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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

March 24, 1966. No. 349

Opera Mundi ***EUROPE***

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT
A Letter from Paris

CAUTIOUS GROUNDWORK FOR THE COMMON OIL POLICY

The Common Market Commission recently presented the member countries with what it modestly calls a "First note on the Community's policy regarding oil and natural gas". The document was written by M. Marjolin, vice-president to the Commission, whose preliminary talks on the problem with the heads of the big international oil groups we have discussed earlier (see Nos 338 and 345). These groups control between 40% and 60% of the market in the three main countries of the Community: France, Germany and Italy. M. Marjolin also had discussions with officials responsible for the hydrocarbons industry in France and in the other Common Market countries. At least it can be said that the document has been drawn up in full knowledge of the facts, and in particular of the snags still preventing the definition of a common approach to the problem of power.

This is undoubtedly the reason why M. Marjolin's approach is noticeably cautious. His thoughts are always based on the premise that it is wrong to assume that the Six will be able to arrive at a common energy policy in the foreseeable future. Such a policy would imply that the member countries were prepared jointly to tackle the problems posed by the decline of Community coal in the face of cheaper products imported from non-member countries: American coal and even more oil. It would also assume that the Six could agree prices together, which is another way of expressing the same problem: if they settle on a low price for basic fuel, this means either sacrificing national coal industries out of hand, or agreeing on a common policy for aid to the industry; indeed, the latter is already happening in each of the member countries in different ways and without consultation between them. The failure of the memorandum presented by the "inter-executive" committee in June 1962 really precluded any further attempt, at least for the time being, at evolving even a common framework for the energy policies of the Six. The nearest they have ever come to an agreement on future plans was the signing, on April 21, 1964, of a protocol which is nothing but an array of very general principles: so general in fact that they virtually give the governments free rein to operate whatever policies they think fit.

Thus there is no question right now of inviting the Six to assemble and thrash out the major problems that they must tackel in this matter, one of which is the increased competition that fuel oil and now natural gas are presenting to coal. The Commission, however, is still far from abandoning hope. After all, in each of the sectors that make up the energy economy there are various specific problems that, even without a general framework, could be solved through Community procedure, or at least in a spirit of close co-operation between the Six. This prudent method has been advocated before in these columns and its adoption by the Brussels authorities can only be greeted with enthusiasm. However, can it be said that every one of the Commission's recommendations has a bearing on a specific problem, whose solution by consultation should dispose the Six towards increasing cooperation in the field of fuel and power?

We should start by noting the skilful approach to a common energy policy through fuel oil: in 1950 this accounted for only 10% of all energy consumption in EEC countries, whilst today it has risen as high as 49%, and experts forecast that this proportion will rise, over the next ten years, when natural gas will join the pool, to around 60% of the Common Market's energy needs. But, M. Marjolin has only stressed two of the specific problems that face the oil industry.

The first is security of supply: what would happen if there were to be another Suez? Since 1959 this point, in theory at least, has haunted those whose responsibility it is to get oil into Europe. Even the phrase "those whose responsibility it is" is somewhat ambiguous, for it is really a matter of determining exactly who is in charge of ensuring supplies of such quantities of oil as are essential to a normal economic existence in Europe. It is all very well for the big companies to boast that they are perfectly capable of handling this because their sources are so widespread: as recently as 1956 they demonstrated their ability to cope with even the most dramatic of contingencies. Just the same, in France the Fuel Directorate and the State group headed by M. Guillaumat have no time for such protestations: they contend that oil problems are too important to be left in the hands of powerful private enterprise, which moreover (apart from Shell and B.P.) is not even European. The late M. Mattei was thinking along just such lines when he decided to make E.N.I. an oil group powerful enough in Italy (and elsewhere if possible) to compete with the cartel of the "Big Seven" companies, to which he always referred as the "Seven Sisters".

Because of this situation, the Commission is proceeding with extreme caution on anything related to security of supply. It has not ventured to say openly who is to bear the ultimate weight of responsibility, but at the same time its recommendations tend indirectly to bolster the power of the member countries in their dealings with the international groups. This is achieved quite simply by bringing them together to exchange views and to join forces in consulting the giant firms. If, for example, they were to negotiate as a single body with Standard Oil of New Jersey, then their chances of influencing its policy (it is the world's largest oil company) would be vastly improved. The Commission, for its part, has gone no further than to suggest firstly that interested authorities should exchange information and cooperate in research programmes, and secondly that they should have talks with the big combines. It also admits that assurance of supply is really a problem to be dealt with on a far larger scale than can be tackled by the Six. This is why it maintains that the Six should continue their efforts under the auspices of the oil committee of the OECD, which also has representatives from the USA, Britain, Sweden etc. It would be a matter of finding out how, under what conditions and at what price Europe could find sources that, in time of crisis, could replace oil coming from the Middle East, Africa and South America.

The second problem to which M. Marjolin has turned his attention can be expressed as follows: how could locally-financed companies defend themselves against the competition of international groups with such vastly superior financial resources? In making its recommendations on this point, the Commission based its findings on an analysis which took into account the two essential disadvantages suffered by European companies:

1) The economics of the oil industry are such that the largest share of the profits goes to the producers of crude oil, while refining and distribution are much less lucrative pursuits. One should bear in mind that the German companies and E.N.I. own very few wells, whilst the French firms control sources, especially in the Sahara, that are much more costly to exploit than those in the Middle East.

2) American fiscal legislation is particularly generous to oil companies who go in for overseas prospecting: it allows them to defer payment of duties, which gives them distinct advantages in liquidity. British legislation, though different in form, gives similar advantages. In the Community, only the Netherlands and France have taken steps to come into line with the "Anglo-Saxons", as a result of which German, Belgian and Italian companies labour under a certain fiscal handicap. Lastly the Commission seems to recognise that, quite apart from the natural and statutory conditions that surround the activities of the European companies, they are also hampered by the simple fact that their size and field of activity are restricted to geographical areas that on the whole are limited.

To combat this series of drawbacks the Commission is making three main recommendations to the member countries:

1) They should reduce the burden of taxation, if they have not already done so, on companies prospecting for or producing oil.

2) They should encourage "every form of association" between companies in the Community, if necessary by direct aid.

3) They should grant subsidies to these same companies if the first two measures fail to get them back on an even competitive footing with the big combines.

It goes without saying that this second series of suggestions is far more likely to get the EEC governments talking together. The German administration, to name but one, only a year ago took steps to help its national oil companies. It remains to be seen whether it is prepared to continue tackling the question of the survival of medium-sized companies in the face of the transatlantic giants on a community level.

On at least one point, however, the French Government is likely to pick holes in the Commission's proposals: this is because these give an extraordinarily broad definition of what consitutes so-called "community" companies, in that it embraces subsidiaries of international concerns which are undertaking prospecting ventures on their own account in Europe. To put it another way, Esso France, which is investigating the sub-strata in Gascony, would be a community company in the eyes of the Commission. This seems to be rather overstepping the mark in the policy of "non-discrimination" for agents working within the boundaries of the EEC.

The Commission's findings do not relate to the prospecting at present going on in the North Sea, because it was very difficult in a document such as this to deal with such a ticklish point of law; that is whether or not the provisions of the Treaty of Rome should be applied to the off-shore zone. This restriction is obviously going to cramp any future discussions between the governments of the Community based on this note. Indeed, the vast majority of prospecting for hydrocarbons of whatever sort in Europe at present is concentrated on the continental shelf of the North Sea.

The Commission's text is just as cagey about natural gas, but this will not prevent its worrying the producers, and especially the largest of them, N.A.M., which is a joint subsidiary of Esso and Shell, and which is tapping the enormous deposits at Gröningen. What the Commission in fact suggests is that senior officials of the member states should have annual exchanges of views on new contracts for sales of natural gas. This is a simple enough proposal, but should it be adopted its practical consequences could be more far-reaching than might appear at first sight. It would mean that the virtual monopoly that N.A.M. and the Netherlands might otherwise expect to enjoy over the next few years would be subject, if not to control, at least to some degree of scrutiny by the Community as a whole. At present all profits from the Gröningen deposit are split between N.A.M. and the Dutch Government.

The Commission's note also casts some light on another very important topic in a way that could greatly facilitate future negotiations between the Six. It is common knowledge that since 1928 oil importation has been a monopoly of the French State, which farms it out to those firms that are granted its "import licences". According to Article 37 of the Treaty of Rome "Member States shall progressively adjust any State monopolies of a commercial character in such a manner as will ensure the exclusion, at the date of expiry of the transitional period, of all discrimination between the nationals of Member States in regard to conditions of supply or marketing of goods." It has been recognized that the delegated monopoly held by the French Government in fact falls under the provisions of this article. France is most unlikely to allow this monopoly to be broken unless she is assured that the aims of her oil policy, to make certain of a reasonably balanced intake of crude oil from her various sources, can continue to be achieved by some other means.

Until recently the Commission had confined itself to drawing Paris's attention to the legal implications of the situation, but now it seems to recognize some legitimate purpose in the French legislation. In other words it has got beyond considering the matter from the narrow, legalistic angle and has come round to looking at it from the economic point of vew. Their is no question of it going any further and actually offering the French Government advice as to how it might continue to pursue its policy by means more in keeping with the spirit and terms of the Treaty.

But it does ask France to say for itself "how it intends to reconcile the pursuit of its policy with the undertakings it made when it became party to the Treaty of Rome". Whether or not France responds to this invitation, the Commission will at least have done all it can to render possible the beginning of useful talks within the next few months.

THE WEEK IN THE COMMUNITY
March 14 to March 20, 1966
From our Correspondents in Brussels and Luxembourg

* * *

THE COMMON MARKET

Is It Britain's Turn Now?

Brussels experts are studying developments in Atlantic and European problems with great interest. There is evident satisfaction that, whether by British or French initiative "down in London something stirs". Obviously, any such opinions have to take into account the tactical bias of events: Britain is up to her neck in an election campaign where the Conservative and Liberal opposition parties are making Europe a major issue. Another thing is that, in the face of her NATO allies' firm and unanimous reaction to her Atlantic policy, France must need back-pedal where she can ... apparently without fear of certain contradictions: it hardly seems, for instance, that Mr Wilson is any less attached to the American alliance in 1966 than Mr Macmillan was when negotiations collapsed in January 1963.

Tactical exepediencies, however, can cast more light on the matter than might at first be thought. One thing at least is sure: the Britain-Europe issue has reared its head again. Even if the Labour Government returns to power, as seems more than likely, it would be very difficult for it not to give priority, indeed first consideration on its agenda to the Common Market question. The other side of the coin is that France cannot possibly veto fresh negotiations (especially if these are tentative, as London wants them to be) without discrediting herself for all time, as well as bringing on another European crisis.

But is the time really ripe for Britain's entry? This is what they are asking in Brussels, where it is feared that Britain will lose her nerve at the last moment, and that her diplomats will miss the boat to Europe. The theory is that Britain's presence in the EEC would make for a more stable political situation, which in its turn might knit the whole Community more closely together: this is becoming a real necessity. Her presence, moreover, would finally quell fears in Italy and Benelux (slight as they are as yet) of Franco-German domination in Europe. The more Britain allayed what can only be called France's fears of Germany, the more welcome would her presence become to Paris. At the same time, though, she would assure German leaders of the future of the Community's relationship with the rest of the English-speaking world. Last but not least, her joining the Common Market would do much to pave the way to a European political union, for which the progress in the Economic Community constitutes an ever-increasing demand.

Thus Britain's linking-up with the EEC would bring undeniable benefits: but she should join or set about joining fairly promptly, otherwise the present tendency for

Western politics to fly apart may become a reality. Just as when a previous crisis blew up, a daring move from Downing Street could offer the Six an "alternative solution", that is, a way out of the present stalemate, which they would all quite happily pounce upon. Inevitably, if Britain were to swell the ranks of the Community it would occasion some difficulties in the Europe-America "partnership", but the problem would at least be posed in de Gaulle's confident and constructive terms. On the other hand, if Britain opts for a "wait and see" approach the "partnership" problem will remain as it is today: a bitter struggle between France and her allies, including her allies in the Community. M. Joseph Luns has indeed already stated that de Gaulle's attitude to NATO has completely prevented any sort of political unity in Europe.

In the meantime Britain is not so much being advised to "assume her historical responsibilities" and to "rescue the Community" as to take advantage of the present situation. Her negotiators have perhaps never had it so good. If they do not act quickly, two possibilities remain: either the Common Market will not get off the ground at all and will begin to submerge under the weight of disagreement and contradiction; or else France's partners will get tired of being left in the lurch and retire to their own lines: Britain will then have no choice but to give up or go along with them. On the other hand if Britain moves now she could play a vital part, or least influence, two highly important Common Market negotiations: the present one on agriculture and in a few months time the negotiation on the merger of the three Communities, which promises to develop into more than just an amalgam of the three existing treaties.

Sir Con O'Neill, the British Common Market representative, at one time accused the Six of trying to make future partners accept as inviolate agreements which took months of bitter wrangling to work out in the first place. Now the boot is on the other foot and the Six are entitled to ask why Britain is waiting for the Common Market Bible to be printed before trying to revise it. In this context, the remarks made by M. Rey of the Common Market Commission to the Western European Union may be more a clever piece of foot-work than just an analysis of the situation. On the subject of agriculture, which is the only real economic stumbling-block in the way of Britain's entry, M. Rey said that both the British and the Six have eased their positions slightly on the question of doctrine: the British have started raising airport levies, while the EEC is paying subsidies. To put it briefly, both sides of the Channel are now taking a more practical and less dogmatic attitude towards agriculture. M. Rey may in fact have meant that: British entry into the Common Market would mean support for the more pragmatic elements in the EEC. Anyway the British Foreign Secretary, Mr Stewart himself admitted that some of the Six felt the same way as Britain on agriculture.

Does this mean a fundamental change in the Common Market policy on agriculture? This is not entirely so as yet, although there may be some surprises as a result of the negotiations going on in Brussels at the moment. There is one significant factor: in spite of France's insistence on priority being given to the agricultural finance regulation, it now appears that she will be prepared to accept the inevitable and agree to this regulation being part of a package deal which will include other current agricultural problems and the Kennedy Round. This concession proves that France wants to get down to business, and as quickly as possible.

However getting down to business, by settling the finance regulation, means working out fair shares of the FEOGA cake. The Commission's proposals on March 31, 1964 may have been political dynamite but financially they were a logical answer to the problem of setting up a common tariff system. The method did not allow for any discussions. Fixed national contributions were not required, nor reference periods to work them out; and there was no cause for disputes over "gross" or "net" imports etc.. When this strictly communal solution was rejected by M. Couve de Murville on June 15 last everyone tried to adapt it to fit his own national interests, that is to work out the minimum payments with the maximum benefits. At the same time an effort was made to protect some national sectors which would be threatened by a financially sound, but purely communal, policy.

So in the end it is all a matter of economics and not of politics as it should have been. France's partners are only insisting on the suspended agricultural regulations being adopted because they want to get back some of the material advantages France gained over grain, even if it means a departure from orthodox economic principles. What are FEOGA's estimates for 1970? First of all, almost one-third of its expenditure will be on subsidies to producers (a long way from free competition); almost a quarter will go to support deficiency commodities like rice, olive-oil, oilseeds, tobacco, and certain fruits. Would it not be more economical to use a system of deficiency payments like that proposed for oranges? And while we are on the subject, what about the quota system for sugar which is mainly designed to keep alive the weakest firms in Germany and Italy? From a political point of view, this system which is particularly hard on Belgium, may well dampen her enthusiasm for the agricultural policy.

There is no guarantee that the policy will emerge unscathed from the current financial wrangling. It may indeed be to Britain's advantage to join the squabble now that basic principles seem to have been wiped off the board.

* * *

Common External Tariff Problems

The Common Market Council has not yet dealt with one of the most urgent problems facing the Community: that of the second round of harmonization of the national tariffs with the Common External Tariff. By the Treaty of Rome this harmonization should have been achieved by January 1, 1966. Because of the past and present tariff negotiations at Geneva, it only operated in 1964 on a Common External Tariff reduced by 20%. But to avoid the adverse effect and the technical complications of tariff increases in the middle of the Kennedy Round, the Five agreed last December to try and find ways of avoiding this provision of the Treaty. There are two escape clauses: Article 26, by which the Commission can authorise a state to postpone adjusting its own national tariff to the Common External Tariff, provided the tariff positions do not affect more than 5% of the value of its imports and that it should be for a limited period. The other escape clause is Article 28; under this a unanimous decision of the Council can modify or suspend the common tariff duties.

France had not pressed for the immediate application of the rules of the Treaty, although she had the right to do so. She accepted that the question should be studied for a further period expiring on April 1. There is only a week to go to this date, and the ministers still have not discussed the problem. Worse still, the French ambassador to the Common Market has let it be known that while he considers that Article 26 is allowable, he could not approve a suspension of tariffs under Article 28. In other words, Benelux and Germany, both low tariff countries, would only be able to put off a tiny percentage of the increases which they are due to make. The general feeling is that this hardening of the French position is due to the concern, to-day widespread throughout the Common Market, to ensure the maximum flow of exchange. Yet if the deadline of April 1 is not deferred for two or three months, it is difficult to see how it will be possible to include this problem in the final package deal. The calendar once more becomes more important that the basic problem, and the Common Market's next "great leap forward" looks more like an exhausting race against time.

* * *

The Departure of M. Spaak

The most immediately obvious result of the governmental crisis in Belgium, and the resulting break up of the political alliance which it caused, is the departure of the Foreign Minister, M. Paul Henri Spaak. Naturally the political alignment of Belgian diplomacy will not be subject to any change; nine tenths of the Parliament agreed with the views of the outgoing Minister. On the other hand, his successor, M. Pierre Harmel, who led the previous government is both an eminent political and intellectual personality. M. Harmel who has until now been mostly concerned with internal problems is, nevertheless, an adroit negotiator. Though he may not have the striking eloquence and genius for improvisation of M. Spaak, this lawyer from Liege is well trained in using intelligent and subtle arguments.

Despite all the qualities of M. Harmel, the departure of M. Spaak will without doubt be felt for two reasons. Firstly because in the political life of his country, he occupied a special place. He directed its diplomacy with complete freedom, no one seriously questioned his policies, and his character fitted in with this respectful indifference. Secondly because in international politics he had a prestige quite out of proportion to the political importance of Belgium itself. The reconciliation at Luxembourg, which was essentially his work, added further to his credit. M. Harmel, in any case, cannot lay claim a to similar international prestige, which might have been useful in solving the problems confronting NATO.

In the re-shuffle of the Belgian Government, made by the new Belgian Prime Minister, M. Vanden Boyenants, the Foreign Affairs Ministry has been pruned hard. It now comprises only the Minister himself and a Secretary of State for Foreign Trade, M. Auguste de Winter, a liberal from Antwerp. M. Spaak's assistant, M. Hendrik Fayat who dealt specially with European affairs, will not therefore have a successor. The extremely able Minister of Agriculture, M. Charles Heger, keeps his Ministry. As for Economic Affairs, the third "Community" post, this is taken over by M. Jacques Van Offelen, who is both a specialist and a convinced European.

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(there is no page 11 in this issue)

ECSC

The High Authority Says Yes To Maintaining High Coal Production

Luxembourg: The High Authority plans that in 1970 the Community's sales and production of coal should reach 190 million metric tons, and it considers that it will be possible to achieve this aim without any additional burden of costs on industries within the Community and especially the steel industry, whose competitive capacity must be maintained. The cost of maintaining supplies must therefore be borne directly by domestic users and national budgets.

These ideas were expressed by the High Authority in a memorandum on targets for coal production in 1970 and on coal policy. This memorandum served as a basis for discussions in the Consultative Committee of the ECSC, which took place on March 24, and it was also passed to the ad hoc Committee on coal recently formed by the Council of Ministers to devise solutions for the coal problem.

The statement by the High Authority only serves to indicate the general direction in which the coordinated decisions of the member states should be working. It is worth noting that the 190 million tons should not be taken as guaranteed sales; the idea is rather to take the necessary steps to make this level probable.

As regards coal imports from non-member states, the High Authority does not think that an increase in the protective tariff, as proposed by coal producers in the Community, would deal satisfactorily with the problem. Such an increase would not be in line with the position adopted for the Kennedy Round, whereby coal can be imported duty free into all Common Market countries except West Germany. It may therefore be necessary to have a more systematic use of quantitative limitations.

The present imports of 5.2 million tons of anthracite and lean coal could eventually disappear, due to the difficulties in finding outlets in Benelux countries for these products caused by increasing use of natural gas.

Similarly, the import of 18 to 19 million tons of bituminous coal for coking outside the steel industry or for steam raising, could be considered by the Community as a whole. This cautious short-term policy of importing steam coal, while Community production is low, is not necessarily at variance with an organised long term policy for supplies of coal from non-member countries as part of a balanced supply policy for energy.

The policy of subsidies, and even on indirect protection by fuel oil taxes, could be revised in common as and when Community coal finds its outlet in both power stations and the steel industry. It would be illogical to burden fuel oil supplies to other industrial sectors with heavy taxes, or high ex-refinery prices in order to ensure an outlet for a smaller and smaller quantity of coal, which in 1970 will not exceed 22 million equivalent tons of coal whilst the total fuel consumption will be 144 million equivalent tons of coal. Though this will not be the case until after 1970, it shows that the 190 million tons target for that date does not preclude a fall in the cost of steam energy to the industrial consumer. The High Authority believes that the coke-market in the Steel Industry can only be maintained by a system of specific aid on a Community basis.

For power stations; the second sector which must safeguard continuity of consumption for Community coal, the High Authority puts forward a system of subsidies to compensate for the difference in price between Community and imported coal, an increase in the price of electricity to non-industrial users, and a mandate that power stations which use tax-free oil should burn Community coal.

Discounting state aid of a social character, arising from abnormal costs borne by industry and which would not fall greatly, even if all coal production ceased, the cost of these operations to support a Community production of 190 million tons could work out at $2-3 per metric ton by 1970. To this should be added the cost of recruitment and stabilising the labour force. The total surcharge would be the price which the Communtiy should pay for an orderly running down of coal production without social or regional hardship and for the security essential to these countries whose industrial activity depends largely on a regular supply of energy.

* * *

STUDIES AND TRENDS

THE EUROPEAN TEXTILE INDUSTRY - 1

General Notes:

The overall development of the textile industry is positive in all the Common Market countries since the production indices show increases of between 30% and 50% (Common Market average : 39%) over the period 1953-1963. This encouraging trend, however, does not apply to all European countries, Great Britain being a notable exception: her textile industry seems to have stagnated below the 1953 level.

The favourable trend in the Common Market countries should not however be over-estimated for two reasons:

(1) other non-European countries, especially Japan, have developed their textile industries at a much faster rate over the same period: for instance, Japan has more than doubled the manufacturing potential of her textile industry in 10 years and is now a formidable competitor.

PRODUCTION INDEX OF THE TEXTILE INDUSTRY
(Base 100 in 1953)

Pays Country	1958	1959	1960	1961	1962	1963
Germany	121	125	133	133	135	139
Belgium-Luxemburg	100	112	120	128	131	141
Netherlands	108	120	128	132	133	146
France	111	108	119	122	121	132
Italy	105	116	127	126	136	140
Common Market	112	117	126	128	132	139
Britain	88	91	94	92	88	92
USA	99	114	110	112	120	122
Japan	142	166	195	211	222	239

(2) The growth of the gross national product has on the whole been faster than that of the textile industry although this industry is now feeling the benefit of large-scale developments, resulting from greater rationalization of production and a better basic structure.

The low rate of progress in the textile industry in comparison with the other manufacturing industries, which occurred in all the industrialized countries, including Japan, demonstrates the problems of this industry which has also lost many outlets especially to African countries, over the last 10 years.

TRENDS IN THE TEXTILE INDUSTRIES COMPARED WITH THE MANUFACTURING INDUSTRIES AS A WHOLE
(Index : Base 100 in 1953)

Years	Europe* I	Europe* II	United States I	United States II	Japan I	Japan II
1954	105	110	94	93	109	110
1955	105	121	103	105	121	119
1956	108	127	105	108	144	146
1957	114	134	101	109	159	174
1958	106	136	99	101	142	171
1959	111	145	114	114	166	207
1960	118	160	110	117	195	260
1961	120	167	112	118	211	311
1962	122	175	120	128	222	338
1963	128	182	122	135	239	372

I - Textile Industries
II - All the Manufacturing Industries Together
* - OECD countries : The Common Market + EFTA + Spain, Greece, Ireland, Iceland, and Turkey.

It is quite clear that all the sectors of the textile industry have not developed at the same rate. Some of them have made spectacular progress. In France, although the wool sector has fallen back the cotton, linen and jute industries have remained steady and the silk and chemical fibres sectors have expanded enormously. In Belgium, on the other hand, the wool industry has made great strides, especially in the spinning of carded wool: at the same time artificial and synthetic fibres have also made considerable progress. This trend is also reflected in Germany where the cotton industry has made slower progress than the rest of the textile industry.

Production Factors

Investment has been keenest in the stronger sectors such that as a whole it has little influence (except in France and the Netherlands, to look just at Europe), on plant in the traditional textile industries: there is relatively little improvement in the wool and cotton industries; there is more likelihood therefore that these sectors will be more affected by competition from non-European countries and particularly the United States and Japan. Investment in the American textile industry has almost doubled between 1955 and 1963 while in Japan it has almost trebled.

INVESTMENT IN THE TEXTILE INDUSTRY
(in millions of US Dollars)

Country	1955	1959	1960	1961	1962	1963
Germany	78,0	81,0	110,7	118,5	113,9	93,1
Benelux	22,3	30,8	37,9	46,7	46,8	58,9
Netherlands	28,7	27,1	42,2	76,0	63,3	-
France	81,1	69,7	80,5	126,1	136,4	150,0
Italy	-	-	-	149,2	156,2	179,4
Common Market	-	-	-	516,5	516,6	-
Britain	182,5	118,2	149,0	257,5	224,9	-
USA	366,0	412,0	530,0	500,0	610,0	650,0
Japan	121,2	153,0	198,5	219,3	204,0	320,8

Increased productivity in the European textile industry can be clearly seen from a study of labour trends in this sector of industry: despite growing production, the majority of European countries (Germany, France, Britain) show a slight fall in the number of workers; and there has been only a very slight increase in Belgium and Italy. The greatest increases in this respect have been in Japan which of course started out with a lower production coefficient than that of the European countries or the United States. Naturally, there are differences between the various branches of the textile industry: the clothing industry has increased its labour force in most countries despite recruiting difficulties (except in the United States where there is still a certain amount of unemployment even though it has fallen from 6.8% in 1963 to 5.6% in 1964).

LABOUR EMPLOYED IN THE TEXTILE INDUSTRY
(in thousands of workers)

Country	1958	1959	1960	1961	1962	1963
Germany	584,3	595,7	599,4	586,3	564,5	549,3
Belgium-Luxemburg	127,1	130,2	131,2	132,3	133,0	134,5
Netherlands	96,6	97,5	99,3	99,5	97,2	95,2
France	440,5	438,5	438,7	420,2	411,4	421,4
Italy	440,5	442,4	464,6	471,7	479,8	478,2
Common Market	1.689,0	1.704,3	1.733,1	1.710,0	1.685,9	1.678,6
Britain	756,0	733,6	725,0	719,4	684,1	666,8
USA	918,8	945,7	924,4	893,4	902,6	889,5
Japan	989,1	1.055,9	1.103,4	1.104,1	1.124,9	1.133,9

Supplies of raw materials in the textile industry have on the whole benefitted from generally lower prices for textile raw materials on the world markets. However, since 1964 there has been an increase in the price of wool and raw cotton which seems to be a reversal of past trends: the price index for textile raw materials increased by 5.6% in 1964 in relation to the previous year. This increase has of course been reflected in the prices of manufactured goods, although at a lower rate. Another immediate effect of this trend has been the gradual deterioration in the textile trade balances of the European countries who, unlike the United States, have to import a large proportion of their raw materials while their exports of finished goods are facing ever-increasing difficulties.

(to be continued)

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Note: This study on the Textile Industry as a whole is to be followed by others dealing specifically with cotton, wool and synthetic fibres.

group reorganises its production, investment and research companies. Italy: MANZOCCHI VERONESE, Milan is formed to promote and sell "Piccolo" electric equipment of ELECTRO-AS, Hamburg. USA: The American domestic appliance firm SUNBEAM and its German subsidiary ROWENTA form ROWENTA COFFEE-MAKERS, San Francisco (distribution).

J ELECTRONICS

France: The American firm MOTOROLA and the French one SEV MARCHAL form joint manufacturing subsidiary at Toulouse (semiconductors). Germany: C.P. CLARE, Chicago forms Munich subsidiary to make and sell electronic equipment. Netherlands: The American electrical and electronics company SIMCO forms Netherlands subsidiary (sales).

K ENGINEERING & METAL

Austria: EUGEN LAIBLE, Ulm, (water heaters), forms Vienna sales and service subsidiary. Belgium: The German metal-traders SCHOELLER form Brussels import subsidiary SINOX. The American air-filter makers DONALDSON form Brussels sales subsidiary. France: A new company at Villeurbanne, Rhone will distribute machines for shaping cardboard made by MARIUS MARTIN and SFAC, Paris. CAFL, Paris (FORGES & ACIERIES DE LA MARINE ETC group) and the Swiss company MECANIQUES DE VEVEY form joint subsidiary. AUTOMATIC SPRINKLER CORP OF AMERICA (fire-resistant materials) winds up its French subsidiary. The German manufacturer H. JUNGHEINRICH (fork-lift trucks etc) forms French manufacturing subsidiary. Germany: French concerns form EUROMECA, Kehl, Germany (sales of optical and precision instruments). THYSSEN-ROEHRENWERKE tries to buy 50% in REISHOLZ, Düsseldorf (THYSSEN-BORNEMISZA group). The American company VESELY (camping and travel equipment) forms Frankfurt sales subsidiary. The French non-ferrous metal trader COMETA forms subsidiary at Duisburg. Netherlands: KON ZOUTKETJEN, Hengelo is taking over the only Dutch zinc factory KEMPENSCHE ZINKMIJ. The Swedish metal group FAGERSTA BRUKS forms Rotterdam sales company. The Swiss company ELECTRO-PLATING ENGINEERS (linked with SEL-REX, USA) forms Dutch subsidiary (processing of rare metals etc). Spain: FRIED KRUPP, Essen backs large iron and steel complex in Spain. Switzerland: The German machine tool firm WILHELM HEGENSCHEIDT forms Swiss management company PORTAL.

N FINANCE

Belgium: EMPAIN & CIE D'OUTREMER, Brussels buys BANQUE LAMBERT's holding in ELECTRORAIL, Brussels and thus takes over BELGE POUR LES INDUSTRIES CHIMIQUES (investment). France: CREDIT PRIVE, Paris tries to regroup with the French banking firm HEINE. Reorganisation in the French banking group

VERNES results in OMNIUM PARTICIPATION taking over CIE D'ETUDES ETC DU GARD. Italy: BANCA CATTOLICA DEL VENETO, Vicenza takes control of BANCA TRIESTINA, Trieste. Netherlands: GENERAL MOTORS ACCEPTANCE, New York (finance for GENERAL MOTORS cars) changes its Rotterdam office into subsidiary.

O	OIL, GAS & PETRO-CHEMICALS	Belgium: PETROFINA, Brussels increases its control of its large foreign subsidiaries in Belgium, Canada and the USA. France: The Paris plastics companies KUHLMANN and PLASTUGIL (UGINE group) form joint subsidiary.
O	PAPER & PACKAGING	France: STERILBOX DISTRIBUTION is formed to sell plastic packing products made by STERILBOX Sarl, La Courneuve, Seine. SAINT GOBAIN, Neuilly, Seine and VERRERIE SOUCHON form 50-50 subsidiary SEDAPAC (plastic bottles) on the premises of their subsidiary SEPROSY, Paris.
Q	PLASTICS	Belgium: ICI, London and SOLVAY, Brussels will complete the equipment of their Common Market PVC factories through their joint Brussels subsidiary, SOLVIC. The American group NATIONAL DISTILLERS transfers its European centre to Antwerp where it is building polyethylene resin factory. France: GENERAL FOAM, New York sells know-how on urethane foam to NOBEL-BOZEL, Paris.
R	RUBBER	Belgium: The American company THOMPSON AIRCRAFT TIRE (tyres) forms Brussels sales subsidiary.
R	TEXTILES	Belgium: DE JAEGHER, Courtrai and CALIFORNIA LATEX, Los Angeles form JATEX MAND, Heule, Belgium (sales and manufacture of clothing, carpets etc). France: JAEGER SHOPS, London (JAEGER HOLDINGS group) transfers various assets to the group's French company HENRY A LA PENSEE, Paris. Germany: BAYERISCHE STAATSBANK, Munich strengthens its links with the German cotton industry. BEDBURGER WOLLINDUSTRIE, Cologne is now owned by the Lorenz family. Italy: CUCIRINI CANTONI COATS (J.P. COATS group) takes over three companies in its own group. CHATILLON, Milan (EDISON group) takes large holding in MIZAR, Busto Arsizio (knitwear).
R	TRADE	Belgium: LAURA & VEREEIGING (STE GENERALE DE BELGIQUE group) -solid fuels- forms Antwerp sales and transport subsidiary. The French subsidiary of MITSUI, Tokyo (import-export) opens Brussels branch.
T	VARIOUS	France: Several French hat firms regroup to form INDUSTRIELLE DE CHAPELLERIE, Chazelles sur Lyon. Germany: KARL KUEBEL, Worms (furniture) takes over KARL HEISE, Oelzburg, Peine (kitchen equipment).

AUTOMOBILES

** THE BRITISH MOTOR CORP, Birmingham which recently formed BRITISH MOTOR CORP, INTERNATIONAL SERVICES SA (capital Sf 1,200,000 - see No 340) at Lausanne, has now formed two marketing subsidiaries there, one to handle local trade, BRITISH MOTOR CORP, (ZWITZERLAND) SA (capital Sf 100,000), and the other to cover the whole of Europe, BRITISH MOTOR CORP, (EUROPE) SA (capital Sf 100,000); the president of both of these is Mr J.W. Bache.

** A recent modification in the agreement between FIAT SpA, Turin (see No 347) and CHRYSLER CORP, Detroit (see No 346) on their respective holdings in the French group SIMCA (non-assignment of shares by one of the parties before 1967 and an option until 1970 on the eventual sale of shares in their French joint subsidiaries) has resulted in the Italian group gaining 57% control of SIMCA INDUSTRIES SA. Fiat has bought Chrysler's 25% holding which it has owned since 1958 when the group followed FORD into Simca.

In return Chrysler, which in 1963 increased its holding in SIMCA AUTOMOBILES SA (recently changed to STE DES AUTOMOBILES SIMCA SA) to 63% and then to almost 69% in 1964, has now increased it to 76.7% with an option on the 9% or so still held by Fiat. The Italian company is preparing to regroup Simca Industries' production of "Unic" lorries with its own production.

BUILDING & CIVIL ENGINEERING

** SIKKENS SMITS NV, Wapenveld, Netherlands, has made over its "Wapex" division to a newly-formed subsidiary SIKKENS WAPEX NV, Wapenveld, which is to make and market "Wapex" building materials (artificial and synthetic bases). The new venture will soon have a 3,000 sq yds factory, now in course of construction at Wapenveld.

Sikkens Smits is a wholly-owned subsidiary of SIKKENS GROEP NV, Sassenheim, (see No 336), which in turn is a member of the group KON ZOUT-KETJEN NV, Hengelo.

** E.T.C.O. SA, Lorient (headed by M.P.J. Barriere, Lorient, Morbihan) the French civil engineering firm has formed a Belgian subsidiary, ETCOBEL-BUREAU D'ETUDES TECHNIQUES POUR LA CONSTRUCTION SA, Woluwe-St-Lambert). E.T.C.O. is to retain directly 5% of the initial capital (Ff 500,000) whilst its president M.P.J. Barriere holds 50%. The new venture, directed by M.A. Jansen (a civil building expert) is to handle all types of technical research in civil and metal engineering, pre-stressed concrete, heating, ventilation, plumbing, sanitation etc.

CHEMICALS

** The Dutch group headed by VECOM INTERNATIONAL SA Luxemburg (capital Lux F 100,000), which deals in chemical products has formed a West Germany subsidiary VECOM GmbH VERTRIEBSGES. FUR VECOM-ERZEUGNISSE in Bremen (capital DM 20,000 - manager M.H. Reinecke). The group (see No 333) recently formed a subsidiary in Rouen, VECOM FRANCE SA (capital Ff 12,000).

** Two Dutch paint manufacturers, TOLLENS & CO NV, Rotterdam, and NV INDUSTRIEMIJ "AMSTELLIN", Aseen, are consolidating their research and production association by a financial move, which means that Tollens will take over the other firm. It was founded in 1748 and has become known for its paints for use in the house - and shipbuilding industries. For its part, Amstellin was formed in 1928 and has concentrated on paints for estate-builders.

** BADISCHE ANILIN-EN SODA FABRIK AG, B.A.S.F., Ludwigshafen, W.Germany (see No 343), as part of the reorganisation of its international sales network, has taken over some of the business of ALLIED COLLOIDS LTD, Bradford, Yorks (chairman until now Mr A. Swift; see No 189), in which it has held a minority shareholding since 1961 (see No 120). Allied Colloids, which for many years has handled the German firm's British sales of colourings and various other chemical products, has now been dissolved: part of its business has gone to BASF CHEMICAL LTD, London, which thus becomes BASF-UK LTD and to its 30% subsidiary, BRADFORD CHEMICAL CO LTD, Bradford (controlled by BASF). The rest has been taken over by a former subsidiary ALLIED COLLOID MFG CO LTD, Bradford (chairman Mr J. Dawes), which is controlled at 56% by its directors and their family (BASF holds no shares in this firm).

** THE QUAKER OATS CO, Chicago has opened a subsidiary in Brussels, QUAKER FURANS NV (capital Bf 500,000; director M. T. Zaaijer, Voorburg, Netherlands). It is to concentrate on the manufacture of furfurylic alcohols used in such industries as rubber, textiles and petrochemicals.

Quaker Oats is a large group which makes foodstuffs, cereals, petfoods and chemicals related to their manufacture (see No 208). Since 1963 it has had a branch in Brussels for its subsidiary in Rotterdam and Ijmuiden, QUAKER OATS-GRAADPRODUCTEN NV. Apart from this it has a number of factories throughout Europe which are run either by companies formed for the purpose or by firms it has taken over: EVIDO NV, Amsterdam (since 1960); VLEESCHWARENHANDEL EQUINOX NV, Rotterdam (whose subsidiary EQUINOX NV, Molenbeek-Saint-Jean, Belgium holds shares in VLEESWARENFABRIEK VAN AUSLOOS & CO NV, Wiloele); QUAKER OATS (FRANCE) SA, Paris (Mr F. Whitmarsh was recently made its president; M. P. Batty director); QUAKER NAHRMITTEL GmbH, Grevenbroich, West Germany; PRODOTTI QUAKER ITALIANA SpA, Valvasone, Udine; QUAKER OATS LTD, Southall, Middx. and Whitehaven, Cumberland; A/S OTA DE FORENEDE HAVRE- & RISMOLLER, Copenhagen and Nakshov; SUTHERLANDS FOODS LTD, Sheffield (taken over at the end of 1964). It also has several subsidiaries selling foodstuffs in West Germany: QUAKER OATS GmbH etc and in Sweden: QUAKER OATS CO A/B etc.

** ARCHER-DANIELS-MIDLAND CO, Minneapolis, Minnesota, (see No 317) has formed a sales and manufacturing subsidiary in West Germany to handle industrial chemicals, especially for iron and steel (trademark: "ADM Chemicals"). The new company (capital DM 40,000) is to be called ADM GIESSEREI CHEMIKALIEN GmbH, Hilden; its manager is Herr A. Muller, Hilden.

The American company, which achieved a 1965 turnover of $323 millions, already has one subsidiary in West Germany, making resins and plastics, SCADO-ARCHER-DANIELS GmbH, Ruhle, Meppen. It has various other large interests in Europe, especially in Belgium, Britain, the Netherlands, Spain and Sweden, (see No 267).

** U.C.B.-UNION CHIMIQUE SA, Brussels, a member of the group SOLVAY & CIE Scs, Brussels (whose president is Baron Charles-Emmanuel Janssen; see No 342) recently became an indirect associate of WITCO CHEMICAL CO INC, New York (see No 273) in the Drogenbos, Belgium, firm of ARGUS CHEMICAL NV (see No 107). The latter makes stabilizers and additives for plasticizers, silicones, acrylates, heavy phthalates etc. Solvay's direct associate in the venture is ARGUS CHEMICAL CORP, Brooklyn, New York (president Mr W.E. Leistner) which was bought up by Witco for $ 12 millions and made a direct subsidiary. Argus itself has been an associate of U.C.B. since 1958, and has a number of subsidiaries and associated companies in the USA and in the EFTA countries, as well as various agents, concessionnaires and representatives such as: STE DE CHIMIE ET D'ENTREPRISE SA, Paris (in the U.C.B. group); OMYA MAHLWERK GmbH, Cologne; LANKRO CHEMICALS LTD., Eccles, Lancs etc.

Witco makes synthetic products, industrial detergents, sulfonates, polyethers and so on. In 1964 it took over the Belgian firm STE DES PRODUITS SYNTHETIQUES ADJUBEL SA, Lambeck-les-Hal (see No 242), which it made its subsidiary for the Benelux countries. Its other European interests are as follows: WITCO CHEMICAL (FRANCE) SA, Paris, which it formed in 1950 (capital recently raised to Ff 500,000) WITCO CHEMICAL NEDERLAND NV, Amsterdam (formed in June 1965); WITCO-GOUDA STEARATEN NV, Gouda, Netherlands (which is affiliated to UNILEVER NV: see No 125); WITCO CHEMICAL ITALIANA Srl, Milan (which is directly controlled by WITCO CHEMICAL CO LTD, London: manager Mr R. Schacklady) etc. Through its 20% associate CONTINENTAL CARBON CO, New York (see No 210), which is controlled by CONTINENTAL OIL CO, Houston, Texas (see No 313), it has links with various French, Dutch and Italian companies making carbon black.

** HOOKER CHEMICAL CORP, New York is setting up a manufacturing installation in Belgium designed to produce (for the Common Market countries) agricultural products, pulp, soaps, detergents, equipment for processing metal, protective wrappings etc.

Hooker Chemical Corp, recently opened a branch of its overseas division (HOOKER CHEMICAL CORP INTERNATIONAL LTD, Wilmington, Delaware - see No 347 - which makes plastics and basic chemicals) in Brussels, under the directorship of Mr R. Smith. It has factories in The Argentine, Australia, Canada, Japan and Mexico. In Europe its trade is handled by exclusive agents such as ETS G. ARION Sprl, Brussels (see No 146), INTERORGANA GmbH, Cologne, C.N. SCHMIDT, Amsterdam, RAVAUD & MOUSCADET, Paris, KINGSLEY & KEITH (CHEMICALS) LTD, London, etc.

** FARBWERKE HOECHST AG VORMALS MEISTER LUCIUS & BRUNING, Frankfurt (chemicals etc - see No 347) is joining FOSTER GRANT CO INC, Leominster, Mass in the expansion of its polystyrene plant at Breda (see No 325). Hoechst has taken a 50% share in FOSTER GRANT CHEMIE NV, Breda which runs this factory, now re-named POLYMEER-FABRIEKEN BREDA NV.

The Breda plant employs 60 people at the moment, covers about five acres and has an option on a further thirty: the expansion programme calls for about Fl 35 millions investment and its products will now be sold under the "Hostyren" generic trade-mark used by the German company's sales organisation.

Farbwerke Hoechst is also seeking an industrial site near Vlissingen to build a phosphorous plant (electrothermic process - 400 millions KWH/per annum). This investment will top the DM 70 million mark; the payroll will be 400 workers.

** KON INDUSTRIELE MIJ NOURY & VAN DER LANDE NV, Deventer has increased its holdings in the United States by joining its sister firm ORGANON INC and CHEMETRON CORP, Chicago, Illinois (see No 276 - chemicals and equipment for the chemical industry) in setting up CHEMETRON NOURY CORP to take control of CADET CHEMICAL CORP, New York (factory at Buffalo, New York) and expand its production of organic peroxides for synthetic materials.

The Dutch group is a subsidiary of KON ZWANENBERG-ORGANON NV, Oss (see No 344) and heads a large number of chemical, pharmaceutical and food firms in the Netherlands (see No 239) and abroad (see No 306). It is already engaged in the American chemical and pharmaceutical industry through its two subsidiaries NOVADEL-AGENE CORP and WALLACE & TIERNAN INC. The Dutch group is also linked with J.T. BAKER CHEMICAL CO, Phillipsburg, New Jersey (a member of the group RICHARDSON-MERELL INC, Wilmington, Delaware and New York) in a joint subsidiary in the Netherlands, NOURY-BAKER NV, Deventer which runs a plant making catalysts and highly refined chemicals. Chemetron has several European interests of its own: 60% in ATLAS DEUTSCH-AMERIKANISCHE OELFELDDIENST GmbH, Kiel; 50% in GIRDLER-SUEDCHEMIE KATALYSATOR GmbH, Munich (jointly with SUEDCHEMIE AG, Munich) and a majority holding in PGAC SAHARA SA, Paris through its 77.3% subsidiary PAN GEO ATLAS CORP, Houston, Texas.

** INDUSTRIES CHIMIQUES DE WILSELE NV, Wilsele, Louvain, Belgium (lithophone) has pooled its production with that of an associated Dutch company KON MAASTRICHTSCHE ZINKWIT MIJ NV, Eijsden (see No 310). Chimiques de Wilsele (president M. J. Mirland; director M. G. Ombeleto) has made this move to come into line with the demands of the market and to bring down production costs: it will now only sell lithophone from the Netherlands made by its own methods.

The Dutch firm (capital Fl 10,400,000), which has actually controlled Chimiques de Wilsele for some time also has a majority shareholding in the Belgian firm TRIMETAL PAINT CO BELGIUM NV, Mahdelen, Brabant. In West Germany it is joint owner with DUISBURGER KUPPERHUETTE AG(see No 257), of a zinc oxide paints factory, DEKAMA ZINKOXYD GmbH, Duisburg.

** Four French ceramics companies plan to pool their sales organisations (especially overseas) and have therefore taken equal shares in setting up CIE DE DIFFUSION CERAMIQUE SA, Paris (capital Ff 100,000). The companies are: CIE FRANCAISE DE MOSAIQUE CERAMIQUE DE MAUBEUGE SA, Maubeuge, Nord (capital Ff 1,400,000); L'USINE CERAMIQUE DE DECIZE SA, Decize, Nievre (capital Ff 1,200,000); STE NOUVELLE DE FAIENCERIE DE ROUSIES SA, Rousies, Nord (Ff 780,000); and STE PARISIENNE DE CARRELAGES & MOSAIQUES SA, Paris (capital Ff 120,000).

COSMETICS

** An American firm H. GOODMAN & SONS INC, New York, and a group of Belgian and Dutch firms have formed a company 50-50 in Brussels, GOODY EUROPE SA. This company (capital Bf 2,400,000, 50% of which is held by the American partner) is to have as president Mr. M. Goodman, Neuilly-sur-Seine, and as managing director M. G.C. van Dormael; it is to import and sell perfumes, soaps, toiletries and fancy goods throughout the Common Market. The European firms concerned are KLORSANA SA, Brussels (see No 186), COPAX NV, Brussels and MARFAC NV, Amsterdam.

ELECTRICAL ENGINEERING

** M. F. Vervisch, Menin, Belgium, has formed VERVISCH-FRANCE Sarl, Halluin, Nord, (capital Ff 20,000) to import and distribute electro-mechanical equipment. He will have a 90% shareholding, the remainder going to M. G. Paux, Halluin. The new company is located on the premises of the manufacturing company AUGUSTE VERVISCH, (hemp pulp).

** SEFARA SA, Boulogne-Billancourt, Hauts-de-Seine (capital Ff 1,200,000) which produces about 40% of France's automobile radio and television aerials at its factory in Mouy-sur-Oise, Oise, has formed a company at Saint-Denis, Seine, to manufacture components for radio and television sets, called ANTEL Sarl. The founding company is to retain 80% of the capital (Ff 200,000) whilst the balance goes to M. M. Attal who is contributing patents and machine tools. The new venture is to be managed by M. L. Dieterle who is the sales director of the parent company.

Sefara, whose president is M. A. Wache (with 54% of the capital) has as its other main shareholders (each with 23%) CIE FRANCAISE THOMSON-HOUSTON SA (see No 347) and LAZARD FRERES & CIE Scs (see No 347).

** DOMOWATT SpA, Leini, Gorino, a Belgian firm making domestic appliances (refrigerators and washing machines - see No 346) has opened a branch in Paris to be managed by M. H.M. Fosse. Domowatt has a British president, Mr. C.F. Baumann and for two years has been controlled by THE SINGER CO, New York. At the beginning of February it set up a similar agency in London headed by M. C.W. Ryan.

** SIEDMA SA-STE INDUSTRIELLE D'ECHANGES & DE DIFFUSION DE MATERIEL AERO-SPATIAL, Paris has sold, for a price of Ff 117,000, an import and distribution concession on electrical measuring equipment to MARCONI INSTRUMENT LTD, London and St Albans, Hertfordshire (capital £500,000, president Mr F.N. Sutherland). Siedma (capital Ff 780,000, president Mr A. Hirsch) also represents ENGLISH ELECTRIC CO LTD (see No 313) which controls Marconi and several of its subsidiaries. Since two years ago Siedma has been the exclusive agent in France for Marconi's electronic components for scientific and aeronautical instruments.

** Two firms specializing in domestic electrical appliances SUNBEAM CORP, Chicago (see No 210) and its 51% subsidiary ROWENTA METALLWARENFABRIK GmbH, Offenbach, Main (see No 317) have joined to form ROWENTA COFFEEMAKERS CORP, San Mateo, San Francisco to distribute the "Rowenta" coffee-machines which the German firm has been manufacturing for over 30 years.

Less than a year ago Rowenta formed ROWENTA FRANCE Sarl, Besancon, Doubs in which the founders, which include the Henckroth family, retained 49%. This company has a monthly production of about 200,000 electric household appliances; it is a licensee of COLSTON APPLIANCES LTD, High Wycombe, Buckinghamshire (CHARLES COLSTON LTD group) and covers 60% of the German market for automatic irons and toasters; its other products include boilers, ovens and deep-fryers, washing machines, "Men" pocket lighters, etc.

** The SIEMENS group is undertaking a two-phase reorganization programme in order to achieve improved co-operation between its member companies, both in production and in investment and research; it is also trying to increase its share of the domestic electrical market.

It has turned the sister-companies SIEMENS SCHUCKERTWERKE AG, and SIEMENS REINIGER WERKE AG, both of Berlin and Erlangen, into investment companies, which leased all their industrial assets to a third member of the group, SIEMENS & HALSKE AG, Berlin. This duly became the only manufacturing concern in the group, and took the name of SIEMENS AG.

Siemens Schuckterwerke was the head of a number of firms all dealing with applications of high-tension electricity and which between them employed 148,000 people, achieving an annual turnover of Dm 2,600 million. Siemens-Reiniger made precision and medical electrical instruments, had 9,400 on its payroll and did a turnover of Dm 225 millions.

SIEMENS ELEKTROGERAETE AG, Berlin and Munich, (owned by Schuckterwerke and Siemens & Halske with 73% and 27% respectively : see No 326) and its sales subsidiary CONSTRUCTAWERKE GmbH, Düsseldorf (see No 331), which makes household electrical appliances (notably washing-machines) are to be the pivot of the alliance already negotiated between Siemens and the ROBERT BOSCH group, Stuttgart, (see No 331) in this field and also in radio and television sets.

The alliance will take the form of a "community of interests" established through a company to be named INTERESSENGEMEINSCHAFT SIEMENS-BOSCH. It will handle their domestic appliances business, which in the case of the first means a Dm 835 millions turnover and a payroll of 12,100 personnel, and in the case of the second calls for the supervision of the three subsidiaries involved: ROBERT BOSCH HAUSGERAETE GmbH, Stuttgart, (household appliances); BLAUPUNKT-WERKE GmbH, Hildesheim ("Point Bleu" radio and television sets; see No 243); and JUNKERS & CO GmbH, Wernau, Neckar (electric and gas cookers). The group thus formed will realise a total turnover of Dm 750 millions and have a total labour force of 16,000 people.

** Sig L. Mora is the main founder of PAN-ELECTRIC STE BELGE Sprl, Ixelles-Brussels, which has been formed recently (capital Bf 200,000) by the Italian electrical engineering firm PAN-ELECTRIC SpA, Novara (see No 342) to prepare and carry out electrical projects involving electric indicators, anti-flash material, control instruments etc. Sig C.F. Bruno of Forest-Brussels, a minority shareholder, and Sig Mora of Novara are joint managers of the new company.

PAN-ELECTRIC SpA (capital Lire 200 million, president Dr G.M. Capuani) recently formed a subsidiary in Paris: PAN ELECTRIC Sarl and has another in Barcelona, formed in 1965, PAN ELECTRIC IBERICA SA.

** MANZOCCHI VERONESE & CO Sas San Donato, Milan has been formed with finance up to Lire 2.5 million by Turin and Milanese interests for the promotion and exclusive distribution in Italy of "Piccolo" electric mac hines and equipment made by the German firm ELECTRO-AS GmbH, Hamburg. Sig S. Manzocchi and Sig C. Veronese (who have each put up 10%) will manage the new firm. The German firm is represented in the Netherlands by a manufacturing subsidiary ELECTRO-AS NV, Amstelveen (capital Fl 2 million).

** ADA (HALIFAX) LTD, London (see No 215 - machine-tools, refrigerators and washing-machines) has taken a 25% interest in two subsidiaries of THE HURST PARK SYNDICATE LTD, London: VIEWSPORT LTD and TELECIRCUIT LTD which will be able to expand considerably in the field of closed-circuit television. Ada is controlled by NV PHILIP'S GLOEILAMPENFABRIEKEN, Eindhoven (see No 343) through PHILIPS ELECTRONIC & ASSOCIATED INDUSTRIES LTD, London.

Ada itself directly or indirectly controls about ten British companies and its sister-firms in Britain include PETO SCOTT ELECTRICAL INSTRUMENTS LTD, Weybridge, Surrey; PHILIPS CROYDON WORKS LTD, Croydon, Surrey; PHILIPS HAMILTON WORKS LTD, Hamilton, Lanarkshire; and in London PHILIPS ELECTRICAL LTD, PHILIPS RECORD LTD, RESEARCH & CONTROL INSTRUMENTS LTD and INTERTHERM LTD (in which REDIFON LTD, London - a member of the REDIFFUSION LTD, London group, see No 245 - has an interest).

ELECTRONICS

** THE SIMCO CO INC, Landsdale, Pennsylvania, has formed its first Common Market subsidiary in the Netherlands: SIMCO (NEDERLAND) NV, Lochem. The new company will set up and run an organization of representatives and agents throughout the Common Market and also in Greece and Turkey. Its Fl 500,000 capital is owned 51.66% by the parent company which is associated with two Dutch manufacturers Mr H.H. Kors (46.66%), director and Mr H.B. Kors (1.66%). The Simco Co makes electrical, electronic, mechanical and medical apparatus; and measuring and control instruments, mainly for static electricity and its elimination, and for ionization of air.

** MOTOROLA INC, Franklin Park, Illinois (see No 344) and SA POUR L'EQUIPMENT ELECTRIQUE DES VEHICULES-SEV MARCHAL, Issy-les-Moulineaux, are about to form a joint manufacturing subsidiary for semiconductors, which is to build and run a factory on the industrial estate at Mirail, Toulouse. It is to cater for the whole European market, especially through the newly-formed Geneva centre (see No 308), and will have an initial payroll of some 500 people, whose number will be increased to 2000 by 1970.

Motorola is already linked with SEV Marchal as a 33.3-66.6 co-owner of a firm making electronic alternators and lighting and semi-conductors for motor cars, SEV-MOTOROLA SA, Issy les Moulineaux, Hauts de Seine, which has a factory at Blois, Loir et Cher. SEV Marchal, amongst whose shareholders are REGIE RENAULT SA, Boulogne, Billancourt (see No 347) and the Paris group SA ANDRE CITROEN (see No 335) has eight factories: two at Issy les Moulineaux, and others at Argenteuil, Val d'Oise; Asniere, Hauts de Seine; Pantin, Seine-Saint-Denis; Blois; Marignier, Haute Savoie and Rio de Janeiro. In the other European countries the Motorola group as yet has only one subsidiary, MOTOROLA SEMICONDUCTOR PRODUCTS SA, and one branch of MOTOROLA OVERSEAS CORP, Chicago: both of these are at Meyrin, Geneva.

** C.P. CLARE & CO, Chicago - which its parent company UNIVERSAL CONTROLS INC, New York intends to sell to I.T.T. - INTERNATIONAL TELEPHONE & TELEGRAPH CORP - has formed a subsidiary in Munich to make and sell electronic control equipment - C.P. CLARE ELECTRONICS GmbH (capital DM 100,000). The manager of the new company will be M.H. Nowak, one of the directors of the group's Belgian subsidiary C.P. CLARE INTERNATIONAL N.V., Tougeren which in November 1965 opened a branch in London.

C.P. Clare (which runs factories in Chicago and Fairview, North Carolina) has wide interests in Europe which include a sales subsidiary in the Netherlands, formed in 1959: UNIVERSAL CLARE INTERNATIONAL MIJ NV; a manufacturing subsidiary in London: C.P. CLARE LTD. The group also controls C.P. CLARE (CANADA) LTD, UNIVERSAL CLARE DE ARGENTINA SA and UNIVERSAL CLARE DEL URUGUAY SA.

ENGINEERING & METAL

** EUROMECA GmbH WERKZEUGMASCHINEN & ERZEUGNISSE DER METALLVERARBEITENDEN INDUSTRIE (capital Dm 20,000) has been formed at Kehl by French concerns headed by M.M. Strassberg of Neuilly-Plaisance, Seine-Saint-Denis. The new firm is to trade in optical and electronic precision instruments. It has no connections with the French firm EURO-MECA CIE EUROPEENNE DE MECANIQUE SA, Vitry, Val-de-Marne, which is a metalworking and electromechanical concern with a factory at Corru, Orne.

** THYSSEN-ROEHRENWERKE AG (formerly PHOENIX-RHEINROHR AG VER HUETTEN- & ROEHRENWERKE, Düsseldorf - see No 339) is negotiating the purchase of a 50% shareholding in the capital (now doubled to DM 60 million) of STAHL- & ROEHRENWERK REISHOLZ GmbH, Düsseldorf, Reisholz (see No 265). At the same time it is making over to the latter its factory at Hilden and its 100% subsidiary WURAGROHR GmbH, Wickede, Ruhr, which makes precision and sectional steel tubes. This will make Thyssen-Röhrenwerke a 50-50 associate of the THYSSEN-BORNEMISZA group (see No 339) which at present has complete control of Stahl- & Röhrenwerk Reisholz (mainly through the holding company BANK VOOR HANDEL & SCHEEPVAART NV, Rotterdam).

Thyssen-Röhrenwerke is a 95.3% subsidiary of ATH-AUGUST THYSSEN-HUETTE AG, Duisburg, Hamburg (see No 346) and is in the course of expanding its production capacity for welded and unwelded precision tubing. Once the present operation is complete Stahl- & Röhrenwerk Reisholz will be catering for about a third of the German precision tube market: Its main competitors are MANNESMANN AG, Düsseldorf, OTTO WOLFF AG, Cologne, FLICK group etc.

** A company is being formed at Villeurbanne, Rhone (president M.M. Martin) to centralize the distribution department for machines to make and shape corrugated cardboard produced by MARIUS MARTIN SA, Villeurbanne and SFAC - STE DES FORGES & ATELIERS DU CREUSOT SA, Paris (see No 339). The firm, which is highly specialized in the production of this kind of equipment has a sales network covering the whole of Europe, the Lebanon and South America. The latter has a factory for this type of manufacture at Nantes, and another at Rouen which it acquired on taking over SOFIPAG-STE INDUSTRIELLE & FINANCIERE DE PARTICIPATION & DE GESTION SA, in 1964.

** EUGEN LAIBLE KG BADEAPPARATEFABRIK, Ulm, Germany, (water heaters) has formed a sales and service subsidiary in Vienna by the name of BRUCKNER & NOWAK GmbH (capital Sch 100,000 - managers Messrs H. Bruckner, Ulm and W. Nowak, Vienna).

** FRIED.KRUPP, Essen (see No 345) which has re-grouped its iron and steel business around FRIED.KRUPP HUETTENWERKE AG, Bochum (see No 332) has decided to back a plan to build a large iron and steel complex in Spain (Asturias), which will have an annual capacity of some 3,500,000 metric tons. As a result it has bought 10% in the new firm UNIMSA (capital Ptas 5 million). The other shareholders in this firm are the metal firm SDAD INDUSTRIAL ASTURIANA SANTA BARBARA, Oviedo, DURO FELGUERA SA, La Felguera, the state owned company UNI-INSTITUTO NACIONAL DE INDUSTRIA and a group of Spanish bankers, (each with 10%). Besides its financial interest in this venture Fried.Krupp is also to be closely involved with the building of the factory, which will require an investment of some Ptas 3,000 millions.

** The German machine-tool firm WILHELM HEGENSCHEIDT KG WERKZEUG-MASCHINENFABRIK, Erkelenz has formed a Swiss management company PORTAL GmbH, Zug (capital Sf 40,000). Hegenscheidt has 80% control in association with Herr A. Iten, Zug (8%), Herr H. von Salis, Zollikon (6%) and Herr E. Loser, Kusnacht (6%).

** VESELY CORP, Lapeer, Michigan (through its Belgian subsidiary VESELY CORP SA which was formed in 1964 to make materials and transport for camping etc at Nessonvaux - see No 272), and which has an annual turnover of about $6 million has formed a sales subsidiary in Frankfurt, VESELY CORP GmbH.

** SCHOELLER WERK KG, Ellenthal, Eifel a German company trading in metal has formed a subsidiary in Brussels to import ferrous and non-ferrous metals, stainless steel and industrial products. It is to be called SINOX SA, (capital Bf 300,000 - president M. A. Schöller and director M. R. Vandervelve). Almost all the capital has been furnished by M. A. Tiberghien (manager of GESTIO Sprl, Brussels, which is a minority shareholder) whilst the balance has been found by the owners of the parent company.

** H. JUNGHEINRICH & CO MASCHINENFABRIK GmbH & CO KG, Hamburg which makes materials handling equipment, especially fork-lift trucks has added to its French installations by forming a manufacturing subsidiary at Creutzwald, Moselle, JUNGHEINRICH, CONSTRUCTIONS MECANIQUES Sarl (capital Ff 100,000 - manager M. K. Rosenkranz).

The German company, whose annual turnover exceeds DM 50 millions, already has a marketing subsidiary in France (capital Ff 200,000), AMEISE Sarl, Arcueil, Val-de-Marne (see No 174). It has three other sales subsidiaries abroad: AMEISE (NEDERLAND) NV, Pijnacker (see No 255), AMEISE GmbH, Aarau, Aargau (a member of the holding group VERAM GmbH), and JUNGHEINRICH MASCHINENFABRIK GmbH, Vienna.

** COMETA SA, Taverny, Val-d'Oise, with a branch at Roubaix, (capital Ff 900,000) which trades in non-ferrous metals has formed a subsidiary in Duisburg by the name of COMETA GmbH. The latter (DM 20,000) is to be managed by Messrs P. Hermann (president of the French company), and G.S. Moore, Ville d'Avray, Hauts-de-Seine, and Herr U. von Borck, Rumeln, Kaldenhausen.

** C.A.F.L.-CIE DES ATELIERS & FORGES DE LA LOIRE SA, Paris, (see No 324) - controlled 75.4% by CIE DES FORGES & ACIERIES DE LA MARINE DE FIRMINY & DE SAINT-ETIENNE SA, (see No 348) - is strengthening its links with ATELIERS DE CONSTRUCTIONS MECANIQUES DE VEVEY SA, Vevey, Vaud., by the formation of a 50-50 subsidiary. The Swiss company (capital Sf 12 million) has factories at Vevey and Villeneuve making hydraulic turbines, heavy welding and lifting gear, motors, heaters, railway equipment, apparatus for the chemical and food industries etc. It is already a licencee of C.A.F.L. with which it has a joint special research department. C.A.F.L. is re-grouping its cutting tools department and that of several of its associate companies (factories at Firminy and Saint-Chamond, Loire) in a new company HOLTZER-OUTILLAGE SA, Saint-Etienne.

** KON. ZOUT-KETJEN NV, Hengelo (see No 347) is trying to take over the only zinc factory in the Netherlands, NV KEMPENSCHE ZINKMIJ, Budel (see No 306), the main shareholder in which is SEPULCHRE FRERES & CIE Sca COMPTOIR BELGE INDUSTRIEL & COMMERCIAL, Auderghem. About two years ago the latter became a 35% founder shareholder in ZINC-ORGANON NV, when it was formed in Budel, a venture upon which it embarked with KON. ZWANENBERG-ORGANON NV, Oss (35%), IMPERIAL SMELTING CORP LTD, London (a member of the group RIO TINTO-ZINC CORP LTD, London - 25%) and BANQUE DE PARIS & DES PAYS-BAS (5%), which is now completing the construction of a factory to make about 15,000 metric tons a year of industrial fluoride chemicals.

** FAGERSTBRUKS AB, Fagersta, the Swedish metal group which makes special steels and various tools has formed a marketing company in Rotterdam, FAGERSTA STAAL NV, all the capital of which (Fl 250,000) it is to retain. It already has a number of subsidiaries in the Common Market countries: in France - ACIERS FAGERSTA SA, a sales concern and FAGERSTA-SECO Sarl a manufacturing company with a factory at Bourges, Cher., both of which are based at Gennevilliers, Hauts de Seine; in West Germany - STAHLWERK WESTIG GmbH, Unna, which makes special steels (80% subsidiary with 20% held by the German engineer H. Poellein), and FAGERSTA STAHL GmbH, Dusseldorf, a sales company.

** AUTOMATIC SPRINKLER CORP OF AMERICA, Youngstone, Ohio, which specialises in fire-resistant materials has wound up the subsidiary it formed in France in July 1965 (see No 317) called SWISS-AUTOMATIC SPRINKLER-FRANCE Sarl, Vitry, Val-de-Marne (initial capital Ff 10,000 later raised to Ff 100,000). The American company still sustains its Common Market interests with AUTOMATIC SPRINKLER ITALIANA SpA, Fieve Fissiraga, Milan (capital recently raised from lire 1 million to lire 30 million) and with PETROLEUM FIRE PROTECTION SA, Brussels (see No 271).

** DONALDSON CO INC, Minneapolis, Minnesota (see No 163) which makes air filters for engines has formed a sales subsidiary in Brussels called DONALDSON CO SA (capital Bf 1 million - president Mr F.A. Donaldson; director Mr A.J. Laleman). This firm is to handle silencers, and mechanical, electrical and chemical material used in air, gas or liquid purification.

Donaldson Co Inc, which is known for its "Cyclopac" and "Full View" silencers and filters has had a sales and manufacturing subsidiary in Western Germany since 1962, HENGST & DONALDSON CO INC GmbH, Münster, Westfalen.

** The Swiss company ELECTROPLATING ENGINEERS SA, Carouge, Geneva (linked with SEL-REX CORP, Nutley, New Jersey) has formed wholly-owned Dutch subsidiary ELECTROPLATING ENGINEERS (NEDERLAND) NV, Helvoirt. Like its parent company this firm (capital Fl 500,000) will set up, develop and run installations and processes for the treatment of precious and rare metals.

The American company has two wholly-owned subsidiaries in Europe, SEL-REX INTERNATIONAL SA, Vernier, Geneva, for worldwide development and distribution (except in the USA and Canada) of all kinds of processes (especially "Sel-Rex" processes) for the treatment of precious and rare metals, and SEL-REX (U.K.) LTD, Slough. The group also has large shareholdings in ELECTROPLATING ENGINEERS GmbH and ELECTROPLATING ENGINEERS (U.K.) LTD.

FINANCE

** CREDIT PRIVE SA, Paris (formerly CREDIT ALGERIEN - see No 283) is trying to re-group with HEINE & CIE Scs (bankers) whose associate directors are M. R. Bechmann, a director of BANQUE OTTOMANE SA (see No 319) and its subsidiary BANQUE DE SYRIE & DU LIBAN, and MM J. Bechmann and R. Heine.

Credit Prive (capital Ff 3,450,000) is a member of the group MM DE ROTHSCHILD FRERES SA (see No 348) and since January 1965 has had a 25% interest in BANQUE MARTIN MAUREL SA, Marseilles which it acquired from STE FRANCO-BRITANNIQUE DE PARTICIPATIONS SA, Paris (also linked with the Rothschild group).

** EMPAIN & CIE D'OUTREMER POUR L'INDUSTRIE & LA FINANCE SA, Brussels, as a result of its buying up BANQUE LAMBERT's 20% shareholding in ELECTRORAIL SA, Brussels (see No 346) has gained control of CIE BELGE POUR LES INDUSTRIES CHIMIQUES SA, Brussels (see No 82). It intends to absorb the latter, together with another affiliated investment company CIE AUXILIAIRE D'ELECTRICITE SA, Ixelles, Brussels (see No 316), whose main shareholders are INTERCOM SA, ELECTROGAZ SA, etc.

At the same time Empain & Cie D'Outremer Pour L'Industrie & La Finance has sold the minority shareholding it had in CIE BELGE POUR LES INDUSTRIES CHIMIQUES (member of the glass group VERLICA-MOMIGNIES SA, Brussels - see No 250). Other shareholders in this firm are FINANCIERE DU LITTORAL SA and ELECTRORAIL SA. In exchange for this Empain & Cie D'Outremer Pour L'Industrie & La Finance has taken a minority shareholding in INTERCOM-STE INTERCOMMUNALE BELGE DE GAZ & D'ELECTRICITE SA, Brussels, (see No 331). This investment company, which controls a lot of Belgian's public services has, over the last few months, been pursuing a policy of amalgamation with the other firms in its group. It has already merged with BMGE, Bruges; ENB, Malines; EGEB, Verviers; HENELGAZ, Charleroi and SOBRUGAZ, St-Josse-ten-Noode and is planning to amalgamate with GAZ DU TOURNAISIS-ECLAIRAGE; CHAUFFAGE & FORCE MOTRICE DE TOURNAI & EXTENSIONS SA, Brussels; CIE D'ELECTRICITE DE LA DENDRE SA, Brussels and STE D'ELECTRICITE DU CANTON DE LENS SA, Brussels.

** Reorganization in the banking group VERNES & CIE Snc, Paris has resulted in OMNIUM PARTICIPATION SA (capital Ff 978,000) taking over CIE D'ETUDES & DE PARTICIPATIONS INDUSTRIELLES DU GARD SA (capital Ff 780,000). Omnium Participation was formed in May, 1965 (see No 317) after the split-up of OMNIUM INDUSTRIEL, IMMOBILIER & COMMERCIAL SA, Paris (capital Ff 3,910,000) which also benefitted the investment company CENINVE SA, Paris whose capital of Ff 38 million will be raised to 50 million after taking over certain assets from CIE CENTRALE DE DISTRIBUTION D' ENERGIE ELECTRIQUE SA, Paris. The Vernes group recently increased it capital from Ff 5 million to Ff 12 million and has now sold 20% of its capital to STE PARISIENNE DE PARTICIPATIONS SA (formerly BANQUE FRANCAISE D'OUTREMER, Paris) in exchange for the latter's banking department (see No 333).

** BANCA CATTOLICA DEL VENETO SpA, Vicenza (president Dr M. Spada, vice-president of BANCO DI ROMA and BANCA PROVINCIALE LOMBARDA) has gained control of BANCA TRIESTINA, Trieste which has quadrupled its capital to Lire 224 million. The Vicenza bank (capital 1.5 million since last year) has about forty offices and agencies and more than one hundred branches; at the end of 1965 its total savings deposits were Lire 184,000 million and investments were Lire 103,000 million.

** GENERAL MOTORS ACCEPTANCE CORP, New York, which is a finance company for agencies distributing cars made by GENERAL MOTORS CORP, Wilmington, Delaware (see No 293) has converted its Rotterdam office into a subsidiary called GENERAL MOTORS ACCEPTANCE CORP, NEDERLAND NV, (capital Fl 500,000 - director Mr F.C. Baker).

OIL, GAS & PETROCHEMICALS

** ETS KUHLMANN SA, Paris (see No 345) and PLASTUGIL-PLASTIQUES ELÁSTOMERES UGINE-PROGIL, Paris (see No 331) are forming a 50-50 subsidiary KUHLMANN-PLASTUGIL SA, Paris (capital Ff 2 million). Both the founders are engaged in producing plastic materials (mainly polyvinyl chloride). Plastugil is a 50-50 subsidiary of PROGIL SA (see No 341) and STE D'ELECTROCHEMIE, D'ELECTROMETALLURGIE & DES ACIERIES ELECTRIQUES D'UGINE SA (see No 347).

Kuhlmann and Progil are already equal associates in the carbon disulphide company which they formed in 1928: PROGIL KUHLMANN SA, Paris. (capital Ff 700,000).

** PETROFINA SA, Brussels (see No 343) intends to exchange some of its own shares for increased control of three of its largest foreign subsidiaries: it will now have almost full control of PETROCOM-STE COMMERCIALE BELGE DES PETROLES SA (formerly STE DES PETROLES AU CONGO SA - see No 332) in which a minority holding is owned by CCCI-CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE SA, Brussels, and of AMERICAN PETROFINA INC, New York (see No 327); and it will raise to 74% its holding in CANADIAN PETROFINA LTD, Montreal (see No 257). The Belgian group already owns about 61% of American Petrofina through its American Petrofina through its

American holding company AMERICAN PETROFINA HOLDING CO and Canadian Petrofina in which it reduced its holding from 86% to about 60% two years ago in order to bring tax on its income from the Canadian company down to 10%

This latest action is the result of the operation carried out in 1963 when the group increased its interests in these three oil companies (see No 220) in exchange for some of its own shares and the balance in kind to the stockholders in the American and Canadian companies (Petrofina then owned 35% of the former PETROCONGO, 29% of American Petrofina and 39% of Canadian Petrofina). American Petrofina (net income $ 4.6 million in 1965) has four refineries in Texas and Kansas and a sales organisation with more than 3,000 sales points in fifteen American states; Canadian Petrofina (net income $ 8.5 million in 1965) is engaged in prospecting for and producing oil and gas (380 wells). It refines and distributes its products through a network of 1,800 stations.

PAPER & PACKAGING

** The formation in November 1964 of STERILBOX Sarl, La Courneuve, Seine-St-Denis (capital Ff 100,000, manager M.M. Gateau) to manufacture plastic packing materials has now been supplemented by a sales company, STERILBOX DISTRIBUTION SA on the same site and with similar capital. The shareholders in the new company are CIE FRANCAISE DU MONOSERVICE SA, Paris (capital Ff 2,722,000); ALCA SA, Paris (capital Ff 1,500,000); SERUP SA, Boutheon, Loire (capital Ff 100,000) and MARC GATEAU SA, Courbevoie, Hauts de Seine, each with 19%; and M.G. Mercieca, a manufacturer of Saint Claude, Jura (19%), Sterilbox Sarl (3%) and M.E. Goffaux (2%).

Francaise du Monoservice which makes plastic-bonded waterproof containers and packing for foods at its factory at Rousset, Bouches du Rhone is owned by the banks BANQUE DE PARIS & DES PAYS-BAS SA (see No 345), LEHMAN BROTHERS INTERNATIONAL LTD (see No 296), STERN & CIE Scs, Paris and PICTET & CIE, Geneva (see No 336); and the companies CONTINENTAL CAN CO INC, New York (see No 312). PRENATAL SA, Paris (see No 327), etc.

** CIE DE SAINT-GOBAIN SA, Neuilly, Seine (see No 347) and VERRERIE SOUCHON-NEUVESEL SA, Lyons (which is being taken over by GLACES DE BOUSSOIS SA, Paris - see No 346) have joined 50-50 to form SEDAPAC-STE EUROPEENNE POUR LE DEVELOPPEMENT DE L'EMBALLAGE SA (capital Ff 2 million). The two founders are already equal associates in SEPROSY-STE EUROPEENE POUR LA TRANSFORMATION DES PRODUITS DE SYNTHESE SA, Paris (factory at Lagnieu, Ain) and the new company will be based on Seprosy's premises. It will make machines and equipment for the manufacture of packing materials (mainly plastic bottles)

PLASTICS

** GENERAL FOAM CO, New York (see No 284) has sold its know-how on flexible urethane foams to the French firm NOBEL-BOZEL, Paris (member of the group STE CENTRALE DE DYNAMITE SA; see No 332). Some months ago the French firm made over certain of its divisions to a new subsidiary, MOUSSE FRANCE SA, Paris (capital Ff 3,800,000; see No 278); these were its "Foam Plastics" department at Brionne, Eure, and the division making "Supplex" and "Triaflex" flexible pipes at Villetanneuse, Seine-Saint-Denis.

The American group has had an interest in the Common Market for over a year, since it joined with CROWN RUBBER CO, Fremont, Oregon, to form CROWN-GENERAL INTERNATIONAL NV, which makes latex foam and vinyl products for the textiles industry.

** IMPERIAL CHEMICAL INDUSTRIES LTD, London, and SOLVAY & CIE SCS, Brussels, have agreed to complete the fitting-out of their Common Market P.V.C. factories. This will be done through their joint subsidiary SOLVIC-SA POUR L'INDUSTRIE DES MATIERES PLASTIQUES, Ixelles, Brussels (see No 339). The new installations, which will be making monomeric vinyl chloride, are to concentrate on applications for ethylene. They will have an annual capacity of some 100,000 metric tons (and potentially double that) and be of a similar type to the ones that SOLVIC SA, the French sister-company (see No 266) built at Tavaux, Jura. The latter draws its ethylene from Feyzin, Rhone through a 275-kilometre pipeline.

** NATIONAL DISTILLERS & CHEMICAL CORP., Richmond, Virginia, has decided to make Antwerp its administrative, technical and business centre and transfer its European headquarters to Zwijndrecht, where it is building a polyethylene resins factory with a capacity of 105 million pounds. This will require an investment of about Bf 1000 millions, (see No 315). At present its European centre is at Baar, Switzerland, where it built its research laboratories for "Petrothene" polyethylene in 1961.

The American group has two Swiss subsidiaries, SHORKO INVESTING AG, Baar, Zug, and SHORKO LICENSING AG, which have bought up the business interests of USI INTERNATIONAL AG (formed in 1959; see No 95). It shares the ownership of both of these 50-50 with NV BATAAFSCHE PETROLEUM MIJ, the Hague (a member of the ROYAL DUTCH SHELL group). Its wholly-owned subsidiary ATLANTIC POLYMERS NV (formed in 1965 in Brussels; see No 305) is to assume responsibility for the new Zwijndrecht factory, which will be built and equipped by CTIP-CIA TECNICA INDUSTRIE PETROLI SpA, Rome. National Distillers has a Belgian subsidiary making polyilefine threads and films, called SHORKO-THOMASSEN EN DRIJVER NV, Bronem, Antwerp, direct control of which is shared 60-40 by SHORKO INVESTING AG, Baar, on the one hand, and THOMASSEN EN DRIJVER, VERBLIFA NV and KUNSTSTOFFEN INDUSTRIE AMSTERDAM NV, Deventer. Its direct or indirect interests in Europe are: A.E. RUYS HARLEEM NV, Netherlands (see No 232); BEMBERG-SHORKO GmbH, Wuppertal, West Germany (see No 305) and SHORKO METAL BOX LTD (formerly SHORKO PACKAGING UK LTD), Swindon, Britain (see No 148).

RUBBER

** THOMPSON AIRCRAFT TIRE CORP, San Francisco, California is going to distribute, recondition and make tyres for aeroplanes, lorries, cars and all kinds of vehicles in the Common Market. The American company headed by Mr V.W. Sanders, Mr E.J. Georgia and Mr K.G. Thomas, has formed a subsidiary in Brussels: THOMPSON AIRCRAFT TIRE CORP BELGIUM SA (capital Bf 500,000), managing director Mr Georgia.

TEXTILES

** BAYERISCHE STAATSBANK, Munich (see No 306), a bank controlled by the Land of Bavaria, is strengthening its links with a number of cotton-spinning and weaving companies. Its main interests in the industrial sector are: 50% in KAMMGARNSPINNEREI & WEBEREI AG WILHELMSHAVEN, Wilhelmshaven (capital DM 4 million); 50% in BAUMWOLLSPINNEREI SPEYER AG, Speyer (capital DM 1,500,000); 35% in NEUE BAUMWOLLSPINNEREI & WEBEREI HOF AG, Hof (capital DM 10 million); 30% in PFAELZISCHE TEXTILINDUSTRIE OTTERBERG AG, Otterberg (capital DM 1 million); and 25% in BAUMWOLLFEINSPINNEREI AG, Augsburg (capital DM 1,470,000).

** The Belgian firm ETS DE JAEGHER ET FILS NV, Courtrai, has formed a 50-50 subsidiary with CALIFORNIA LATEX CORP, Los Angeles, (headed by Messrs M. Emery and M. Mand) called JATEX MAND NV (capital Bf 1 million) at Heule. The new company is to make and sell clothing, carpets and furnishing fabrics made from natural and synthetic fibres and materials. The American holding is shared by Mr E.M. Mand, the Los Angeles firm and its subsidiary ANCHOR LEASING CORP, Los Angeles.

** BEDBURGER WOLLINDUSTRIE AG, Bedburg, Cologne, has passed from the ownership of the heirs of Herr B. Brunnstrom to that of Herr H. Lorenz, who had acquired 56% of the shares, through H. LORENZ KOMMANDITE, Aachen. The other appointed shareholders are Messrs K. and G. Geupel (26%), through TUCHFABRIK KARL GEUPEL KG, Aachen.

Bedburgers (capital DM 3 millions) had been in difficulties for some time, but the new owners plan to re-establish it as a producer of dress materials and car upholstery. Both H. Lorenz and Tuchfabrik are makers of woollen fabrics: the former has subsidiaries at Aachen, HANZ LORENZ GmbH, and Berlin, TEXTILGES. LORENZ KG, and LORENIT STOFFE GmbH & CO, KG.

** THE JAEGER CO's SHOPS LTD, London, a member of the JAEGER HOLDINGS LTD group of London (see No 253) which manages the group's shops and supplies them with ready-mades and fashion goods, has transferred various assets in kind to the group's French company HENRY A LA PENSEE SA, Paris, whose capital has been raised to Ff 600,000.

The Paris company which specialises in off-the-peg clothes has been linked for some time with the British group and for two years has been distributing Jaeger's off-the-peg clothes. It is responsible for wholesale supplies to retailers in France and abroad. In July 1964 two firms were formed to carry on this same line of business: LES EXCLUSIVITES HENRY A LA PENSEE (CANNES) Sarl and LES EXCLUSIVITES HENRY A LA PENSEE (DEAUVILLE) Sarl, capital Ff 270,000 and Ff 160,000 respectively, managers M. P. Massin of Miraval and M. Rodrigues.

** The Italian yarn and haberdashery firm CUCIRINI CANTONI COATS SpA, Milan (president Sir James Henderson and controlled by J. & P. COATS, PATONS & BALDWINS LTD, Glasgow - see No 337) is taking over three companies in its own group STE CUCIRINE RIUNITE SpA, Milan (see No 285) and two wholly-owned subsidiaries CUCIRINI RIUNITI MOTEROSA SpA, Milan (formed in November 1964) and CUCIRINI MONTEROSA SpA, Acquacalda, Lecca.

The factories belonging to the Milan group (capital lire 7,000 million) are situated at Acquacalda, Intra and Ghiffa and are equipped with a total of 100,000 needles for spinning and 50,000 for twisted yarns. Its other subsidiaries are SGIT-GESTILONE INDUSTRIALI TESSILI SpA (investment) and COTONFOCOP DI MANDELLO SpA (president Sir J. Henderson), both in Milan.

** CHATILLON-SOC. AN ITALIANA PER LE FIBRE TESSILI ARTIFICIALI SpA, Milan (see No 330) has taken a large shareholding in MIZAR SpA, Busto Arsizio, which is supplied with synthetic fibres from Chatillon for the manufacture of knitwear.

Chatillon (capital lire 15,000 million, net income 10,400 million in 1965) is a member of the EDISON SpA group, Milan which is being merged with MONTECATINI SpA (see No 336), and is planning a new investment programme of lire 30,000 million (partly financed by an increase in capital). In 1965, through the investment company SOC. EDILIZIA COMMERCIALE SpA, Milan, it took over FISAC - FABBRICA ITALIANA SERITE & AFFINI SpA, Como. This company (president Dr E. Bettoni; capital lire 2,100 million) produces cellulose fabrics and synthetic fibres in six factories (at Camerlata, Cermenate, Fino Mornasco, Portichetto, and Vertemate.

TRADE

** STE DE CHARBONNAGES REUNIS LAURA & VEREENIGING SA (see No 289), which is affiliated to STE GENERAL DE BELGIQUE has formed a 50.4% subsidiary in Antwerp, LAURABEL NV: 48.6% of the capital of which is held by M. M. Verheyen. The new firm (capital Bf 10 millions) is to trade in and transport solid fuels.

The Belgian group's expansion in recent years has been concentrated mainly in the Netherlands, where its distribution network for solid fuels (comprising NV STEENKOLENGROOTHANDEL "LAURA DEN HAAG" and NV VERKOOP DER STEENKOLENMIJNEN LAURA & VEREENIGING, the Hague) was recently completed by the formation at the Hague of an almost wholly-owned subsidiary VEEKOOPKANTOOR LAURA & VEREENIGING NV, and by the 75-25 setting-up with M. H.V. Van Gechmissen, Amsterdam, (who is in the business) of NV STEEN-KOLEN GROOTHANDEL "LAURA-AMSTERDAM".

** MITSUI & CO SA-STE FRANCAISE MITSUI BUSSAN, Paris (capital Ff 1 million, president Mr T. Matsumara) which represents the import-export group MITSUI & CO, Tokyo (see No 309) has opened a branch in Brussels under the direction of Mr Ogushi of Watermael, Boitsfort.

The Japanese group which was already represented from the same office in Brussels recently changed its sales office in Milan directed by Mr T. Oshima into a branch with a working capital of lire 950,000. The group's interests in Germany are looked after by a subsidiary MITSUI & CO GmbH, Düsseldorf and Hamburg, in Britain by MITSUI & CO LTD, London and in Portugal by a branch in Lisbon.

VARIOUS

** One of the biggest West German furniture manufacturers, KARL KUEBEL GmbH MOEBEL SPANPLATTEN - & KUNST STOFFWERKE, Worms, (see No 285) has extended its range of kitchen equipment by taking over completely KARL HEISE KG, Oelzburg, Peine.

A year ago the latter formed a Paris sales subsidiary called 3-K FRANCE Sarl. It runs four West German factories, at Biblis, Hess; Lorsch, Hess; St Ingbert, Saar. It makes home and office furniture, except for kitchen use and also manufacturers fibreboard, plastic sheets and plywood. In 1965 its turnover was DM 100 million.

** C. BERTELSMANN VERLAG, Gütersloh (see No 312) the German group owned by the family of Herr R. Mohn has taken over the Munich film-distributing company NORA FILMVERLEIN GmbH & CO KG (capital recently raised from DM 760,000 to 1,300,000), which until now has been controlled by WIENER STADTHALLE, STADION BETRIEBS- & PRODUKTIONS GmbH (owned by the Municipality of Vienna). This is a further step in Bertelsmann's activities in the fields of publishing, gramophone records, films (cinema and television) and theatres.

The present move comes only a few months after the group's takeover of CONSTANTIN FILMVERLEIN GmbH, Munich, which is one of West Germany's chief film making and distributing concerns.

This also completes its large network of interests in a field in which its principal holdings so far are UFA-UNIVERSUM FILM GmbH, Berlin (see No 300) and the various production and distribution subsidiaries of the latter such as UFA-WERBERFILM GmbH, Düsseldorf; UFA-THEATER AG, Düsseldorf; PALLAS FILMVERLEIN GmbH, Frankfurt and MERKUR FILMTHEATER GmbH, Frankfurt.

** TURKSAN AG has been formed in Cologne by a number of Turkish workers in West Germany. It is open to any Turkish citizen holding a current permit to work in that country, and its object is to build and run engineering works in Turkey that will provide a livelihood for the owners once they return to their country. Unit prices for shares in Turksan range from Dm 1,000 to Dm 10,000 and there are already some 500 shareholders.

** WALDORF ASTORIA CIGARETTENFABRIK GmbH, Hamburg, and PAPASTRATOS FRERES SA DE TABACS, Piraeus, Greece, both cigarette manufacturers, have formed a joint subsidiary in Piraeus. The new firm, WALDORF ASTORIA ZIGARETTE GmbH, is to make cigarettes from special blends of fine tobaccos for the Greek and export markets.

** In the face of increasing competition and an expanding market several French firms making hats for men and women have decided to re-group their production around one of their number ETS.B.FLECHET SA, Chazelles sur Lyon. As a result STE INDUSTRIELLE DE CHAPELLERIE (SIC) SA has been formed with a capital of Ff 5 million (president M.G.L. Flechet). The new company has taken over the assets of the four companies at Chazelle sur Lyon: STE D'EXPLOITATION DES ETS B. FLECHET SA; ETS. ANTONIN FRANCE SA; ETS FOURNAND & BEYRON Sarl and ETS. MORRETON, ANC. ET J. MORRETON-VERICEL SA. The French companies have followed the example of similar Italian firms (see No 345) who have grouped themselves into CAPPELLIFICI ITALIANI RIUNITI-CIR SpA, Monza, Milan.

ENGINEERING & METAL

** KON NED HOOGOVENS & STAALFABRIEKEN NV, Ijmuiden (see No 338) is taking over NV "RIJNSTAAL" v/h J.W. OONK & CO, Arnhem, which makes steel tubes of all sizes, luggage racks and roller skates.

The Arnhem company is giving up its tube department and concentrating on its other lines.