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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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GERMANY & THE COMMUNITY CRISIS

BONN - The breakdown of talks in Brussels on July 1 has been much resented in Germany and the French Government's statement with all its implications has conjured up a picture of the Community in the throes of disintegration apparently for no good reason. For the first time, even the most loyal supporters of the French President have begun to show some anxiety faced with this picture of the Common Market condemned by the French to die for its principles, the "belle mort" described by the French Prime Minister, M. Pompidou in a recent speech. Indeed, public opinion in Germany has found no excuse whatever for France's attitude; she is condemned not so much for her opposition to the Commission's proposals on the financing of the agriculture policy and the simultaneous completion of the customs union, as for her "empty chair" tactics. Most people feel that what M. Pisani, the French minister for agriculture, said at the time of the last agricultural crisis in December 1963, that "We are condemned to succeed" should also have held good through the Council of Ministers' recent difficult negotiations.

It was immediately brought home to the Germans that they had made a great mistake in under-estimating General de Gaulle's distrust of the European Community institutions and they remembered too late his speech on television on February 6, 1962 when he said "We are making every effort to wean European union from the realms of ideology and technocracy, and to bring it into the bounds of reality - that is, into the realm of politics". The proposals being discussed in the Council of Ministers on June 30 were very much the work of the technocrats of the Community, and the abrupt and uncompromising way in which the discussions were brought to a standstill by the French foreign minister, M. Couve de Murville, has seemed in Germany to show that the General has quite made up his mind to prevent the technocrats in Brussels from poaching on his preserve, by giving advice on or by furthering, the next stage of the Common Market. On top of the general annoyance at having misjudged what should have been perfectly clear about de Gaulle's intentions, the Germans also feel very disillusioned by what seems to be a total failure on the part of the French to grasp the realities of European cooperation.

As for the "empty chair" tactics, they are beyond comprehension as far as Germany is concerned, particularly as they can be considered a direct breach of artcle 5 of the Rome Treaty which lays down that "member states" should abstain from any measure which could jeopardize the attainment or the objectives of this Treaty. No one, therefore supports the French in these tactics, not even those who up to now have not hesitated to criticise the Common Market and have shown no desire to speed up integration. The disappointment which France's behaviour has caused and the doubts it has cast on the future of the Community are so serious in themselves that the responsibility of the other member countries has been overlooked in Germany, and especially that of the Netherlands whose attitude may be just as dangerous as that of the French to the stability of the Common Market. The German leaders are well aware that this reading of the situation that puts all the blame on France does not correspond to political realities, but with emotions running high it is difficult for them to assess the crisis objectively and quietly analyse the difficulties really involved in building European union. Indeed, the voice of reason is only too often lost in resentment caused by General de Gaulle's attitudes and in anxiety over their effect on the political future of Germany.

The wave of discontent in Germany has not been confined to the general public. It is shared by the great majority in all three political parties, in a large number of economic organizations. Some members of the German Government have justified their attitude by saying that from the very beginning "compromise" has been the golden rule of the Community, and in their opinion no respect for any deadline should prevail over the duty which is laid on every member state to continue to search for a compromise, however long it may take to find one. They point out that the earlier controversy over the financial regulation of the agriculture policy which ran out on July 1, 1965 was itself only resolved through the postponement of an earlier deadline, on December 31, 1961. On that occasion, it was M. Couve de Murville, himself, who said that Europe would not die if the clocks were stopped for a short spell. He was quite right and his German critics find it difficult to understand why what was absolutely acceptable then should suddenly have become a crime against the Treaty on June 30, 1965.

The violence of the French reaction came as a complete surprise to most Germans and even the most moderate in the German Government are willing to admit it. After the talks between the German State Secretary, Herr Lahr and the Director of theEconomic Section of the French Foreign Office, M. Olivier Wormser, only a few days before the Brussels meeting, Bonn was convinced that the French were willing to postpone the debate if necessary (presumably to allow time for a compromise) and even then, the difficulties anticipated were purely over the procedural aspects of the question; it was thought that basically there would be no other major objections. German fears were lulled by memories of the miracle of January 1962 when the differences between Bonn and Paris on the subject of the financing of the agriculture policy also seemed for a time to be absolutely irreconcilable. On that occasion, however, agreement was reached in the end and the compromise hoped for by all member states was achieved. At the same time during talks held under the auspices of the Franco-German Treaty which took place only about a fortnight before the Brussels talks of June 30, there seemed to be a considerable amount of common ground between the two countries, the Germans seeing no necessity to insist on Community collection of the agricultural levies by 1967 and the French more or less accepting the synchronization of the common market for industry with the common market for agriculture.

The irony of the whole affair is that after all the care that was taken to lead up to the Brussels talks, by preparing the ground between France and Germany which was where disagreement was expected, it was in fact over the Italian objections that the crisis finally burst. Nevertheless the German farmers were inclined to be sympathetic to the Italians, seeing the force of their objection to a financial regulation which would be in force, without opportunity for reassessment, until 1970. The German farmers were indeed rather surprised to find that although, as the biggest importer of food in the Six, Germany might well have expected to be paying the most into the Agriculture Fund for the least return, she was not the greatest loser by the system: in fact the balance between the contributions to the Fund and subsidies to be drawn out of it, was even more unfavourable for Italy. When the Germans realized this they were inclined, at the June 30 Council meeting in Brussels, to support the Italians in their demand for a clause to be inserted providing for a revision of the financial regulation after it had been in force for two years, though this support was given on condition that what little benefits were due to Germany under the regulation should be in no way diminished. The German attitude remained flexible, however, and Germany was the most accommodating partner in the negotiations, never actually committing herself wholeheartedly to either the Italian demands, or the Dutch of the French, though Paris has not been very willing to admit this.

Germany, as she again pointed out after the break-down of talks in Brussels, has prepared herself to make the best of a bad job as far as the financing of the agriculture policy is concerned , whatever happens, for it seems her role must be to put a great deal into the Fund and get relatively very little out of it, and this has been accepted by the Germans as inevitable. However, in recompense, they want and expect progress to be made on the common trade policy, and steps to be taken towards completing the customs union and harmonising the taxation systems, all of which should be of more real benefit to Germany. Germany may be accommodating over the agricultural question, but where she considers her real interests lie, in the development of the industrial common market, she is not going to be so obliging. It is also much easier for the German Government to make a stand on the industrial common market as for some time now, voices have been raised in many different quarters in the Community, insisting unashamedly on "safeguards for national interests". There is, in all this, an echo of General de Gaulle's statements of principle made when he was putting forward his conception of the ideal state, which was to be blessed with total independence. This idea in itself is no doubt valid enough, and not one member of the Six would be prepared to sacrifice vital interests to build a unit which is meant to embrace all sectors of its economic life, with each member state making its own contribution. These references to vital interests only constitute a real danger when they begin to take precedence over the need to achieve unity; instead of forming the background to negotiations - serving as indicators of the utmost limits to which a given country is prepared to go in its concessions - they may start to appear on the agenda of Community debates and thus make negotiations much more difficult, or even impossible. In this respect, General de Gaulle has perhaps underestimated the repercussions of his statements in other member countries.

It is in this context that Dr Erhard's speech on July 16 to the German Agricultural Federation at Dusseldorf should be considered. In it, he referred to the idea of "Vorleistungen" - or "sacrifices" - that is, the idea that a member country can create a debt by making concessions and can expect repayment at a later date in the form of concessions on some other matter from its partners. This idea of "sacrifices" has already been the cause of some confusion as it leads to the assumption that one of the member countries has done more than another to further the Community cause; the result is that on almost every occasion, one or other of the member countries has found an opportunity to refer to its previous "sacrifices". Indeed, in Germany the term "Vorleistungen" has become so popular in connection with agricultural affairs, that the public tends to regard it as a real factor in Community politics. Dr Erhard could safely expect general approbation from his audience when he said that "the Germans are ready to make their contribution to Europe" but added that "This has now been done and I hope that from now on, we can expect that our partners will have some consideration for the vital interests of German farmers". That being so, he concluded, let us consider calmly and without going beyond the Treaty, how the crisis can be resolved. Thus a new element has crept into German discussions of the European situation involving a tendency to harp on safeguards for national interests. This development has its dangers and it is to be hoped that it will emerge as seldom as possible.

German opinion is divided about the role the Commission played in the crisis. There are those who think that it was doing no more than its duty when it introduced its proposals containing the four linked points - the financing of the agricultural policy, customs union, the Community's own resources and extension of the powers of Parliament - which have caused such an outcry in France; this view maintains that the Commission should be fully supported by the German Government. Others think it a pity that the Commission had so misjudged the political situation, while admitting that it was probably right in its basic principles. Others again, are inclined to think that it exceeded its mandate and that it foolishly rushed the issue, behaving as if it already possessed political powers.

Those who support this view have a good deal in common with the French President, even though they might deny any sympathy with his political ideas. There is yet another view, held mostly by men in government and official circles, which is altogether more subtle in its approach. According to this view no one, and least of all the German government, has any right to cut up the Treaty and remove anything in it which smacks of supranationalism, but, without parting from this principle, it may have become necessary to cover up for some years at least, the supranational aspects of some of the Treaty regulations. This policy of putting parts of the Treaty clauses into cold storage could be applied for instance to the rule introducing qualified majority voting into the Council of Ministers. Theoretically, this will come into force when the automatic transition into the third stage of the Common Market has been reached. However, by a sort of gentlemen's agreement, the majority rule, while safeguarded in principle, could be silently laid aside when questions of vital interest to one or other of the member states were being discussed.

As far as the powers of Parliament are concerned, the official Government line is that they should be strengthened and all three political parties think they should be extended as well, but all are agreed that now is not the time to put their theories into practice; this is one question which can be put off until the end of the transition period in 1970 without doing any harm to the European cause. So, behind a facade of convinced supranationalism, both the German Government and all the

German political parties are prepared to do a certain amount of violence to their principles for the sake of a quiet compromise with France, even at the expense of the Commission and the European Parliament.

This policy, however, can only be pursued with the utmost caution as neither the Government nor the political parties can afford to lay themselves open to the accusation that they are obstructing the development of the Common Market, the majority of the German public being now passionately in favour of the Community. There has been one very significant development in this connection: until recently, most of the farmers' leaders in Germany were ready to attack the Common Market. with any weapon to hand, but since the Brussels crisis they have declared their faith in the Community and have announced that, as a result of modernisation, German agriculture is now quite ready to face the competition of the common market for agriculture. The heads of industry, whether they are leaders of the BDI (German federation of Industry) or one of the other employers' organisations, have also clearly understood that the common market for industry depends on the common market for agriculture being safely achieved, and they are not likely to abandon the cause of the industrial common market: they want to safeguard their investments in other member countries: they look forward to enjoying all the advantages which a large market offers for modern industry: they want to see a European capital market built up and they want to see the Kennedy Round brought to a successful conclusion with the help of the Community. A Government which tries to ignore such strong economic interests will have to face public opinion in its widest sense. Surely no Government and no political party can afford this kind of risk a few weeks before the general elections.

THE WEEK IN THE COMMUNITY
August 2-8, 1965
From our Correspondents in Luxembourg and Brussels

* * *

ECSC

High Authority's Competition Policy Up-Dated

By authorizing the specialization and marketing agreement on merchant rolled steel and steel sections reached by four iron and steel firms in the Ruhr, (see No. 315 P.11), the High Authority of the European Coal and Steel Community, in its last working session before the holidays, has defined its position on an entirely new form of co-operation between firms within the Community. Co-operation of this type can cause restriction on competition between the firms involved, but the High Authority - while applying the strict rules on agreements laid down in article 65 of the Paris Treaty - recognized the advantages of setting up a central office to distribute production of rolled steel and steel sections among the three firms; in doing so, it took into account the changes in the world steel market and in techniques of steel production that have taken place in recent years, and showed that it is prepared to give a more elastic interpretation to ECSC competition rules. In all the cases for mergers and agreements submitted for its authorization, the High Authority has tried to strike a balance between keeping competition effective within the common market for steel and maintaining, if not improving, the profitability of the Community steel industry compared with the steel industries in other countries.

Mr. Linthorst-Homan of the High Authority put it like this recently to the European Parliament: "In dealing with requests for the authorization of agreements and mergers, the High Authority comes up against three main problems: the optimum technical efficiency of the new grouping, its optimum economic efficiency and the degree of competition prescribed by the Treaty". In the so-called Rueff decision of 1960 the question of competition was formulated thus: "the ECSC treaty did not fail to recognize that economic and technical developments are constantly increasing the size of economic units and are tending to give the coal and steel market an oligopolistic character, which is becoming more pronounced every day; the provisions of para.2 of article 65 and of para.2 of article 66 indicate that those who drew up the Treaty did not wish to hinder this trend, provided it serves the aims of the Treaty, and provided in particular that it preserves, between large units, the degree of competition which is necessary to safeguard the fundamental requirement of article 2 para.2..."

This paragraph reads: "The Community shall progressively establish conditions which will themselves ensure the most rational distribution of production at the highest possible level of productivity, while safeguarding continuity of employment and avoiding the creation of fundamental and persistent disturbances in the economies of member states."

Severe Ruling on Agreements

In the Treaty of Paris, all agreements or concerted practices tending to restrict or distort the normal operation of competition, and in particular price-fixing, carving-up of markets and restriction of production, are banned on principle. Authorization is possible only for specialization agreements or joint buying and selling agreements which will help to make a substantial improvement in production or distribution. Generally authorizations cannot be given where the agreement in question is likely to give firms the power to impose prices, or to restrict or control production or the outlets of a substantial proportion of the steel products concerned in it. Agreements are also forbidden which are likely to protect the participants from effective competition with other firms within the common market for steel. The mere likelihood that an agreement for which authorization is being sought might produce these effects is sufficient for it to be forbidden. In this sense the rules of article 65 are even more severe than those of article 66, which covers mergers; these are judged less harshly, as the enlarged firms can always be checked if they break ECSC rules.

A problem which pre-occupied parliamentary circles for a long time is the problem of giant-sized companies, for it was thought that the presence of giants would be prejudicial to free competition. In this connection, Mr. Lindhorst-Homan, addressing the European Parliament, said: "it is apparent that some firms within the ECSC, though not very large, are perfectly capable of producing the most up-to-date goods of very high quality at competitive prices. At the same time it is clear that in other fields, and especially in research, the going is much harder for them...Competition on our market is obviously stimulated by the considerable number of companies in it, but it is also true to say that a small number of large companies can compete very fiercely against each other."

This is one of the results of the oligopolistic structure of the coal and steel market; and in the last few years the High Authority has been increasingly won over to this thesis, after making a careful study of the growth in the size of companies in the basic industries. Its present thinking is that radical changes in the structure of production forced on the steel industry by technical progress and changes in world markets must lead to larger groups. It is willing to authorize the creation of these groups provided that they remain separate. This applies to mergers and concentrations as well as agreements. This is why the High Authority observed, when authorizing the merger between August Thyssen-Hütte AG and Phoenix-Rheinrohr AG on July 10 1963, that despite the strengthening of the oligopolistic structure of the market to which this merger was bound to lead there were no grounds for arguing that the formation of the new group would give the firms in it the power to dominate the common market for steel. This view supposed that the competitors of the ATH-Phoenix group would stay independent of it and that all connections with the group which were not indispensable would be avoided; consequently, the High Authority hedged its authorization round with conditions to ensure the rules were obeyed. Another point of these conditions was to eliminate the "group effect", a problem which also occurred in the merger which took place last year between the two French steel works "Sociète Metallurgique de Knutange" and "Union de Consommateurs de Produits Metallurgiques et Industriels" (U.C.P.M.I.), which together set up the new company "Sociètè Mosellane de Sidèrurgie". Here too the High Authority found a complex network of financial and personal links, (as often is the case in the French steel industry), and it carefully tried to eliminate them.

The limits of permissible mergers are defined by the "relevant market", which means the part of the market in which the new group would be competing - or, as the case may be, eliminating competition. For some products, such as merchant rolled steel, the High Authority tends to consider the whole of ECSC as the relevant market, while for others only regional, inter-regional or national markets are thought "relevant". The proportion of the relevant market that a company can occupy without being likely to acquire a dominant position is often put at 20%, but the High Authority has always refused to accept any rule-of-thumb definition. Instead it has been trying hard, especially in the last few years, to make its policy on agreements elastic enough to reconcile the rather strict rules of the Treaty (whose severity reflects attitudes at the end of the forties when memories of the old steel cartels were strong) with the economic and technical requirements of today. This has involved fairly frequent changes in its approach to competition problems.

Competition and the Merger of the Treaties

Coal and steel require large-scale investments planned over long periods, and at the same time they are very sensitive to economic ups and downs; as a result, these industries have always shown a pronounced tendency to make agreements and mergers. The tremendous changes in the structure of the energy market have particularly encouraged this tendency in the coal industry, where the High Authority has authorized a joint sales system for the coal-fields in the Ruhr; this certainly does not satisfy those with "atomistic" views on competition. However, the Court of Justice upheld this decision, thus acknowledging that the coal market must have an oligopolistic structure, for without co-operation the industry would run into serious difficulties. The tendency to form cartels re-asserted itself in the steel industry too during the difficult period of 1962-1963; the High Authority warned the industry continually against the effects of over-production, and the same warning is being made today despite the considerable upturn for steel since the beginning of 1964. Is this an invitation to form a "crisis" cartel or an agreement on limiting production to realistic levels? The Authority says no, for it relies on the producers' self-discipline and is in any case unable to authorize a restrictive cartel. The producers on the other hand think that the exhortations of the High

Authority will be ineffectual until a real agreement on production levels has been made and they would voluntarily subject such an agreement to the High Authority's control. This is why, in a letter sent recently to the High Authority, they argued that the rules of article 65 of the Paris Treaty ought to be made considerably more elastic in the special statute for steel which they hope will be drawn up when the Treaties are of Paris and Rome are merged.

In the Rome Treaty agreements are only examined in the light of how they affect the integration of the Common Market - in other words when they tend to restrict trade between member countries; and on mergers, the Rome Treaty only prohibits abuses. In the meantime the High Authority is giving careful attention to the problem of setting up an "agreements office"; as yet no-one can say whether the new treaty will provide uniform rules of competition for all industries, or whether there will be special rules for steel and other basic industries. Coal will be settled in the context of the common energy policy towards which the Community has been slowly moving over the last few years.

THE COMMON MARKET

Community's Railways Consider Transport Policy

Since the Common Market Commission first published a memorandum on the subject in 1961, the six governments have been trying to work out a common transport policy. One of the essential objectives is to make competitive conditions in this sector of the economy more uniform; so far, there have been great differences in the legal status and the technical capacity of the competing concerns, though one common feature has been the large sums sunk in infrastructure and running costs.

To bring something new to this task, the six railway boards in the Community have thought it worthwhile to publish their ideas on the question, which they first made known four years ago.

Once again the railways are firmly demanding that all means of transport should start off on an equal footing, a condition they regard as indispensable for the creation of healthy competition as the Treaty of Rome requires. Thus, each transport contract would be given to the firm which could do the job at the smallest cost. The Common Market Council of Ministers has also just drawn up a schedule of the steps needed to harmonize the Community's transport systems, on which the railways have commented.

a) One of the main sources of distortion of competition is the present inequitable distribution of costs for maintaining the various systems: while railways bear the financial responsability for building and maintaining their track and installations, road hauliers and canal or river traffic only pay a fractional part of the cost of the facilities which the states put at their disposal. The railways demand that something be done about this at once; they also think it urgent to begin keeping a "National Transport Account", which would provide statistics on money spent on roads, bridges, etc because at the moment, governments have only a vague idea of these figures.

b) Taxation and social charges must also be harmonized for the different types of transport. (It seems that the added value tax planned by the Commission will guarantee a satisfactory degree of neutrality in taxation)

c) It is also desirable that the railways should be released of some of the obligations which they contracted at the time of their monopoly, but which are no longer justified. They should be given greater commercial autonomy.

d) It is indispensable that the special burdens still imposed on the railways should be indemnified; for this reason the six railway boards are anxious that the recent decision to "normalize accounts", or, in other words, to grant financial compensation for expenses which are incurred by the railways but not by their competitors, should be acted upon as soon as possible. Only when all transport systems are treated on an equal basis can each of them - and particularly the railways - be expected to balance its books.

However, bringing uniformity to the conditions of competition is not sufficient to ensure fairness in the transport market, according to the railway boards.

a) There must also be an adequate pricing system, and the regulations on prices must have economically equivalent effects on all transporters. To achieve this, the Common Market Commission has suggested that "price brackets" should be applied to all forms of transport, defining a maximum and minimum amount between which the firm would fix its price; however, the Dutch Railways, which are already highly competitive, consider the Commission's solution as simply a first step towards much freer competition between rival transport systems.

b) It is also important to begin co-ordinating investments in transport infrastructure: the enormous cost of such investments and the inadequacy of available resources are cogent reasons for only making investments which will be profitable to society as a whole. Too often decisions on investments are influenced by interested groups, and these pressures could be very much diminished if there was an effective system of charging the cost of transport infrastructures to road users as well as rail users.

In short, the railways think that the common transport policy must be linked to the economic facts. This is the indispensable condition for moving towards optimum economic efficiency - after all, one of the principal aims of the Common Market.

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EUROFLASH

		Chicago which controls the PRESTIGE GROUP, London. W.Germany: MASCHINENFABRIK ESSLINGEN reorganizes its activities; WOTAN-WERKE, Dusseldorf takes over VEREINIGTE WERKZEUGMASCHINEN-FABRIK from GRUNDIG-WERKE; SIMMONS CO of New York sets up subsidiary at Frankfurt.
22	FINANCE	France: OMNIUM PARTICIPATION formed at Paris as a result of the split in OICC-OMNIUM INDUSTRIEL, IMMOBILIER & COMMERCIAL. Italy: "PROBANCA"-BANCA PROVINCIALE DI DEPOSI & SCONTI to take over BANCO BOVISO; STA FINANZIARIA PIEMONTESE formed by group headed by ISTITUTO SAN PAOLO DI TORINO. Netherlands: "FINCO"-FINANCIERINGS-MIJ VOOR CO-OP PROJECTEN formed at Amsterdam. W.Germany: BETEILIGUNGSGES. FUER INDUSTRIE & HANDEL mbH set up by S.G.WARBURG & CO VORM. HANS W. PETERSEN and ALLGEMEINE BANK; BAYERISCHE VEREINSBANK backs HOLDINGGESELLSCHAFT FUER ANLAGEWERTE, formed at Hamburg.
24	FOOD & DRINK	Netherlands: The DI GIORGIO CORP of San Francisco plans agreement with Dutch bottling company.
24	INSURANCE	France: LA VIGILANCE makes over portfolio to LA PROTECTRICE, CIE D'ASSURANCES A PRIMES FIXES CONTRE LES ACCIDENTS, L'INCENDIE & AUTRES RISQUES.
24	OIL, GAS & PETRO-CHEMICALS	Austria: AWP-ADRIA WIEN PIPELINE formed at Vienna. Belgium: ARAL gains control of APO PETROLEUM & OIL CO, Antwerp. Italy: SIR-STA ITALIANA RESINE, Milan puts two subsidiaries into liquidation.
25	TEXTILES	Belgium: TISSAGE LEONARD MAERE, Ghent takes over TEINTURERIE ANDRE VERHENNE & CIE and COTTONNIERE GANTOISE. W.Germany: Merger planned between PELITZER GEBR. KG and SCHEIBLER & CO SAMT-, PLUSCH- & WOLLSTOFFWEBEREI.
26	TRADE	Netherlands: INTERNATIONAL TRADING & CREDIT CO OF TANGANYIKA and VAN EEGHEN set up INTRATA HOLLAND, Amsterdam.
26	TRANSPORT	Belgium: C.STEINWEG formed at Antwerp by C.STEINWEG HANDELSVEEM and EXPEDITIONS ANVERSOISES; EFL-EXPEDITEURS DE FRUITS & LEGUMES formed. Netherlands: TRANSIT-STE DE TRANSPORTS TERRESTRES, Ghent sets up subsidiary at Wekerom, Ede.
27	VARIOUS	France: WILLIAM DAWSON & SONS, London expands its Paris subsidiary; AUTOMATIC SPRINKLER CORP OF AMERICA backs SWISS-AUTOMATIC SPRINKLER-FRANCE formed at Vitry-sur-Seine.

BUILDING & CIVIL ENGINEERING

317/14 CIE FERGUSON MORRISON KNUDSEN SA, Paris, has opened a branch at Brussels and another at Amsterdam, both to be directed by Mr. G. Muddleton, in order to be able to obtain local contracts. The firm is a member of the American civil engineering group, MORRISON KNUDSEN CO INC, Boise, Ohio (see No. 237).

Besides the French firm, which is headed by Prince Louis Murat (capital raised last November to Ff 2 million), the American group has numerous interests in Europe, such as: H.K. FERGUSON BENELUX SA, Brussels, set up in July 1965, and headed by Roger P.L.Ulrich; M.K. RIVER CONSTRUCTIE MIJ NV, 's Gravenhage; B.M.K.F. SOC. AZ. DI PROGETTAZIONI & COSTRUZIONI INDUSTRIALI, Rome (capital lire 100 million), set up at the end of 1963 on a 50-50 basis with FINANZIARIA ERNESTO BREDA SpA, Milan; H.K. FERGUSON CO OF GREAT BRITAIN LTD, London, which itself has minority shareholdings in subsidiaries in France, Canada, Libya, the United States, Panama, Mexico, Portugal, Turkey, etc.

317/14 A new firm, FONDEDILE FRANCE SA has been set up in Paris as the result of a 50-50 agreement made at the beginning of the year between the Paris civil engineering group STE DUMEZ SA (see No. 305) and the Italian firm of civil engineers and earth-movers FONDEDIZE SAF SpA, Naples.

Fondedile (capital Ff 500,000) will be headed by M. Paul H. Fouillade. It will be using the techniques developed by the Naples firm and its subsidiary SICAF SpA (agencies at Milan, Genoa, Padua, etc) for strengthening walls with pre-stressed concrete, and will operate in France, and Africa (except for South Africa, Rhodesia and West Africa). Dumez has recently completed its large network of subsidiaries by setting up a building society: GEPRO - STE DE GESTION, D'ETUDES & DE PROMOTION SA, Paris (capital Ff 1 million), which is managed by M. J.P. Schroeder and headed by M. R. Belleval.

317/14 REDLAND HOLDINGS LTD, Reigate, Surrey, is about to carry out its plans for production in the Common Market, and has made an agreement with the French company, UNION SIDERURGIQUE & INDUSTRIELLE - USI, Paris.

A subsidiary of Redland Holdings called REDLAND PIPES LTD, London (factories at Parkeston, etc) is one of the largest producers of concrete pipes in Britain. The French company, USI, makes machinery for public works, including concrete centrifugal machines for "centritub" pipes. By the agreement, the French company will manufacture and sell in France, "Deckon" pipes and canalisations, under licence to the British company. The British group, which also makes "Extromyte" and "Palomax" pipes, has made two similar agreements for Canada where its products are distributed by CONCRETE PIPE LTD, Toronto, Ontario.

317/14 In Paris a new business, INESCO FRANCE Sarl, has been set up to run agencies representing foreign firms in France. It will be headed by Mr. K.H. Ross, Uccle, Brussels, the chairman of INDUSTRIAL EQUIPMENT & SUPPLY CO SA, Brussels (see No. 230).

The new firm will mainly represent Belgian firms, particularly those which use wood, or its substitutes for use in building and decoration. INESCO (capital Ff 8 million) was set up at the end of 1961 as a 50-50 subsidiary of COFINDUS SA and BRUFINA SA, Brussels; it is the representative in Belgium of the British wood-panelling and agglomerated wood-shaving firm AIRSCREW WEYROC LTD, Weybridge, Surrey, member of the group BRITISH MATCH CORP LTD through the group's London subsidiary, BRYANT & MAY LTD. It is also in partnership with INDIVERS SA, Uccle (formerly WASSERETTE SA, controlled by Dutch interests) in WASSERETTE COMBI SA, Uccle, Brussels, set up at the end of 1963 to run automatic laundries.

317/15 The Swedish company, OHLSSON & SKARNE, Stockholm (capital Kr 1 million), which specializes in prefabricated building, has entered Germany by setting up SKARNE SYSTEMBAU GmbH at Bietigheim, Enz. Mr. Nils Kurt Mannson (Stockholm), general manager of the parent company, is manager of the new company which has a capital of Dm 400,000.

CHEMICALS

317/15 In Belgium OLEOCHIM SA (see No. 267) is going to take over BOUGIES DE LA COUR SA, Oelegem, Antwerp (see No. 302), and will then raise its capital to Bf 120 million.

OLEOCHIM (capital raised to Bf 70 million at the end of 1961) makes fatty acids and glycerines at Ertvelde-Rienne, Ghent. It belongs half to the American group ARCHER DANIELS MIDLAND CO, Minneapolis, which has recently completed its industrial interests in Europe by setting up ADM CHEMICALS LTD, Birmingham; and half to the Belgian group PETROFINA SA, through one of the group's companies at Brussels, PALMAFINA SA (capital Bf 40 million - see No. 185).

317/15 ETS KUHLMANN SA, Paris (see No. 312) having increased its capital from Ff 197.88 to Ff 206.78 million, by completely taking over CIE BORDELAISE DES PRODUITS CHIMIQUES SA, Bordeaux (capital Ff 29.4 million - see No. 280) has set up another company on the same premises called BORDELAISE DES PRODUITS CHIMIQUES SA. This is mainly a marketing company (capital Ff 5 million). Its president is M. Robert Mathieu, president and general manager of the company which has been taken over.

317/15 The French company, SA D'EXPLOSIFS & DE PRODUITS CHIMIQUES, Paris, which produces dynamite, nitroglycerine and other explosives, in factories at Billy-Berclau, Pas de Calais and St. Martin de Crau, Bouches du Rhone, is entering the fertilizer industry. It has set up a company in Paris for this purpose called NITRATES & ENGRAIS Sarl (capital Ff 20,000; manager, M. Jacques Chatel, president of the parent company).

The parent company has various holdings abroad such as EXPLOSIVES & CHEMICAL PRODUCTS LTD, London (factories at Great Oakley and Alfreton) which controls BRITISH FLOTTMAN DRILL CO LTD. In French-speaking Africa, it has interests in STE IVOIRIENNE D'EXPLOSIFS, STE OUEST AFRICAINE D'EXPLOSIFS, STE GUINEENNE D'EXPLOSIFS, etc..

317/15 ATLAS CHEMICAL INDUSTRIES INC, of Wilmington, Delaware (formerly ATLAS POWDER CO) is investing more in production in Europe and is setting up a new Italian subsidiary called ATLAS EUROPOL SpA. The new firm will run a factory costing $2 million which is to produce 6,000 tons of base materials a year for the manufacture of polyester resins and urethane, and 12,000 tons of polyurethane a year.

The American company makes a large range of base chemical products for the pharmaceutical, food, textile, paper, oil and plastics industries (trade names, "Atlac", "Dalco", etc). It has a German subsidiary, ATLAS-GOLDSCHMIDT AG, Essen (emulsions, detergents) in which the German company, TH. GOLDSCHMIDT AG, Essen (see No. 283) holds 10%. The German subsidiary, in turn, controls ATLAS GOLDSCHMIDT ITALIANA Srl at Milan.

Atlas Chemical also has a British subsidiary, HONEYWILL & ATLAS LTD, London(directed by

Mr. L.F. Harris) which it owns 50-50 with HONEYWILL & STEIN LTD, of the DISTILLERS CO group of Edinburgh.

317/15 EAU & ASSAINISSEMENT (SOCEA) SA, Paris (see No. 305), whose activities include public hygiene, drainage, civil engineering, etc (employing about 6,000 people) has acquired a large minority holding in SGEA - STE GENERALE D'EPURATION & D'ASSAINISSEMENT SA, Paris, in which BANQUE DE PARIS & DES PAYS BAS, Paris (see No. 308) has also just taken a holding. This company, whose capital has been increased to Ff 1.9 million, specializes in treating and filtering water and household sewage. It has a subsidiary in Switzerland, SOGEA AG at Winterthur, Zurich, which was set up in April 1964 (capital Sf 105,000 - see No. 252) and another in Canada, SOGEA LTD, Montreal.

Eau & Assainissement (Socea) was the result of the merger in 1961 of EAU & ASSAINISSEMENT SA and STE COMMERCIALE & MINIERE POUR L'AFRIQUE DU NORD, and is a member of the CIE DE PONT-A-MOUSSON group, Nancy.

317/15 P. LEINER & SONS LTD, London, has formed a sales subsidiary at Milan called PHARMAGEL SpA (initial capital lire 1 million). It is 60% owned by the British parent company, the balance being in the hands of Italian shareholders, represented by the managing director, Sig. Pietro Peviani of Casalputerlengo. Leiner was represented by Mr. Albert E. Osman of Cardiff, a director of the Belgian subsidiary, UNIGEL SA, Brussels.

Mr. L. Leiner of Cardiff is president of the new company which will market chemical and pharmaceutical products such as gelatines, phosphates, gums, etc.. The board includes Mr. T.A. Bond and Sir Miles Thomas, who is deputy chairman of the British group.

The British group, besides its Belgian subsidiary, acquired in 1963, has six British subsidiaries, and various foreign interests, for instance in P. LEINER & SONS AMERICA INC, Boston, P. LEINER & SONS (CANADA) LTD, Cobourg, Ontario, etc..

317/15 CHEMISCHE FABRIEK "NAARDEN" NV, Naarden, which makes flavourings and seasonings, has increased its minority holding in "NAARDEN" IBERICA SA, Barcelona, to 100%.

The Dutch company has numerous interests abroad on all five continents. Among its recent operations was its take-over of the American company, FLAVOR CO INC, which has become its wholly-owned subsidiary under the name "NAARDEN" FLAVOREX INC (factories at Los Angeles and Baltimore).

ELECTRICAL ENGINEERING

317/15 AMP INC, Harrisbury, Pennsylvania (formerly AIRCRAFT MARINE PRODUCTS INC - see No. 178) is completing its network in the Common Market by opening a branch at St. Josse-ten-Noode, Brussels, to be headed by Mr. J. Van Gelder, who directs the company's Dutch subsidiary AMP HOLLAND NV, 's-Hertogenbosch.

The American group has factories in France, the Netherlands and Italy, and is represented in the Common Market by AMP DE FRANCE SA, Pontoise; DEUTSCHE AMP GmbH, Düsseldorf; and AMP ITALIA SpA, Turin. Its British subsidiary, headed by Mr. G.H.J. Munro, is AIRCRAFT-MARINE PRODUCTS GREAT-BRITAIN LTD, Stanmore, Middlesex.

317/17 C S F - CIE GENERALE DE TSF SA, Paris (see No 313) is extending its interests in French-speaking Africa by setting up a company at Bamako called SOCORAM - STE DE CONSTRUCTIONS RADIOELECTRIQUES DU MALI (capital, Mali Francs, 40 million). The new company is owned 40% by CSF and 60% by the Mali republic. It is to produce about 60,000 transistor radios in the next three years and to manufacture and sell electronic and electromechanical equipment for everyday and professional uses.

CSF has a subsidiary in Cameroun called EQUATORIALE ELECTRONIQUE SA, at Douala. In March 1965 this company started production in the first electronics factory in former French Africa.

ELECTRONICS

317/17 The German company, ROWENTA METALLWARENFABRIK GmbH, Offenbach, Main, has backed ROWENTA FRANCE Sarl which has been formed at Besancon, Doubs, to import and sell in France the German company's household appliances. The new company has a capital of Ff 100,000 and is managed by M.J.Drauvais of Besancon.

Rowenta Metallwarenfabrik is a member of the American group, SUNBEAM CORP of Chicago, whose Paris agent is SUNBEAM SA (formerly, SARIE SA - see No 210). Sunbeam acquired a 51% interest in Rowenta about two years ago. Rowenta, (whose Paris agent, JEMA SA, makes electric coffee machines) has an output of about 200,000 electric household appliances a month. It is a licensee of the British company, COLSTON APPLIANCES LTD, High Wycombe, Bucks. part of the CHARLES COLSTON group, and it supplies nearly 60% of the German market for electric irons and electric toasters. It also makes kettles, stoves and grills, washing machines, "Men" cigarette lighters, automatic coffee machines for small or large numbers (1,200 cups an hour), etc.

317/17 E.K.COLE LTD, Southend-on-Sea, Essex (see No 205) which is a wholly-owned subsidiary of the electrical engineering and electronics group, PYE OF CAMBRIDGE (see No 316), is adding to its interests in the Common Market with a new Dutch production subsidiary, (95% owned) called E.K.COLE (HOLLAND) NV, at Naarden. The new company has a capital of Fl 100,000, 5% of which is held by Mr John Carbishley, one of Cole's directors.

E.K.Cole's main subsidiary up to now, in the Common Market, was EKCOVISION ITALIANA SpA at Milan, but it has a large number of subsidiaries and holdings in Britain. The company produces electrical and electronic appliances, heating equipment, nuclear equipment and plastics.

317/17 The French company, COCELAM - CIE CENTRALE D'ELECTRONIQUE APPLIQUEE SA, Montrouge, Seine (capital Ff 7.077 million) which makes radio and television sets, tape recorders and electronic controls and meters, is increasing its business in Switzerland by setting up a second marketing subsidiary there, UNIC TV SA at Lausanne (capital Sf 50,000). M. Frederic Jouffravet (Paris), a director of the parent company, is president of both the new subsidiary and the original one, COCELAM DISTRIBUTION SA which was set up recently at Geneva (capital Sf 250,000 - see No 306). The French parent company is an equally-owned subsidiary of LEBON & CIE Snc and STE LYONNAISE DES EAUX & DE L'ECLAIRAGE SA.

ENGINEERING & METAL

317/18 The Belgian iron and steel group, PHENIX WORKS SA, Flemalle-Haute, Liege, (mainly galvanized and tinned sheet iron), which began negotiations in 1963 with the French group, PECHINEY SA, to run a joint aluminium works in Belgium, is now repeating the operation by making an agreement with KAISER ALUMINIUM & CHEMICAL of Oakland, California (see No. 312) for the joint running of its "Aluminium Foils" Division.

Since 1962 this division, which employs about 200 people and produces about 5,000 tons of aluminium foil a year, has had a factory at Ivoz-Ramet, Liège, which could easily be expanded. The entire works will be made over to a new joint subsidiary of the American and Belgian companies, called PHENIX ALUMINIUM SA (capital, Bf 300 million).

The American group which has subsidiaries at Rotterdam, Frankfurt, Cologne, Paris and Milan making aluminium, chemical products, refractories etc. set up another subsidiary at Liege at the end of last year. This company, which is called KAISER REFRACTORIES SA (see No. 287) (refractory materials for metal industry, for industrial furnaces etc), has in turn set up sales branches at Antwerp, Rotterdam etc.

317/18 AUTOMATIC POULTRY FEEDER CO, Zeeland, Michigan (see No. 221) which makes automatic equipment for feeding poultry and other livestock, has changed the Antwerp branch set up by its Dutch subsidiary, BIG DUTCHMAN (NEDERLAND) NV, The Hague (factory at Wezep), into a subsidiary under the name BIG DUTCHMAN (BELGIUM) NV. The new company has a capital of Bf 100, 000, held by the Dutch subsidiary, its president is Mr. Cornelis Weststrade (Wezep) and it is directed by Mme. M. van Rensel (Borgerhout, Antwerp).

The American group has numerous companies in Europe to distribute the products manufactured by the Dutch subsidiary. They include: BIG DUTCHMAN (FRANCE) Sarl, St. Carrenc, Cotes du Nord; BIG DUTCHMAN (DEUTSCHLAND) GmbH, Calveslage über Vechta (formerly at Dusseldorf); BIG DUTCHMAN (ITALIA) SpA, Verona (formerly at Milan); BIG DUTCHMAN IBERICA SA, Reno; BIG DUTCHMAN (INTERNATIONAL) AG, a holding company at Chur (see No. 148); BIG DUTCHMAN (GREAT BRITAIN) LTD, set up in London in May 1964. The group also has agents and representatives at Vienna, Vejen, Denmark, Athens, Nicosia, Beirut, etc.

317/18 The French company, ETS NEU SA, Lille (see No. 261) which specializes in airconditioning, ventilation etc.., has set up a production subsidiary in London called NEU ENGINEERING LTD (capital, £20,000).

The French company already has interests abroad including LUFTTECHNIK NEU GmbH, Bochum, SA BELGE DES ETS NEU, Tournai and NEU IBERICA SA, Madrid.

In France, where it has factories at Lille, Nord and Lillebonne, Seine, it controls, in conjunction with ETS VENOT SA, Onnaing, Nord, STE PARISIENNE D'ETUDES & DE REPRESENTATIONS INDUSTRIELLES - SOPERA SA, Paris (capital, Ff 550,000 (see No. 261). It also has an engineering subsidiary, SOFRAIR - STE D'AERODYNAMIQUE & DE THERMODYNAMIQUE FRANCAISE SA, Boulogne, Seine which was set up in 1964 (capital, Ff 50,000). Also involved in Sofrair was the Paris company, PETROLE-CHIMIE-STE D'ETUDES & DE REALISATION INDUSTRIELLES SA (see No. 235) which gave it the benefit of its links for technical aid and production co-operation with the American group, J. RAY McDERMOTT & CO INC, Houston, Texas (see No. 212).

317/19 There has been an extensive reorganization in the French group, SOLEX Sarl (capital, Ff 36 million). The group specializes in the manufacture of engines, carburetters, motorbicycles, micrometers, compasses, and meters and guages of all kinds. Its managing partners are M. Felix E. Goudard, M. Francis D.E. Goudard and M. Andre L. Menneson who are also owners and directors of SOLEX LTD, London and its subsidiary, THE ZENITH CARBURETTER CO LTD, Stanmore, Middlesex, and of STE GENERALE DES CARBURATEURS ZENITH SA, Geneva; (this firm has a holding - among others - in STE DU CARBURATEUR ZENITH SA, Lyons, in which STE MARSEILLAISE DE CONSTRUCTIONS MECANIQUES also has an interest).

Two distinct operations have taken place within the group:

(1) SOLEX Sarl, Neuilly sur Seine, Seine has split up its business and handed it over to five new companies all formed at Neuilly: STE DES CARBURATEURS SOLEX Sarl (capital, Ff 36 million) which is to take over the factory at Nanterre, Seine; CIE INDUSTRIELLE & FINANCIERE - CIF Sarl (capital Ff 72 million) an investment company and sales company for automobile carburetters (assets valued at Ff 68 million); STE AUXILIAIRE D'INVESTISSEMENT & DE REALISATIONS - SAIR Sarl (capital, Ff 36 million); STE AUXILIAIRE DE DEVELOPPEMENT & D'EXPANSION - SADEX Sarl (capital, Ff 20.4 million); and STE AUXILIAIRE DE REALISATIONS INDUSTRIELLES - SARIC Sarl (capital, Ff 1.56 million) which have taken over various properties at Neuilly and Courbevoie.

(2) Two new companies have been formed to take over all the business of another of the group's companies, SEFAC - STE INDUSTRIELLE DE FABRICATION POUR L'AUTOMOBILE & LE CYCLE Sarl, Courbevoie (capital Ff 38 million) which will cease to exist. The two new companies are SINFAC-STE NOUVELLE INDUSTRIELLE DE FABRICATION POUR L'AUTOMOBILE & LE CYCLE Sarl (capital Ff 44 million) which has taken over the manufacture of "Velosolex" and the sites at Courbevoie and Bois-Colombes, Seine, and CIE AUXILIAIRE DE FINANCEMENT - CAF Sarl(capital, Ff 16 million) which will take over transferable securities and real estate to the value of Ff 12.39 million

The other companies in the group include STE D'APPLICATION DE METROLOGIE INDUSTRIELLE Sarl (capital, Ff 0.8 million), FONDERIE A. BRIZON Sarl (capital, Ff 2.34 million), SIBE Sarl (capital, Ff 3 million) and SACEM Sarl (capital, Ff 17 million).

317/19 The German company, LEDERMANN & CO KG, Horb, Wurttemburg, is expanding in France by opening a new branch at Montreuil-sous-Bois, Seine, for its subsidiary (90% owned), LEUCO-FRANCE Sarl, Strasbourg, Bas Rhin, which was set up in September 1961 (capital, Ff 10,000 - see No. 134).

Ledermann makes precision tools and machinery, mainly for wood and metal working and plastics (about 300 employees). It controls another German company of the same kind, HAWERAHARTMETALL WERKZEUGFABRIK GmbH, Ravensburg.

317/19 CIE FRANCAISE D'ASCENSEURS & MONTE-CHARGE - COFRAM SA has been set up at Marseilles (capital, Ff 200,000; directors, M.J. Maurel of Marseilles and M.J. Dor of Gex, Ain) to be the agent in France for FIAM - FABBRICA ITALIANA ASCENSORI MONTACARICHI SpA, Milan.

This Italian company, which has factories at Milan and Peri, is one of the largest companies in Italy of its kind, after STIGLER OTIS SpA, Milan, SCHINDLER SpA, Milan, and PRIM SpA, Milan. It makes all kinds of lifts, hoists, escalators, conveyor belts, service lifts, elevators etc.

317/20 The German company, WEDAG - WESTFALIA DINNENDAHL GROPPEL AG, Bochum (capital, Dm 12 million) which specializes in mining and metal-working equipment, has set up a sales subsidiary in France, WEDAG FRANCE Sarl, Boutigny-sur-Essonnes, Seine et Oise (capital, Ff 40,000) which it 70% owns.

The remaining 30% is held by M. Roger Pelat (Paris) who is at the head of a company called VIBRACHOC SA which makes shock-absorbers, dashboards, signalling apparatus and electronic equipment. Since March 1964, this company has had a subsidiary in Milan called VIBRACHOC ITALIANA Srl (capital, lire 900,000).

The German company, which employs about 3,000 people, has large interests in Germany: WESTDEUTSCHE GETRIEBEWERKE BOCHUM GmbH, Bochum-Rienke,; "EKOF" - ERZ - & KOHLE-FLOTATION GmbH, Bochum-Riemke; SCHUCHTERMANN & KREMERBAUM AG FUER AUFBEREITUNG, Dortmund, WEDAG WOHUNGSBAU GmbH, Bochum, etc.

317/20 GRAU ITALIANA Srl, Milan, which was set up three years ago (see No. 100) as an agent for GRAUBREMSE GmbH, Heidelberg (see No. 198), has been put into voluntary liquidation. It used to market in Italy the various kinds of compressors, brakes and controls for machinery and vehicles which are distributed in France by GRAU FRANCE Sarl, Sars-Poteries, Nord, and are made by the German firm or by its French affiliated company, PIETOCO FRANCE, Sarl, Sars-Poteries, which is a subsidiary of the Belgian company, PIETOCO SA, Trazegnies, Charleroi (see No. 254).

317/20 SIRTE RENTING SpA has been formed at Turin (capital, lire 15 million) to sell and hire out plant for civil engineering, in particular scaffolding for "Sirte" building, an Italian technique. Dr. Camillo Beltai represents the Italian shareholders on the board. 70% of the company is held by STE POUR LA LOCATION DE MATERIEL INDUSTRIEL & COMMERCIAL "LOCIMO" SA, Paris, one of the leading French leasing companies, set up in April 1962. Its capital (Ff 2.5 million since November 1963 when it became a limited company) is held by UNION FINANCIERE DE PARIS Scs (see No. 310) and MM RIVAUD & CIE Snc (see No. 307).

317/20 The Dutch holding company, IPAM - INDUSTRIELE PARTICIPATIE MIJ, The Hague, (capital, Fl 3 million) which belongs to the Feteris family, has set up an almost wholly-owned subsidiary, IPAM-TECHNISCHE BEDRIJVEN NV, The Hague, and as a result has reorganized its portfolio. Ipam's main interests are in shipping and aircraft.

The new company (capital, Fl 1 million) will take over most of the group's business in importing equipment and technical apparatus and will also be the agent for the group's foreign companies. It has received from its parent company, holdings in the following five firms all at The Hague : FETERIS NAUTISCH TECHNISCHE DIENST NV; NAUTISCH TECHNISCHE HANDEL MIJ; P.J. FETERIS NV; FRANS NEDERLANDSE INSTRUMENTEN COMPAGNIE NV; FETERIS FELEKTRON NV and ILTO - INTERNATIONALE LUCHTVAART TECHNISCHE ONDERNEMING NV.

317/20 A new Dutch company, SUTTON NV has been formed at Vlaardingen to deal in engines and engine components and parts. Its Fl 240,000 capital is held 25% by the mechanical engineering firm, MACHINEFABRIEK "TOEKOMST", Vlaardingen and the remaining 75% by three British industrialists, Mr. George D. Rushton (31.25%), Mr. Anthony H. Rushton (31.25%) and Mr. Peter J. Cooper (12.5%).

317/21 HERMANN WANGNER, METALLTUCH & MASCHINENFABRIK KG, Reutlingen, Württemburg which makes filters for water purification and metal mesh webbing for the paper industry, has set up two holding companies at Lucerne called KURTZ III VERWALTUNGS GmbH and KURTZ IV VERWALTUNGS GmbH, each with a capital of Sf 2 million, and both almost wholly-owned by the parent company. Herr Josef Frei of Zurich is manager of both.

The German company already has two other holding companies at Lucerne, KURTZ I VERWALTUNGS GmbH (capital, Sf 2 million - see No. 187) and KURTZ II VERWALTUNGS GmbH (capital, Sf 1 million - see No. 279).

317/21 The American company, AMERICAN HOME PRODUCTS CORP, New York (see No. 151) is planning a large-scale expansion of its interests in Europe by merging with EKCO PRODUCTS CO of Chicago which makes hardware, kitchen utensils and aluminium containers (see No. 295). This merger has been planned since 1962. By it, American Home will gain control (68%) of the PRESTIGE GROUP, London, which has a number of interests on the Continent; Prestige also has a London subsidiary, PRESTIGE EDISON LTD, which makes electric, household appliances (see No. 270) and which is jointly owned by McGRAW-EDISON of Elgin and Chicago, Illinois.

American Home Products deals mainly with chemical and pharmaceutical products, drugs, products for cleaning and maintenance, and foodstuffs, (turnover of $571 million in 1964). It has six subsidiaries and sub-subsidiaries in Britain including A.S. BOYLE & CO LTD, London; E.R. HOWARD LTD, Ipswich, Suffolk; INTERNATIONAL CHEMICAL CO LTD, London and JOHN WYETH & BROS LTD, Taplow, Maidenhead, Berks. It also has numerous interests in the Common Market including: in France, STE CHIMIQUE WYETH-BYLA SA, Paris (see No. 151) and ETS O. CEDAR SA, Choisy Le Roi, Seine; in Germany, HOEHN & HOEHN GmbH, Haan, Rheinland and WYETH PHARMA GmbH, Hamburg; in Italy, AYRST Srl, Rome (subsidiary at Milan), LABORATORI ITALO AMERICANI SpA, Rome, and HOME PRODUCTS ITALIANA SpA, Milan (factory at Apila); and in the Netherlands, WYETH LABORATORIA NV, Amsterdam.

Ekco Products (turnover of $117 million in 1964; directors, Mr. Arthur Keating, Mr. R.C. Sabini and Mr. David L. Canmann) holds most of its interests in the Common Market through its London subsidiary, the Prestige Group. This company recently decided to build a large factory at Tessenderlo in Belgium The Prestige Group's main interests in the Common Market are: PRESTIGE BENELUX SA, Molenbeek-St-Jean-Brussels; PRESTIGE ITALIANA SpA, Milan; CIE FRANCAISE GOLDEN FLEECE SA, Paris and Chartres; PRESTIGE FRANCE SA, Paris; DUROFOL PRESSWERKE GmbH, Solingen; PAUL BAEDER GmbH, Esslingen; PRESTIGE HAUSHALTSWAREN GmbH, Solingen; DAYCO METALLWARENFABRIK GmbH, Solingen and FORSSMANHOLZ GmbH, Wuppertal-Elberfeld (a joint-stock company - AG - recently acquired and which became GmbH after a short time) manufacturer of articles from plywood.

317/21 The German heavy machine engineering company, MASCHINENFABRIK ESSLINGEN, Esslingen, which used to be about 50% controlled by GUTEHOFFNUNGSHUETTE AKTIENVEREIN, Nuremberg (see No. 310) and has since become a subsidiary (about 75% owned) of DAIMLER-BENZ, is reorganizing some of its activities. In future, it will concentrate on manufacturing agricultural handling machinery using "Daimler-Benz" engines, various compressors, castings and engine parts. It is gradually abandoning the manufacture of industrial furnaces, trucks and locomotives. Its plants for manufacturing equipment for refuse incineration have been taken over by HANIEL & LUEG GmbH, Düsseldorf (see No. 263), wholly-owned subsidiary of Gutehoffnungshütte.

Haniel & Lueg specializes in drilling mine shafts, rock shifting, deep drilling for oil, coal, mineral and water prospecting and strengthening shafts, earth walls, etc. It also supplies equipment for all these activities. Amongst its main interests is a subsidiary in Switzerland, HANIEL & LUEG AG, Basle, another in Libya, LIBYAN DRILLING & SERVICE CO, and a 25% holding in the German company of oil and mining consultants and engineers, BPG - BERGBAU-PLANUNG GmbH, Essen. Three other companies also have 25% each in this concern. They are PREUSSAG AG, Hanover, C. DEILMANN BERGBAU GmbH, Bentheim, and SCHACHTBAU THYSSENHUETTE GmbH, Mulheim, Ruhr.

317/22 WOTAN-WERKE GmbH, Düsseldorf, has taken over the Frankfurt machine-tool firm, VEREINIGTE WERKZEUGMASCHINENFABRIK AG (VWF) from the group GRUNDIG-WERKE GmbH, Fürth, Bavaria (see Nos. 299 and 265): the new acquisition, capital Dm 5 million, makes special milling and drilling machines.

Wotan is indirectly a member of the HENRY SONNENBERG group, New York, being controlled by two of its affiliates: BARTON MACHINERY LTD, Montreal (59.83%) and WESTDEUTSCHE WERKZEUGMASCHINEN GmbH, Düsseldorf (40.17%) - which is itself a 96.83% subsidiary of the Montreal firm, and sells machine-tools. The New York group's West German interests include HUNTER DOUGLAS GmbH, Düsseldorf, which manufactures venetian blinds, metal blinds, kiosks and aluminium shop-frontages, etc., and is a direct subsidiary of HUNTER DOUGLAS CORP, New York (see No. 200).

317/22 SIMMONS CO of New York, largest American bedding manufacturers (about 8,500 employees) has entered Germany by setting up SIMMONS GmbH at Frankfurt (capital Dm 0.4 million; manager, Mr. Rolf Christian Sommerfield of Boston).

The American group has 75% control of CIE CONTINENTALE SIMMONS SA, Paris (see No. 267) through its Swiss holding company, SIMMONS CO AG, Zug (capital Sf 6.941 million). MM WORMS & CIE Scs also has an interest in the Paris subsidiary.

Simmons also has a British subsidiary, SIMMONS BEDDING LTD, Greenford, Middlesex, and a number of licensees in Europe, including SA BELGE SIMMONS, Brussels-Haren (joint subsidiary of ARBED SA, Luxembourg, and TREFILERIES LEON BEKAERT Sprl, Zwevegen). Cie Continentale Simmons has holdings in CIS - CIA ITALIANA SIMMONS SpA, Milan, and in several French companies including STE DE LIT TOUS SOINS, and in some African firms such as STE MAROCAINE SIMMONS, STE IVOIRIENNE SIMMONS, etc.. It has factories at Saint-Amand-les-Eaux, Nord; Saint-Ouen, Seine; Fougeres, Ille & Vilaine, and Flaviac, Ardeche.

FINANCE

317/22 A merger is going to take place between two Italian banks: BANCO BOVISO, Vigerano, will be taken over by "PROBANCA" - BANCA PROVINCIALE DI DEPOSI & SCONTI SpA, Milan, which was founded in 1922 under the name of BANCA COMMISSIONARA MILANESE. Today it has a capital of lire 500 million, and is headed by Sig. Angelo Verga.

317/23 The split which has taken place in OICC - OMMIUM INDUSTRIEL, IMMOBILIER & COMMERCIAL SA, Paris (capital, Ff 3.91 million - see No. 298) has given rise to a new company called OMMIUM PARTICIPATION SA at Paris, whose capital of Ff 978,000 has been almost entirely paid-up by having made over to it some property in Paris.

Other assets were made over to the investment company, CENINVE SA (set up in 1963 with the backing of the bank, MM VERNES & CIE Snc) which as a result has increased its capital from Ff 20 to 38 million.

317/23 A group led by ISTITUTO BANCARIO SAN PAOLO DI TORINO, Turin, (see No. 294) is setting up a finance company in Turin called STA FINANZIARIA PIEMONTESE SpA (Turin) to extend loans to small and medium-sized companies.

At the beginning of 1965 (see No. 288) the same group set up BANCA SUBALPINA SpA, at Turin (capital, lire 500 million), which is owned by Istituto Bancario San Paolo di Torino, by CASSA DI RISPARMIO, Turin (40%) and by IFI - INSTITUTO FINANZIARIO INDUSTRIALE SpA (10%). IFI is a holding company of the FIAT group, which managed the negotiations with BANCA D'ITALIA, Rome, to take over the banking business of BANCA GRASSO & FIGLIO SpA, Turin after it had got into financial difficulties.

317/23 "FINCO" - FINANCIERINGS-MIJ VOOR CO-OP PROJECTEN has been formed at Amsterdam. It is equally-owned by COOPERATIEVE VERENIGING U.A. CENTRALE DER NEDERLANDSE VERBRUIKERCOOPERATIES ; "CO-OP NEDERLAND", Rotterdam cooperative supply stores, and the Amsterdam banking company, NV HOLLANDSCHE KOOPMANSBANK NV (see No. 302).

The new company, (capital Fl 5 million) will be in charge of all operations of medium-term finance which Co-op Nederland has been undertaking to help the investments of its affiliated members.

Co-op Nederland and Hollandsche Koopmansbank both have holdings in the Basle international banking cooperative, INTERNATIONALE GENOSSENSCHAFTSBANK, in which BANK FUER GEMEINWIRTSCHAFT, Frankfurt, also has an interest (30% - see No. 289).

317/23 Two Frankfurt banks, S.G. WARBURG & CO VORM. HANS W. PETERSEN and ALLGEMEINE BANK AG have gone into 50-50 partnership to set up BETEILIGUNGSGES. FUR INDUSTRIE & HANDEL mbH. This will be the active partner in a limited partnership which the two banks are now forming with the object of acquiring all kinds of shares. The other partners will thus be drawn from the banks' clients. WARBURG-PETERSEN is affiliated to the London groups S.G. WARBURG & CO LTD (see No. 316) and BANK OF LONDON AND SOUTH AMERICA (see No. 270); and ALLGEMEINE BANK is a joint subsidiary of VEREINSBANK IN HAMBURG, Hamburg, BERLINER BANK AG, Berlin, and WESTFALENBANK AG, Bochum.

317/23 BAYERISCHE VEREINSBANK AG, Munich (see No. 306) has backed a new company, HOLDINGGESELLSCHAFT FUER ANLAGEWERTE mbH, set up at Hamburg with a capital of Dm 250,000 to acquire and hold shares particularly in companies leasing flats and other premises.

The Munich bank, which has a large number of interests both in Germany and abroad, is extending its interests in "leasing". It has a holding in INTERLEASE SA, Luxembourg (see No. 293) which was set up in 1963 to enable its shareholders' leasing companies to cooperate closely on the technical and commercial side.

FOOD & DRINK

317/24 The American company, DI GIORGIO CORP of San Francisco, California (formerly DI GIORGIO FRUIT CORP) which produces non-alcoholic drinks, fruit juices, wines and farm produce, is negotiating its first overseas production agreement in the Netherlands. The agreement is planned with a Dutch bottling company, and it would provide for on-the-spot production of orange juice to be sold in Benelux and Sweden using the trade names of SUNNYLAND JUICE CORP of Anaheim, California.

Di Giorgio bought Sunnyland Juice about a year ago for $2.52 million. It has two fruit juice factories (making "Sunnyland" and "Sunny-Fresh") at Anaheim and Santa Clara, California ($8 million worth sold last year).

Di Giorgio itself, whose trade names include "S. & W." and "Tree-Sweet", had a turnover of $132 million last year; this is expected to rise to $200 million this year, as it has acquired control (93%) of MET FOOD CORP, Syosset, New York, which markets foodstuffs (sales reached $18 million in 1964). Di Giorgio has been selling its products, particularly its frozen products, abroad for some years, but it has not yet had any overseas production.

INSURANCE

317/24 The insurance and reinsurance group, LA VIGILANCE SA, Paris (fire, accident, theft and other risks - see No. 224) is making over its entire portfolio of insurance, etc, to LA PROTECTRICE, CIE D'ASSURANCES A PRIMES FIXES CONTRE LES ACCIDENTS, L'INCENDIE & AUTRES RISQUES SA, Paris (see No. 290).

Both these companies are members of the Milan group, RAS - RIUNIONE ADRIATICA DI SECURITA SpA (see No. 268). La Protectrice was the first insurance company in France to become linked to the Italian group. It was formed as far back as 1911. Other companies linked to the group in France are CIE DE REASSURANCES DE PARIS SA (formed in 1924) and LA PROTECTRICE - CIE SA (set up in 1935 in Paris).

OIL, GAS & PETROCHEMICALS

317/24 AWP - ADRIA WIEN PIPELINE has been set up at Vienna to build an oil pipeline from Trieste to supply the refinery at Schwechat, Vienna. The project has been studied closely for some years by OESTERREICHISCHE PIPELINE STUDIEN GmbH, Vienna (see No. 127), which is controlled by OMV - OESTERREICHISCHE MINERALOEL VERWALTUNG AG, Vienna, in association with several Austrian banks. The shareholders of the new firm (initial capital Schillings 100,000) are: OMV, 51%; ROYAL DUTCH SHELL, 15%; SOCONY MOBIL OIL CO INC, 15%; BRITISH PETROLEUM LTD, 8%; STANDARD OIL OF NEW JERSEY, 7%; and CFP - CIE FRANCAISE DES PETROLES SA, 4%.

Through their Vienna subsidiaries, SHELL AUSTRIA and MOBIL OIL AUSTRIA AG, which have refineries at Florisdorf and Vienna respectively, Royal Dutch Shell and Socony Mobil Oil were already linked with OMV, in the oil-refining and distributing company OESTERREICHISCHE ROHOELVERWERTUNGS GmbH, which was set up at Vienna in June 1960, and in which they had 13% each. Elsewhere in Austria, Royal Dutch Shell, Socony Mobil Oil, BP, and Standard Oil of

New Jersey are in partnership in TRANSALPINE OELLEITUNG IN OESTERREICH GmbH, Innsbruck (capital recently raised from Schillings 100,000 to Schillings 50 million); with them are the German firms DEA - DEUTSCHE ERDOEL AG, Hamburg, GELSENBERG BENZIN AG, Gelsenkirchen; SCHOLVEN CHEMIE AG, Gelsenkirchen-Buer and WINTERSHALL AG, Celle (see No. 280).

317/25 The German group ARAL AG, Bochum (see No. 295) has acquired direct and indirect control of APO PETROLEUM & OIL CO NV, Antwerp, petroleum distribution company. Herr Matthias Graaf von Sehmettan, Herr H.B. Weissbach, and Herr E.E. Verhaert are on the company's new board.

APO Petroleum, which is also a subsidiary of ARAL BELGIQUE SA, St. Gilles, Brussels, and affiliated to ARAL LUXEMBOURG SA (another subsidiary of Aral Belgique - see No. 233), used to be called ANTWERP PETROLEUM & OIL CO and was owned before by a Belgian group led by M. E.C. Vandergraesen, M. G.L. Cornelis, and M. R.C. Pecclu, and by ALMI - ALGEMENE MIJ VOOR IMMOBILIEN NV, Schilde (25%).

317/25 The group SIR - STA ITALIANA RESINE SpA (Milan) has rationalized the interests which have enabled it to set up a large industrial complex at Sassario, Sardinia, by liquidating two of its subsidiaries: SIRBEN SpA and SARDAR SpA, which were set up in 1962 (capital lire 1 million each) and were recently renamed BERSAR SpA and DARSAR SpA. The first was responsible for building a factory producing 80,000 tons per year of toluine and benzine, the other for building a production unit turning out 160,000 tons p.a. of aromatic treatment; the total cost was about lire 6,000 million, and about 100 people were employed.

One of the numerous Sardinian subsidiaries of the Milan group, SARDOIL SpA, Sassari, which has just raised its capital to lire 500 million, will be using a refinery of 1-2 million tons capacity which is just being finished at Porto Torres. SIR's other interests in this petrochemical complex (which involves 13 companies) are: STA ITALIANA FENOLO ACETONE SpA, producing 35,000 tons p.a. of acetone and 50,000 of phenol (formerly SIRG - STA ITALIANA RESINE GULF SpA, 40% owned by GULF OIL CO, Pittsburgh); SARDA INDUSTRIA RESINE SpA, producing 67,000 tons p.a. ethylene and 50,000 tons propylene; ACHILSARDA SpA, producing tetramerous compounds of propylene and styrene; STIRAL SpA, which produces 30,000 tons p.a. of high pressure polyethylene; SARDOX SpA, producing basic materials for octyl compounds; and IDROGENAZIONE SpA, SARDAP SpA, set up last November, with OPT - OFFICINE DI PORTO TORRES contributing 10% SARDESA SpA and TITANSIR SpA.

Finally, the group has interests in ACRILSARDA SpA at Assemini, Cagliari, of which RUMIANCA SpA controls 70%, the remainder belonging to ETB SpA - an SIR subsidiary which produces low-pressure polyethylene.

TEXTILES

317/25 The Belgian company, TISSAGE LEONARD MAERE SA, Ghent, is taking over completely two other Belgian companies, TEINTURERIE ANDRE VERHENNE & CIE NV, Eine, and COTONNIERE GANTOISE NV, Gentbrugge, and in the process is increasing its capital to Bf 74.25 million. It is also changing its name to USINES TEXTILES LEONARD MAERE SA.

Together with ETS L.A. LEGRAND SA, Schaerbeek, it controls a cotton company, TISSAGE DE L'ESCAUT SA, Bevere, Oudenaarde (it used to be at Schaerbeek) whose capital was increased recently to Bf 20 million.

317/26 Two German companies which specialize in velvets, PELTZER GEBR. KG and SCHEIBLER & CO SAMT-, PLUSCH- & WOLLSTOFFWEBEREI KG, both in Krefeld, are planning to merge. The resulting concern will have a labour force of 500 and a turnover of from Dm 30 to Dm 40 million a year. However, each company's distribution network will remain separate.

TRADE

317/26 INTERNATIONAL TRADING & CREDIT CO OF TANGANYIKA LTD, Dar-es-Salaam, and the Amsterdam trading company, VAN EEGHEN & CO (see No. 248) have set up a 60-40 subsidiary at Amsterdam, called INTRATA HOLLAND NV (capital Fl 500,000) to carry on trade between the Netherlands and Tanzania.

International Trading & Credit is a trading company set up about a year ago by the Tanzanian Government and by VAN EEGHEN & MACLAINE LTD, Dar-es-Salaam, which is a subsidiary of Van Eeghen, Amsterdam.

Van Eeghen undertakes all kinds of overseas trading. Recently, it joined with the Indonesian central bank, BANK INDONESIA, Djakarta, to set up a joint and equally-owned company called INGA - INDONESISCH NEDERLANDS GOEBEREN AGENTSCHAP NV at Amsterdam (see No. 255) to trade between Indonesia and the Netherlands.

TRANSPORT

317/26 C. STEINWEG NV (capital Bf 100,000) has just been formed at Antwerp by Dutch and Belgian interests to provide land and sea freight. It is owned 46% by C. STEINWEG HANDELSVEEM NV, Rotterdam, and 45% by EXPEDITIONS ANVERSOISES NV, Antwerp.

317/26 EFL - EXPEDITEURS DE FRUITS & LEGUMES SA has recently been set up at Sint-Katelijne, Waver, Belgium (capital Bf 280,000). It is jointly and equally owned by seven German shareholders: Herr Walter Friedrich, trader from Bentheim, and six transport companies - ENTEGE-NIEDERRHEINISCHE TRANSPORTGES. MUELSTEGEN & JANSSEN KG; ERESKA-REIMANN STOK & KERSKEN VEREINIGTE SPEDITEURE GmbH; VGS - VEREINIGTE GEMUESE-SPEDITEURE GmbH; VGS - VEREINIGTE GEMUESE-SPEDITEURE GmbH & CO KG (all at Bentheim); GERLACH & CO GmbH, Emmerich, and HARRY W. HAMACHER SPEDITEUR KG, Charlottenburg.

317/26 The Belgian company, TRANSIT - STE DE TRANSPORTS TERRESTRES NV, Ghent, has set up a Dutch subsidiary, TRANSIT (WEKEROM) NV at Wekerom, Ede. This company's capital of Fl 250,000 has been paid up by its taking over another company, INTERNATIONAL TRANSPORTBEDRIJF G. HAZELEGER, Wekerom, Ede.

VARIOUS

317/27 WILLIAM DAWSON & SONS, London book-sellers, has expanded its only subsidiary on the Continent, DAWSON FRANCE SA, Paris, increasing its capital from Ff 15,000 to 125,000.

The London company's German subsidiary at Düsseldorf ceased to operate several years ago now, but the company has other interests. It controls SURRIDGE DAWSON LTD, London (carriers and delivery service) and has interests in South Africa in WILLIAM DAWSON & SONS (SA) PTY LTD, Capetown and in Canada, in WILLIAM DAWSON SUBSCRIPTION SERVICE LTD, Toronto.

317/27 The American company, AUTOMATIC SPRINKLER CORP OF AMERICA, Youngstown, Ohio (see No 271), which makes fire-fighting and safety equipment, has backed a new French company, SWISS-AUTOMATIC SPRINKLER-FRANCE Sarl at Vitry-sur-Seine to import automatic equipment for protection against fire. The new company has a capital of Ff 10,000 and is managed by M. R. Lamaud (Exideuil-sur-Vienne, Charente).

The American company has also put its European agent, Mr H. J. New in charge of setting up PETROLEUM FIRE PROTECTION SA at Brussels to sell its products in Belgium. The group also has a 25% minority holding in AUTOMATIC SPRINKLER ITALIANA at Fieve Fissiraga, Milan, which was set up at the end of 1963 (capital, lire 1 million) by M. G. Palusol who controls it. It acts as agent for the American company in Italy.