** Several Italian hat-making firms have pooled their production by forming CAPELLIAFICI ITALIANI RIUNITI - CIR SpA, Monza; a single firm which will enable them to rationalize their products and increase specialization. The three promoters of this arrangement, who will later be joined by other manufacturers, are PAELARI & FERRARIO, Monza; CAPELLIFICIO GIUSEPPE ROSSI, Montecarchi and CAPELLIFICIO DEL VALDARNO, San Giovanni del Valdarno.

** "DE CENTRALE" LEVENSVERZEKERINGBANK NV, The Hague, the Dutch life insurance firm, and AMSTERDAMSCHE STANDAARD TRUST CO NV Amsterdam, an investment company (50% subsidiary of BfG-BANK FUER GEMEIN-WIRTSCHAFT AG, Frankfurt - see No 302) have formed a firm 50-50 in Amsterdam HOTELMIJ OLANDA NV (capital Fl 250,000). The new firm is to invest in hotels, restaurants and pleasure centres.

** QUO VADIS SA, Marseilles (manager M.F. Beltrami) has formed QUO VADIS INTERNATIONAL BUEROBEDARFSARTIKEL GmbH, Kehl, in Western Germany (capital DM 20,000; manager Mme C. Beltrami Montreal). Quo Vadis makes plastic office equipment and also markets the "Agenda-Planning" system,which is published in 7 languages. Beltrami systems are marketed in Italy by QUO VADIS ITALIA Srl, Milan, in Britain by QUO VADIS PUBLICATIONS LTD, Brentwood, Essex, and in Canada, Spain and Portugal by concessionnaires.

** CAMAFLEX SA, Paris, whose goods are sold in Belgium by CAMAFLEX SA, Ixelles, Brussels, has formed a sales subsidiary at Frankfurt called CREATION DE PARIS-CAMAFLEX VERTRIEBS GmbH (capital DM 20,000), which will be managed by Mme R. Sabourin of Paris and Mme M.C. Colmant of Brussels. The parent company makes hairdressers' goods (hair curlers, hair pins, natural and artificial wigs, etc).

** SVENSKA DIAMANTBERGBORNINGS AB, Stockholm (diamond-tipped drilling equipment) has re-organized its Paris interests. From now on its subsidiary CRAELIUS SA (capital Ff 1 million) will confine itself to selling, having made over its workshops at Gentilly, Val de Marne to a subsidiary of DIABOR Sarl, whose capital has been raised from Ff 225,000 to Ff 500,000.

The Swedish company (capital KR 11,250,000) is a member of the group ATLAS COPCO AB, Stockholm (see No 224). Its subsidiaries include CRAELIUS DIABOR AG FUER BOHRKRONEN, West Germany; CRAELIUS SpA, Rome; CRAELIUS CO LTD, Britain; CRAELIUS SA, Spain; SHERKATE SAHAMI ABSHAR, Iran; CRAELIUS EAST AFRICAN DRILLING CO LTD, Kenya, etc

** KOELSTRA'S KINDERWAGENFABRIEKEN NV, Dorredijk, Opsterland (capital Fl 260,000), a Dutch family firm which makes baby-carriages, invalid chairs and children's furniture, is opening a Brussels branch.

** The Hamburg tobacco and cigarette manufacturer REEMSTMA CIGARETTENFABRIK GmbH (see No 341) has formed a third Chur subsidiary REEFINANZ GmbH (capital Sf 2 million; manager Mr P. Rechenberg). Its existing Swiss holding companies are REEHOLDA GmbH (see No 267) and REEINVEST GmbH (see No 337).