Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi ***EUROPE***

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Paris

THE NEED FOR A COMMON NATURAL GAS POLICY: PART I

Ten years ago, when the European treaties later to be signed in Rome were being negotiated, it was thought that it would be easier to agree on a common policy for the "new" industrial sectors, since in their case, there was not the need to solve the problems left by past events. Thus far, unfortunately, this has not proved to be the case, especially for atomic energy. It is not for us to enumerate the reasons for this failure, but now is a good time to consider whether Europe has learned its lesson, or is going to be faced with a similar failure in a new and rapidly expanding industry: natural gas.

It was only in 1962, with the discovery of enormous deposits at Groningen in the Netherlands, that new prospects for natural gas were opened up in Europe. The deposits, discovered by NAM, a joint subsidiary of the Esso and Shell groups, placed the Netherlands immediately amongst the nations with the largest combustible gas reserves: these are estimated to hold some 1,100,000 million cubic metres with another 400,000 million cubic metres of "probable" deposits. Only the United States, the USSR, all of the Middle Eastern states and Algeria are known to have greater deposits. To which might be added new finds from the North Sea, a vast sedimentary zone where prospecting only began in 1965, and where the British finds have been very encouraging.

To what extent is natural gas going to help Europe solve the problems of supplying its energy requirements? How is the availability of large quantities of fuel, until now only obtainable with difficulty, going to influence the creation of a common energy policy? Finally - and it will be seen that this question is worth asking - to what extent will the natural gas industry be subject to the provisions of the Treaty of Rome?

Before attempting to reply to these questions, it will be useful to summarise the land and off-shore resources of the Community. Within the Common Market, four countries are known to have natural gas deposits. France produces about 5,000 million cubic metres at Lacq, and prospecting is continuing in the south-west of the country, where there are indications of important deposits. At the beginning of 1966, the SNPA, (Société Nationale des Pétroles d'Aquitaine) thought that it had found a deposit capable of producing at least half of the quantity coming from Lacq, but these hopes, perhaps temporarily, have been dashed. Present production only covers 4% of the country's energy needs at the outside, and it is generally assumed that in fifteen years time, the figure will start to fall with the natural diminution of the supplies from Lacq.

In Italy, the first important discoveries in the Po valley were made in the immediate post-war period, and they played a considerable role in the very rapid economic reconstruction of the peninsula. Prospecting continues throughout the country, but the existing deposits, producing from seven to eight thousand million cubic metres annually, will probably be exhausted in the relatively near future. As for West Germany, it produces just over a thousand million cubic metres from several small deposits.

It is thus obvious why NAM has found customers in the countries near to the Netherlands, who are extremely interested in the possibilities offered by the Groningen deposits. At the moment these are hardly exploited (production only just exceeds 2,000 million cubic metres), but from 1967 onwards large quantities of gas will be extracted. According to forecasts made by the company exploiting the deposits, production will gradually be increased to thirty, and probably to thirty-five thousand million cubic metres a year. Of this quantity, around fifteen thousand million will probably be used by the home market (about 30% of actual energy consumption in the Netherlands). The remainder, some twenty thousand million cubic metres, will be exported. Several contracts are already signed: 1) with Gaz de France (for 5,000 million cubic metres, with first deliveries of lesser quantities beginning in 1967); 2) with the Belgian company Distrigaz (between four and five thousand million cubic metres a year); 3) with Thyssengas and Ruhr-Gas (a total of five or six thousand million cubic metres). Negotiations are taking place with gas distributors in Southern Germany to supply three thousand million cubic metres (earlier this requirement had been for five to six thousand million).

These are the Community's known resources, but a large unknown quantity exists in the form of possible further deposits in the North Sea. Prospecting off the German coast has not as yet shown great promise: gas has certainly been found, but not rich enough in methane to justify commercial exploitation. As for the Dutch zone, which appears to be very promising, if only because it is close to the Groningen deposits, no drilling has yet started.

This is because the Dutch government has not yet decided what form of fiscal regime should be imposed on the companies working off-shore (i.e. in the Dutch maritime zone). But it already seems quite clear, because of pressure from the Socialist Party, that the Dutch state's share in profits from the exploitation of North Sea hydrocarbon deposits will be considerably greater than either the British or West German share from similar ventures. The fact that taxes will probably be heavy in the Dutch zone should encourage the companies concerned to carry out most of their prospecting in adjacent zones.

There is also another difficulty, which is not confined to the Dutch alone: the "fixing" of frontiers in the North Sea. In 1958 an international convention signed in Geneva, which came into force in 1965, formally recognised the sovereign right of States over the North Sea continental shelf. The convention sets out rules for fixing the boundaries of zones between coastal states. But these rules are a last resort: in other words, the governments involved are invited to negotiate their joint maritime frontiers, and it is in default of an agreement being reached that the rules laid down by the convention will apply. Already the Federal Republic and the Netherlands have had negotiations which resulted in an agreement covering only part of the zones claimed by both. In the middle of the North Sea, between the British and the Dutch zones, there is an area whose ownership is still uncertain. The practical result of this legal doubt has been that the companies already prospecting in the British zone are careful not to undertake drilling in areas close to the Dutch zone.

TO BE CONTINUED

VIEWPOINT

THE TEXTILE INDUSTRY'S VIEWS ON WORLD COTTON PROBLEMS

by Mario Ludwig, Director, International Federation of Cotton and Allied Textile Industries, Zurich.

To anybody interested in cotton the most important event of the past twelve months is, without doubt, the setting up of the International Institute for Cotton by major cotton producing and exporting countries. As textile industrialists, who are using all types of fibres, we wish to congratulate the founder-members of the Institute for the wisdom and foresight which they have shown in embarking upon this venture. We urge all the other cotton producing and exporting countries to join the Institute, for their own sake and also for the purpose of strengthening this organisation and widening its basis of operation. We are convinced that the Institute will play a vital part in furthering cotton's prosperity in the future.

We should like to emphasise that the International Institute for Cotton, may count upon the support and co-operation of the cotton textile industries in its activities. The nature, availability and extent of such industrial co-operation have already been demonstrated by some pilot projects, which have been carried out in certain consumer countries during the past. The members of the Institute may be confident that this type of co-operation will remain available, as the Institute broadens its operations.

The positive aspect of the setting up of the International Institute for Cotton and the good prospects which this entails mitigate, to a certain extent, the concern that one must have about the further accumulation of stocks which - for the last year - have reached an alarmingly high level. Even if we anticipate an increase in the world's overall cotton consumption, as no doubt we may, stocks are not likely to be brought down to a level which will relieve pressure on the market. We must, therefore, continue to reckon with over-abundance on the raw cotton supply side, at least for another year.

The fibre supply situation is further affected by the tremendous increase in the productive capacity of the man-made fibre industry. Several new man-made fibre plants have been brought into operation and are now ready to flood world markets: this at a time when the market has already become a buyer's market.

Another important development in the man-made fibre industry is the availability, in great quantities and at attractive prices, of improved types of fibres, such as for instance the polynosics. The industry now has at its disposal a wide range of man-made fibres, some of which - because of their intrinsic fibre properties alone - are in direct competition with cotton. The blending of these fibres, either among themselves or with natural fibres, has also opened up many new possibilities.

Inevitably this abundance of both cotton and man-made fibres must have an effect upon price levels. This price competition will be largely dictated by man-made fibre producers, who - in the past - had to compete only with cotton, whereas today they are competing among themselves. It is therefore essential that cotton producers and exporters should take a sober and realistic view of the world's fibres market, when they consider the price levels at which they want to make their cotton available.

We have been pleased to note that due account has been taken of the present supply situation, when the world's major cotton producer, the United States of America, announced its cotton policy for the 1966/67 season. The United States Government has been criticised for this action, on the basis that the new American cotton programme would bring down the world market price by artificial and unilateral means, producing considerable losses in foreign exchange earnings of other cotton producing countries.

We have every sympathy with the developing countries who strive to increase their foreign exchange earnings. We also believe that measures should be sought to avoid excessive commodity price fluctuations, from which they might suffer. We are equally convinced, however, that cotton producing countries might suffer much greater losses, if cotton were brought on to the world market at uncompetitive prices, which took no account of the existing abundance in the total fibre supply situation.

We believe also that the supply of cotton at realistic prices, coupled with intensive efforts in end-use development, market research and promotion, is not only the most promising, but the only sensible way of increasing cotton consumption in general, thereby expanding foreign exchange earnings of all cotton producing countries.

In this connection we should like to refer to the discussions about the desirability of concluding an international commodity agreement for cotton. In our review last year we promised that we would look into this matter from the point of view of the cotton spinning and manufacturing industries. This has now been done, and at our annual meeting held in San Francisco last October we came to the conclusion that an international cotton agreement is neither desirable nor feasible, mainly for the following reasons:

a. The traditional measures of commodity policy, ie. multilateral contracts, international trade quotas, buffer stocks or combinations thereof are not very suitable for natural fibres. In the case of cotton, a highly varied and heterogeneous commodity, there would also be great technical difficulties involved.

b. Since 1956 there has been relative price stability for natural fibres. As far as cotton is concerned, this was mainly due to the policies followed by the United States of America.

c. Efforts should be made to improve the terms of trade of the developing, primary producing countries.

Commodity policy has become a part of development aid. Consequently, measures should be sought that offer more advantages than the classical tools of commodity control. Efforts should be directed more particularly towards arrangements which do not entail direct interference with the production and marketing of individual raw materials.

d. Natural fibres, particularly cotton, are facing growing competition from man-made fibres. Any measures, which would tend to freeze prices or keep them at artificially high levels, would encourage the substitution of natural fibres by man-made ones.

e. Primary producing countries should make efforts aimed at expanding the market and increasing the consumption of natural fibres by new end-use development, market research and sales promotion.

Now that the modern textile industry has become a multi-fibre, multi-process industry, it will be guided in its raw material purchases purely by commercial considerations. We are convinced that cotton will remain one of the leading textile fibres and even improve its position, provided that it is produced and marketed in a commercially sound manner.

IN THE COMMUNITY

Reconciliation or Wedlock?

From Our Correspondent in Brussels

The Community has packed its bags and gone on holiday, a little tired-out by its late nights, but content with having overcome the most important threat to its existence since it was formed. The moment is ripe to summarise how it found its new strength and to look at the reality of this reconciliation and its future prospects. The Luxembourg agreement is a convenient starting-point. It will be recalled that this agreement was not decisive in its own right, as it did not settle anything. As far as the institutions are concerned, it tended to confirm rather than resolve basic differences on matters of principle. Its importance was that it gave the Six a chance to start discussing matters again, in accordance with the common sense ideas of Paul-Henri Spaak, who was possibly making his last major contribution to the forging of European unity. Today the question is to know whether the Luxembourg reconciliation has led to more than what the English call "an agreement to disagree".

The economic measures resulting from the agreement, have, without any doubt, strengthened it. As often before, the "perpetual compromise", used regularly by the Six since the drafting of the Rome Treaty, has led to a balance and parallel development of interests in the shape of ever more formal and concrete agreements, between the two driving-forces behind the Common Market. These forces, which are both contradictory and complementary, bring together the need for getting one's own house in order without shutting the door to intruders - internal unification without separatism. The dates for the customs union are now fixed beyond recall, and nine-tenths of agricultural production are now regulated on a Community basis. Apart from sugar and fatty substances, the Six's proposals for the Kennedy Round have now been completed, and contrary to the earlier doubts expressed in some quarters, in time for the GATT negotiations to be completed before Lyndon B. Johnson's mandate expires.

One objection, however, springs immediately to mind. Is this compromise really as well-based as it appears to be? After all, it is only the preparatory period for the Kennedy Round which has been completed, and when the negotiations themselves start, might not there be an about-turn? (a French about-turn, of course). Such fears do not appear to be well-founded. The Six are not going to Geneva to negotiate as single states, but as an entity with a Community mandate, and the occasion is thus different from the British negotiations for membership. In drawing up this mandate, France, like her partners, has formally agreed to certain undertakings and she cannot renounce these unilaterally. If she does so, the other Five have grounds for withdrawing some of their concessions, especially those connected with the common agricultural policy, and it should be stressed that this is not due to operate, by the introduction of common prices and common market organisations, until July 1, 1967, when the Kennedy Round should have been completed. In other words, the fundamental compromise reached by the Six does not have any legal escape clauses. The danger of a unilateral move by Paris would also appear to be lessened by the fact that the French agricultural associations are whole-hearted supporters of the common agricultural market, and by the nearness of the French legislative elections. If the French had intended to make such a move, surely the most effective tactics and the least questionable, would have been to spin out the Brussels talks, leaving virtually no time to achieve results at Geneva.

That may well be so, reply the pessimists, but isn't the real danger that the French have got the EEC to make considerably reduced offers at Geneva, at the same time as agricultural protectionism in "Little Europe" has been strengthened? Under such conditions, the keenest of the free-traders within the Six may try to withdraw some of their concessions under cover of the Geneva talks, although risking the danger of creating new tensions amongst themselves. Such ideas are already worrying the European agricultural organisations. In order to answer this second objection, its basis must be examined in greater depth.

Are the Six's proposals as mean as they are sometimes made out to be? The belief in Brussels is that, in a large number of cases, the Six's partners at the GATT talks will be unable to offer reciprocal arrangements. Even if this view is an exaggerated one, it is quite clear that for manufactured products, apart from a few special products and trading-patterns, the Six's overall approach to the Kennedy Round is much more unified than certain earlier reports would have one believe. The attitude of the Belgian Federation of Industry is a characteristic one on this question, since it comes from a country which must "export or die": there is general agreement that world trade should be liberalised; but on the limits to trading freedom and the ways of achieving it, their position is cautious, even intransigent, especially as far as certain American protectionist methods are concerned. In general, enthusiasm for the Kennedy Round is only luke-warm, which, when translated into figures, means that the first proposals of the Trade Expansion Act have been cut by half. The general view is that the Geneva negotiations will lead to a 25% overall reduction in manufactured product tariffs. But even if this happens, it would be a considerable step forward, and should satisfy the most ardent of the Six's free-traders.

It is unlikely that this will solve the problems of world agricultural trade, but from the reports coming out of Geneva, these seem to be less of a difficulty than first appeared likely. The idea that manufactured and agricultural products should be treated differently (the latter being mainly dealt with under the world agreement formula proposed by the EEC) is gaining ground. As the right to finalise such agreements is not included in the special "trade powers" delegated to the United States president, it is even suggested that there would be little to worry about if such negotiations continued beyond July 1, 1967. It also becomes more and more evident with the passing of time, that the problems of world agriculture cannot be settled by a purely commercial solution, as the whole aspect of the question has changed since the passing of the Trade Expansion Act, with the urgency of the world's need for food still increasing.

But on the assumption that a traditional solution is sought to the problem of liberalising world agricultural trade, is the Six's policy so protectionist that it would be an insurmountable obstacle at Geneva if it is not modified? Admittedly the Community agricultural prices finally agreed to in Brussels are high prices and "the bill for protectionism" may too often have been an easy way out. Does this mean that the Canadian Minister for Agriculture was justified in calling it "a European blockade"? The first point in reply is that for a whole series of products (fruit and vegetables, wines) the EEC has started or is going to start bilateral negotiations with the countries directly affected (those of Maghreb, Spain); it will be long and difficult, but there is no reason why the end-results should not be satisfactory for the non-member states. The second point of a more general nature, is that if prices are higher today, they probably will not be so tomorrow, not because of concessions made at Geneva, but because of economic pressures.

It is possible to interpret the EEC common agricultural policy, moreover, other than as a victory for the protectionists. One can also say, and possibly with greater conviction, that it has been based on the need to help the agricultural population (a considerable political influence in each country) to close some of the gap separating them from the average standard of living, though making it clear that to close it completely they must make their own effort. With few exceptions, the agricultural regulations have no clauses which allow price revisions, and when they have, their importance is very slight, as in the case of cereals. Furthermore, the Six's proposal at Geneva to "consolidate support costs", i.e. to freeze guarantee prices, would remove their own freedom to act in this sphere for a limited period. Another thing which will counteract the temptation to raise agricultural prices is the fact that the EEC is still struggling with the old bugbear of inflation. Although industrial production has advanced by leaps and bounds (by 6% in the first six months of 1966 compared with the same period for 1965), the Commission's most recent economic reports once again stress this danger. Before the summer, the Six's working programme was too full to allow Monsieur Marjolin to take star billing on the European stage along with Mansholt and Rey. The autumn, however, is likely to see the Commission's "Economic vice-president" making a big come-back to deal firmly with all financial slap-happiness. His chances of getting a good hearing will probably be increased by the fact that the Finance Ministers, who have rather been elbowed out of the Brussels talks in recent months, are also going to get some of the limelight when they present their national budgets.

By and large, there is a distinct possibility that the agricultural prices agreed in 1966 are going to be left alone for some years to come: the general price index, however, the real value of money, that is, is not likely to go the same way, as it is really the quarter where the "crunch" of agricultural price increases will be most strongly felt. The upshot of this is that, to be kept at their present level, agricultural revenues must depend solely on the development of productivity in European agriculture. That this aim has in no way been neglected is betokened by the fact that European prices have been fixed too low - relative as everything is - to allow the survival of a number of marginal farms (this applies in particular to the wheat sector). Again, certain of the support measures brought in are only stop-gaps, their main object being the conversion to or establishment of more efficient production organisations, for such commodities as fruit and vegetables. Lastly, one should bear in mind that behind the guarantee policy (for prices) there is an active orientation policy (for structure), which already commands appreciable financial resources.

There is no question that the measures adopted by the Six are protectionist, but this does not, of itself, mean that they have well and truly committed themselves to an abiding and thoroughly negative protectionist philosophy. Productivity continues to be the main objective in their agriculture and their industry alike, and productivity is the vital prerequisite of free trade. They could, of course, be taken to task for not trying to achieve this more quickly by adopting more sweeping measures, but a certain amount of caution was undoubtedly called for by the unprecedented venture that was the community organisation of an international agricultural market. What could really prove dangerous, however, is that, in waiting for "rampant devaluation" to bring European agricultural prices down to more economically viable levels, agricultural production might become over-stimulated in certain sectors, and that things would get out of hand. But the real risks are almost completely veiled by the host of variables which impinge upon this issue, affecting both production capacity and the growth of demand. Nevertheless, whether by accident or design, it seems unlikely that the problem can go beyond certain distinct limits - those imposed by the financial resources of the Member-states.

We did not, however, set out here to show whether or not the Six's agricultural policy was so protectionist as to be totally unacceptable to their Kennedy Round partners, but to see if it was likely to prove equally untenable for some of the Six themselves, such that their great 1966 compromise would be doomed from the start. We trust that what has been said so far has shown that this will not be the case, though one could adduce further evidence, such as the fact that all interested parties, including the "free traders" have made their modest protectionist contributions to the "deal" as a whole. What we are saying is that the position the EEC will adopt for the GATT negotiations - which is very much bound up with the basis of the common agricultural policy - is undoubtedly acceptable to each of the Six countries. Their respective interests in the Kennedy Round are far less divergent than they were when the American "grand design" was first mooted. This trend has its roots not so much in political co-operation as in the fact that, for three years now, and through the course of various crises, the commercial interdependence of the Six has been on the increase. This is borne out by the latest spectacular agreement, but even more by trade statistics - those for agriculture as well as those for industry. Since 1958 the value of internal Community agricultural trade has more than trebled. Such a flow of trade and such a network of economic interests have been established, or rather boosted, since then inside the Common Market, that its members have rather spurned the attractions of world markets in order to devote themselves more wholeheartedly to the Community cause. But at the same time the generally favourable climate of world markets and the continuing increase in demand in the EEC have ensured that its trade with non-member countries has not ceased to thrive, and not a few of the rough edges have been chipped off the age-old struggle between the European "free traders" and protectionists.

The balance that has been struck this summer between these two elements may well be the most real and enduring that has yet been achieved in the history of "Little Europe". The Kennedy Round will be the first great tariff negotiation the EEC has attended as a body - and though they are limited, its chances of success are very real. The possibility of its breaking down completely is far smaller than for two similar projects - the "great free trade area", and Britain's entry into the Common Market. This is not just because "France will not dare to use her veto, this time" but because, this time, assured of its inner cohesion, and confident of the wisdom of its approach to the Kennedy Round, "the EEC is not afraid of being dissolved like a lump of sugar in such a vast gathering".

Strange as it sounds, last month's achievement in Brussels could well prove to be a victory for "Little Europism" One is not, of course, talking here of the integration of the EEC on the level of doctrine or even sovereignty, but of its coherence as an economic entity - a coherence which has made its members so interdependent that, without being in sympathy politically, they have become a body with such dynamism and momentum that they have no alternative but to weather their crises. The paradoxical thing about this is that the situation has developed at a time when the Six are politically unsympathetic, not to say hostile. The next question that arises, and it is one which directly affects the underlying implications of the Luxembourg compromise, is whether the EEC can continue in such an anomolous situation for much longer. We shall be looking at this problem in our next issue.

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		subsidiary to develop metal foundry and deoxidation processes. The Swiss printing-machine group GRAPHA makes the German branch of its Swiss subsidiary into full subsidiary. A large section of the Berlin machine-tool industry and heavy engineering industries will merge under DEUTSCHE INDUSTRIEANLAGEN, Berlin. The American BLACK & DECKER MANUFACTURING CO (machine-tools etc.) forms third Common Market subsidiary in Germany. Italy: The Swiss holding company PATINVEST backs WICO ITALIANA (imports, sales of machine-tools). The Swiss company RHEIN DONAU STAHL finances RHEIN DONAU ACCIAI ITALIANA (ferrous and non-ferrous metal import-export). Italy and USA: The American chemical engineering group KOPPERS and the Italian L'INDUSTRIALE, Genoa sign reciprocal agreement for piston-rings.
J	FINANCE	Luxembourg: The Luxembourg insurance company LA LUXEMBOURGEOISE forms finance subsidiary EUROPLACE. Netherlands: PIERSON, HELDRING & PIERSON, Amsterdam and CHASE MANHATTAN BANK, New York may take joint 25% in NEDERLANDSCHE CREDIETBANK, Amsterdam.
K	FOOD & DRINK	France: The French sugar group BOUCHON & PAJOT forms research and development subsidiary SETAM. Germany: GEORG PLANGE, Düsseldorf will distribute QUAKER OATS foods and animal feed-stuffs in Germany. Italy: SA DES FERMIERS REUNIS, Paris and the Italian SIR-SPECIALITA INTEGRATIVI RAZIONALI form joint subsidiary in Milan to sell powdered milk. Switzerland: GENERAL TRADE CO, Geneva negotiates agreement between FABRICAS TRIUNFO, Coimbra and MOTTA, Milan.
L	INSURANCE	Austria: The Hamburg transport insurance company ALBINGIA opens Vienna branch. Germany: The American fire insurance company AFFILIATED INSURANCE forms Hamburg branch. The German subsidiary of MARATHON OIL, Ohio, USA gains control of OEL-MOLL, Donau (sales of heavy petroleum products).
M	PAPER & PACKAGING	Italy: The American paper group BROWN CO opens Milan branch for its Brussels sales company. Netherlands: The Dutch group VERPAK (paper, etc.) gains control of two similar firms in Tilburg.
M	PHARMACEUTICALS	Italy: The Swiss company COPHAR takes 40% in new Milan firm.
M	PLASTICS	France: Three members of the CIE DES COMPTEURS group TOFINSO, EXPANSO and LA MECANOPLASTIQUE take 12.5% each in CONSORTIUM PYRENEES PLASTIQUES, Mourenx, B-P. which has doubled its capital. Germany: COMMERZBANK, Hamburg transfers its 25% in the German porcelain company FUERSTEMBERG

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		EHEMALIGE to NIEDERSACHSEN, Hanover. Italy: ISRAEL PLASTIC LACES, Tel Aviv takes 50% in the Milan company IPL RICAMPLAST formed recently. USA: PHILLIPS PETROLEUM makes over its 50% in the Belgian ATLANTIC POLYMERS to NATIONAL DISTILLERS & CHEMICAL CORP, Richmond, Virginia.
N	RUBBER	Germany: The German subsidiary of GOODYEAR TIRE & RUBBER builds German tyre factory.
N	TEXTILES	Germany: The German textile group VAN DELDEN forms subsidiary to take over assets of GEBR LAURENZ, Ochtrup. USA: RHONE POULENC and PHILLIPS PETROLEUM form joint synthetic fibre manufacturing subsidiary in the USA.
O	TOBACCO	Germany: BRITISH AMERICAN TOBACCO, London increases the capital of one of its German subsidiaries.
O	TOURISM	France: HILTON HOTELS CORP, Los Angeles increases the capital of STE HOTELIERE DE PARIS controlled by HILTON HOTELS INTERNATIONAL, New York.
O	TRADE	Spain: The French food suppliers DOCKS DE FRANCE takes 40% in Spanish supermarket concern.
P	TRANSPORT	Britain and Netherlands: Two Dutch and two British firms will set up road-trailer ferry service between Britain and Netherlands. France: The Paris subsidiary of AUTOSERVIZI MAGGIORE, Rome takes over LA VOITURE SANS CHAUFFEUR, Paris. Italy: CHANDRIS CRUISES, Panama (shipping, sales etc.) opens Venice branch. Netherlands: The Hamburg shipping concern UNIMAR forms Rotterdam subsidiary.
P	VARIOUS	Germany: BARENBRUG'S ZAADHANDEL, Arnhem (seed merchants etc.) forms Hamburg sales subsidiary. Italy: PETO SEED, California forms Italian subsidiary.

AIRCRAFT

** The Zurich group WERKZEUGMASCHINENFABRIK OERLIKON BUEHRLE & CO, (see No 361) has sold to the BOELKOW GmbH group, Ottoheim, Munich the 33.3% interest held by its subsidiary OERLIKON BUEHRLE HOLDING AG in the aeronautical and general engineering concern WAGGON- & MASCHINENBAU AG (WMD), Donauworth (capital DM 10 million - see No 347). The Munich group already controlled WMD, which will be completely integrated into the Bölkow group, although keeping its legal independence. It will continue to work in close co-operation with its own subsidiary SIEBELWERKE ATG GmbH, Donauworth, a shareholder with Bölkow and WMD in the Munich group ENTWICKLUNGSRING SUD, GmbH (capital DM 1,500,000 and formerly called B,MS. FLUGSTECHNIC GmbH - see No 308).

BUILDING & CIVIL ENGINEERING

** The Oldenburg property-construction concern B.W.R. -BETON has made an agreement with UNIPARK LTD to build multi-storey car parks in West Germany under licence. Unipark is linked with the British HEAD WRIGHTSON & CO LTD group, through its Derby subsidiary F.C. CONSTRUCTION CO, and with WILLIAM MOSS & SONS LTD, which is a member of the Ripon, Yorks, group ALTONS-STRUCTURAL STEEL LTD.

** STE HERSENT (FRANCE) SA, a subsidiary of STE FINANCIERE HERSENT SA, Paris (see No 347) has absorbed two building and harbour and civil engineering firms with gross assets of Ff 7.99 million: FRANCE-DRAGAGE SA, Paris (capital Ff 790,000) a member of the group through HERSENT SA specialising in port construction; and STE J. BETBEDER, TRAVAUX PUBLICS SA, Biarritz (capital Ff 502,500). Hersent (France), president M. J. Cordell has increased its capital to Ff 8.2 million as a result of this operation

** A 50-50 association for the development and transport of pre-mixed concrete and reinforced building materials has been arranged by INDUSTRIELE DEELNEMING MIJ-IDEMA NV, Amsterdam (see No 365) and NEDERLANDSE WEGTANKER MIJ NV, Uithoorn (see No 325); they have formed a joint subsidiary, NEDERLANDS CEMENT TRANSPORT CETRA NV (capital Fl 5 million; director Mr J. N. Wagenaar) on the premises of the Uithoorn partner.

Nederlandse Wegtanker is controlled by CINDU-CHEMISCHE INDUSTRIE UITHOORN NV (see No 360) which is itself an equally-owned subsidiary of UTRECHTSCHE ASPHALT-FABRIEK NV, The Hague and TEERBEDRIJF UITHOORN NV (KON NED HOOGROVENS & STAALFABRIEKEN NV group). It will run the new business which will be concerned with transporting heavy materials and liquids, chemicals and building materials.

CHEMICALS

** Under an agreement signed between STE DES PRODUITS CHIMIQUES COURRIERES-KUHLMANN SA, Paris (factory at Harnes, Pas-de-Calais) and KONAM NV, Hengelo, Netherlands (see No 357) the latter will acquire the right to use the French concern's "OXO" processes for manufacturing butanol from natural gas (butanol is a raw material used amongst others by the plastics, paint and varnish industries.) The Paris company is a joint subsidiary of HOUILLERES DU NORD & DU PAS DE CALAIS, Douai and ETS KUHLMANN SA (see No 341).

The Dutch concern (control equally shared by KON. KETJEN NV and the CELANESE CORP OF AMERICA) has therefore formed an 80% subsidiary with the balance held by the French firm, whose patents will be used. A plant capable of producing 25,000 tons of butanol annually will be built at Europort, Rotterdam. Konam has already acquired the French concern's licences for use in manufacturing methanol at the rate of 200 tons per day in a plant now under construction at Rotterdam by S.T.E.C.- STE TECHNIQUE D'ENTRE-PRISES CHIMIQUES, an engineering subsidiary of Kühlmann.

** FARBENFABRIKEN BAYER AG, Leverkusen, and CHEMISCHE WERKE HUELS AG, Marl, Recklinghausen, have strengthened their links: Bayer has taken a 25% interest in Hüls, a group whose 1965 turnover reached DM 915 million. The two companies are already linked in STEREOKAUTSCHUK-WERKE GmbH & CO KG, which has factories at Hüls and Dormagen, as well as being indirectly associated in BUNAWERKE HUELS GmbH, Marl (through SYNTHESEKAUTSCHUK-BETEILIGUNGS GmbH, Frankfurt, a joint subsidiary of Bayer, BASF and FARBWERKE HOECHST).

Chemische Werke Hüls mainly produces base chemicals, petrochemicals and plastics (as well as synthetic rubber and chemical fibres through its subsidiaries). It has DM 260 million capital, 50% of which is held by the holding company CHEMIE-VERWALTUNG AG, Frankfurt (see No 343). This is the latter's only asset: it belongs to the DRESDNER BANK group of Frankfurt, and was formed when the former I.G. FARBEN-INDUSTRIE AG was decartelised. Bayer acquired its 25% interest in Hüls from HIBERNIA AG, Herne (formerly BERGWERKSGESELLSCHAFT HIBERNIA AG, Part of the VEBA group - see No 365), which itself took over the investment from KOHLENVERWERTUNGS GmbH, Essen, when GBAG-GELSENKIRCHENER BERGWERKS AG was reorganised (see Nos 365 and 343).

** The Paris firm NOVEMAIL SA (capital Ff 490,000 and gross assets of Ff 487 million) which took over the paints firm PACTAT & YOUNG Sarl in 1963 has been absorbed by its subsidiary CIE DES VERNIS DE BONNEUIL SA, Bonneuil sur Marne (capital Ff 1.4 million). To complete the operation, METACOLOR SA, Lyons, Rhone (assets Ff 370,000), another Vernis de Bonneuil subsidiary, has also been absorbed. As a result, the latter has changed its title to PEINTURES NOVEMAIL SA and increased its capital to Ff 2.46 million.

COSMETICS

** M. Jean Ricard, president of the Paris group SALADOR-HUILERIES ANTONIN HOUX, SAVONNERIES J.B. PAUL, SAVONNERIES DE BOURGOGNE SA, Paris (see No 364) will occupy a similar position in the Franco-Italian soap, toiletry and cosmetics firm which has been set up on the premises of one of the group's subsidiaries in Marseilles, SAFIR-LES SAVONNERIES FINES REUNIES SA.

The latter (capital Ff 100,000) includes among its shareholders, in addition to Salador and its two Marseilles subsidiaries SAVONNERIE DE LA CIGALE Sarl and UNION GRAINES OLEAGINEUSES Sarl, the Milan group SAPONOFICIO DURBAN'S SpA which is represented on the Board by its Swiss parent firm SABRIM-SA D'EXPLOITATION DES BREVETS INDUSTRIELS & DE MONTAGES D'USINES, Lenzerheide, Grisons; and also Messrs A.L. Burnier, Nyon, Vaud and R.N. Kahla, Milan managing director of Saponificio Durban's.

ELECTRICAL ENGINEERING

** ROBERT BOSCH GmbH, Stuttgart (see No 360) has helped the expansion of one of its French subsidiaries, ROBERT BOSCH METROLOGIE Sarl, Massy, Essone (control instruments; see No 328) by increasing its capital to Ff 5 million. The French company is controlled by LES CONSTRUCTEURS ASSOCIES SA, Saint Ouen (capital Ff 37.5 million) and the rest of the capital is held by ROBERT BOSCH (FRANCE) SA, Chatillon sous Bagneux, Hauts-de-Seine.

ELECTRONICS

** CIE POUR L'INDUSTRIE RADIO-ELECTRIQUE SA, Galo-Bethlehm, Berne has increased its capital to Sf 1,5 million and changed its name to CIE INDUSTRIELLE RADIO-ELECTRIQUE. The Swiss company is an associate of the Paris group C.S.F. -CIE GENERALE DE T.S.F., which has a 40% interest in it. Its president is M. Gerard Bauer (who recently replaced M. Etienne du Rham) and it manufactures, under the C.I.R. trade-name, electrical components and control equipment, as well as selling electronic tubes and electrical consumer-goods.

** AD AURIEMA INC, New York, has formed a subsidiary in Heilbronn to represent it in West Germany and promote its electronic and scientific equipment. The new firm, AD AURIEMA GmbH (capital DM 20,000) is to be managed by the directors of the group's Belgian subsidiary, Messrs Max Lente of Heilhomm and N. Blomhof of Uccle, Brussels (see No 361).

Ad Auriema already has a large European distribution network, and has set up subsidiaries in Brussels (1959), Paris (1963), Milan (1965, London, Geneva and elsewhere.

ENGINEERING & METAL

** The Chur holding company PATINVEST-PATENT & INVESTMENT AG has backed Herr Wolfgang Kuhlwetter as manager of the new WICO ITALIANA Sas (share capital Lire 1 million), which imports, sells and markets machine tools.

** CAMLOC-FRANCE Sarl, Enghien, Oise has just been formed with Mr G.W. Savage as manager (capital Ff 25,000). It will import and act as representative for products made by the CAMLOC FASTENER CORP, Panama, New Jersey (industrial fasteners and locking equipment) until now distributed by SERVITECO, Enghien.

The American concern is represented in the British Isles by QUICK FASTENINGS LTD, East Molesey, Surrey, and it has a manufacturing subsidiary in West Germany, CAMLOC FASTENER GmbH, Kelkheim, Taunus supplying the French market with clamping bands etc.

** LEICHMETALL GmbH, Frankfurt (headed by Herren Hermann Kästner and Arwed Neuman) has recently been formed as a result of the agreement signed a few months ago between SCHWEIZERISCHE ALUMINIUM AG, Chippis and Zurich, and METALLGESELLSCHAFT AG, Frankfurt to build a factory at Rheinfelden for processing aluminium flat products (see No 344).

The new company's DM 1 million capital will later be increased to DM 10 million. It is shared between METALLGESELLSCHAFT and the Swiss group's German subsidiaries: ALUMINIUM-WALZWERKE GmbH, Singen and ALUMINIUMHUETTE RHEINFELDEN GmbH, Rheinfelden, Baden.

** The German state-owned concern DEUTSCHE ENTWICKLUNGSGESELL SCHAFT-D.E.G. has taken a 30% interest in the Brazilian TRAUBOMATIC INDUSTRIA & COMMERCIO Ltda, Sao Paulo, a subsidiary of the machine-tool manufacturer HERMANN TRAUB MASCHINENFABRIK KG, Reichienbach-Fils (see No 366).

D.E.G., which assists German companies abroad with their financial and commercial expansion, recently took a 20% interest in AFGANISCHE WOLLINDUSTRIE LTD, Kabul, a subsidiary formed in 1963 by two German textile groups VORWERK & CO KG, Wuppertal-Barmen (see No 324) and JOHANN WUELFING & SOHN, Remscheid-Lennep.

** A reciprocal technical agreement for piston-rings has been signed between the American chemical and mechanical engineering group KOPPERS CO, Pittsburgh and L'INDUSTRIALE SpA, San Quirico, Genoa. The latter, headed by Sig. Ottavio Minetti, makes large and medium diameter expanding piston-rings for industrial and marine engines. The two concerns have also agreed to change their shareholdings in KOPPERS INTERNATIONAL NV, Rotterdam, and to regroup within the same company their distribution networks for the Common Market, Switzerland, the United Kingdom, Spain and Scandinavia.

** FIAT SpA, Turin (see No 366) and INDUSTRIAS VILLARES SA, San Paolo have signed a licensing agreement in Brazil giving Villares rights to the Italian group's patents, which have also been granted to WESTINGHOUSE ELECTRIC CORP in the United States and in the Argentine to the state enterprise AFNE-ASTILLEROS & FABRICAS NAVALES DEL ESTADO (see No 362). The new agreement will also include technical assistance for the manufacture of the four stroke engines made by FIAT GRANDI MOTORI which have a power of between 300 and 3,000 h.p. and are also used for locomotives and in the oil, shipping, electric power supplying industries, etc.

** The London dry-cleaning group ACHILLE SERRE LTD has made an agreement with another London firm, POLYMARK LTD, which is widely represented on the Continent, whereby the latter will distribute Achille Serre's dry-cleaning machines in France, West Germany, Belgium and Finland. In September 1965, Achille Serre formed ACHILLE SERRE MACHINES LTD (capital £100) to make equipment for cleaners and dyers.

Polymark specialises in automated cleaning and laundry marks, and markets equipment under such names as Feedmaster, Overair, Classmat and Polyair. Since 1962 it has had a subsidiary in Paris, POLYMARK FRANCE SA, and others in Bremen (POLYMARK GmbH) and St Gilles, Brussels (POLYMARK BELGE SA). In Finland it controls POLYMARK-KONOINTI OY, and is linked with BRECKNELL, DOLLMAN & ROGERS LTD, Bristol, and THOMAS BROADBENT & SONS LTD, Huddersfield, in POLYMARK ITALIA SpA. It has a subsidiary in New York, and is linked with HYDRAXTOR CO INC, Chicago, which manufactures "Classomat/Polywayer" linen-sorting machines under licence.

** It was recently decided (see No 363) that two cable firms in the German metal group GUTEHOFFNUNGSHUETTE AKTIENVEREIN, Nuremburg, should be merged: this operation has now been scheduled for this autumn. HACKETHAL-DRAHT- & KABELWERKE AG, Hanover, which is more than 75% controlled by the Nuremburg group, will take over another (95%) subsidiary of the group, OSNABRUECKER KUPFER- & DRAHTWERK, Osnabruck: Hackethal will increase its capital by two increments to DM 50 million, and will adopt the name of KABEL & METALLWERKE GUTEHOFFNUNGHUETTE AG.

There are plans to rationalise the non-ferrous metals business of the Guttehoffnungshütte group, as a result of which two subsidiaries will rent their premises from this new company: KABEL- & METALLWERKE NEUMEYER AG, Nuremburg, and ELMORE'S METALLGESELLSCHAFT, mbH, Schladern, Sieg (see No 311).

** DE VILBISS CO, Toledo, Ohio (see No 355) has formed another British subsidiary in conjunction with its German and French associates: DE VILBISS-DUERR-TUNZINI LTD Bournemouth, Hants (capital £10,000). Mr J. S. Monkcom, Bournemouth and M. P. M. Touzard, Neuilly, Seine are directors. The American group's previous subsidiary, AEROGRAPH-DE VILBISS CO LTD is also at Bournemouth, and is headed by Mr R. B. Mitchell (factory at West Howe - equipment and compressors for automatic paint-spraying.

The American group has conceded to TUNZINI its conveyor-belt painting patents, whilst the latter has joined with OTTO-DUERR, Stuttgart-Zuffenhausen in making over their respective "chain-painting" departments to a joint subsidiary, DUERR OBERFLAECHENTECHNIK GmbH, whose exports will be managed by another joint subsidiary in Paris, INTERFINISH SA (Tunzini is a direct shareholder). The French group is linked to Otto Dürr through its 75% subsidiary in West Germany HAGER & WEIDMANN AH, Bergisch-Gladbach.

** Herr E. Lukesch, Vienna is the manager and acting partner in the recently formed ferrous and non-ferrous metal import and export concern, RHEIN DONAU ACCIAI ITALIANA Sas, with funds of Lire 3 million, entirely supplied by the Swiss company RHEIN DONAU STAHL HANDELSGESELLSCHAFT mbH, Chur.

** The long-standing technical links between SUEDDEUTSCHE KALKSTICKSTOFF-WERKE AG, Trostberg, Obb. and KLOECKNER & CO KG, Duisburg (see No 368) for the improvement of metal foundry and deoxidation processes have now been made financial by the formation of an equally-owned Duisburg subsidiary, STAHLWERKS- & FIESSEREIBEDRIJF GmbH (capital DM 300,000). This company, directed by Dr Knahl (technical) and Herr E. Schukmacher (sales) will be the largest company in this field in Germany.

Süddeutsche Kalkstickstoffwerke (capital DM 35 million) is 70% owned by VIAG-VERENIGTE INDUSTRIE-UNTERNEHUNGEN AG, Bonn (see No 300); the remainder is held by VERWALTUNGS-GESELLSCHAFT FUER CHEMIEWERKE mbH, Frankfurt, a joint subsidiary of FARBWERKE HOECHST AG, Frankfurt and BASF AG, Ludwigshafen.

** The Swiss group making machines for the printing industry, GRAPHA MASCHINENFABRIK HANS MUELLER, Oftringen has made the Fahrnam (Germany) branch of its subsidiary GRAPHAG MASCHINEN AG, Zofigen, Aargau a full subsidiary, under the name MASCHINENFABRIK GRAPHA GmbH (capital DM 400,000).

The Müller group, headed by Herr Hans Müller of Schlapbach also controls the Swiss firm MASCHINENFABRIK GRAPHA, Nebikon, Lucerne.

** With the backing of the public authorities, it has been decided to centralise a large section of the machine tool and heavy engineering in Berlin under a joint holding company DEUTSCHE INDUSTRIEANLAGEN GmbH, Berlin (directed by Dr Rudolf Meyer and Herr Herbert Fenner). This holding company will initially include seven firms employing about 15,000 workers (four of which are among the largest in this sector in Berlin). It will have an annual turnover of more than DM 400 million (on a total capital of around DM 70 million) which represents about one-third that of the engineering firms in the Berlin area. The new group will have a starting capital of DM 100,000 owned 74.9% and 25.1% respectively by BERLINER INDUSTRIEBANK AG and BERLINER HANDELSGESELLSCHAFT.

The seven firms concerned will retain their legal independence except for DEUTSCHE INDUSTRIEWERKE AG, Berlin-Spandau (a wholly-owned subsidiary of the state-owned group SALZGITTER AG - see No 360) which will be wound up: These are: 1) LUDWIG LOEWE & CO AG (see No 358), capital DM 5 million, controlled by AEG-ALLGEMEINE ELEKTRICITAETS-GESELLSCHAFT (which recently became ALLGEMEINE ELEKTRICITAETS-GESELLSCHAFT AEG-TELEFUNKEN); 2) HARTUNG - JACHMANN GmbH and TYPOGRAPH GmbH (100% owned by the AEG group); 3) BERLINER MASCHINENBAU AG VORM L. SCHWARTZKOPFF, capital DM 8 million controlled 75.1% by BERLINER HANDELSGESELLSCHAFT KGaA (see No 360); 4) ALKETT MASCHINENBAU GmbH, capital DM 2.5 million shared 74-26 between RHEINMETALL BERLIN AG (see No 322) and INDUSTRIEVERWALTUNGS GmbH, Bad Godesberg (see No 343); 5) BORSIG AG, capital DM 35 million (see No 356) wholly owned by Salzgitter AG; 6) FRITZ WERNER VERWALTUNGS GmbH, capital DM 18 million almost entirely controlled by BERLINER INDUSTRIEBANK AG. At present there is no intention to include DEUTSCHE WAGGON- & MASCHINENFABRIKEN GmbH (see No 353), a member of the QUANDT group

** BLACK & DECKER MANUFACTURING CO, Towson, Maryland (see No 270 - makers of machine-tools, electromechanical, pneumatic and other apparatus) is to set up its third Common Market subsidiary at Idstein, Taunus (Germany). The others are in Lyons and Civate, Como (Italy).

The new plant, which will first of all be employing about 200 workers (later to be increased greatly) will be in operation by the end of 1967. The American group has had a German sales subsidiary for some time: BLACK & DECKER GmbH, Düsseldorf (directed by Mr R. L. Peppers). It has sales subsidiaries under its own name in Brussels, Rotterdam, Zurich, London, etc.

FINANCE

** The FIRST NATIONAL CITY BANK OF NEW YORK (see No 350) intends to open a second branch in Switzerland before the end of the year. It will be at Zurich and will support the Geneva branch (headed by Mr Ellis E. Bradford).

The New York bank (the third in the USA, with deposits of $1,195,000 million at the end of 1965) has several offices in Europe, in Paris, Frankfurt, Berlin, Hamburg, Brussels, Milan, Amsterdam, Luxembourg, Athens and London. In the last-named, through its subsidiary INTERNATIONAL BANKING CORP, New York it also has an 11.6% interest in M. SAMUEL & CO LTD, and 75% control of NEW YORK LONDON TRUSTEE CO.

** The Luxembourg insurance company LA LUXEMBOURGEOISE, SA D'ASSURANCE & DE PLACEMENT (president M. A. Wagner - capital Lux f 30 million) has formed a finance and holding subsidiary EUROPLACE SA (capital Lux f 100,000; directors Messrs Victor Reyter and G. Deibener).

** An agreement has been reached between PIERSON, HELDRING & PIERSON, Amsterdam (see No 366) and CHASE MANHATTAN BANK, New York (see No 365) with the aim of taking a joint 25% interest in NEDERLANDSCHE CREDIETBANK NV, Amsterdam (see No 366). It is conditional on the American bank receiving the necessary authorisation from the relevant United States authorities. Nederlandsche Credietbank is the sixth largest banque d'affaires in the Netherlands with around sixty branches and offices, with deposits of over Fl 475 million. If the proposed move takes place it will increase its capital to Fl 28 million.

The Chase Manhattan Bank (Mr John H. London, president of ROYAL DUTCH SHELL is Chairman of the International Consultative Committee) has numerous branches and representatives throughout Europe, as well as interests in several banks: STANDARD BANK LTD, London (see No 319), BANQUE NATIONALE D'INVESTISSEMENT POUR LE DEVELOPPEMENT INDUSTRIEL SA, Athens (see No 254), BANQUE DE COMMERCE-HANDELSBANK NV, Antwerp (see No 350), OSTERREICHISCHE PRIVAT-& KOMMERZBANK AG, Vienna and CREDIT COMMERCIAL DE FRANCE- C.C.F. SA, Paris.

FOOD & DRINK

** Under an agreement signed between QUAKER OATS CO., Flemington, New Jersey (head office at Chicago - see No. 349) and GEORG PLANGE FUTTERMUEHLE DUESSELDORF, GmbH (capital Dm 2.3 million) the latter will represent and undertake the distribution in West Germany of diet foods and animal foodstuffs produced by Quaker Oats. It has also been agreed that the German group (which also includes GEORG PLANGE WEIZENMUEHLE, Düsseldorf) will become the owner of property at Grevenbroich b.Düsseldorf belonging to the American group's subsidiary, QUAKER NAEHRMITTEL GmbH, but Georg Plange will still be financially independent of Quaker Oats.

** A technical and manufacturing agreement was recently negotiated on behalf of FABRICAS TRIUNFO Srl, Coimbra (see No. 365) and MOTTA SpA, Milan by GENERAL TRADE CO. SA, Geneva (capital Sf 2 millions - president M. Robert Mottu). This agreement gives Fabricas Triunfo the Portugese manufacturing and selling rights for Motta's speciality foods (biscuits and confectionery). Under the agreement, the Swiss company is also to acquire a shareholding in Fabricas Triunfo.

** The French group SUCRERIES & RAFFINERIES BOUCHON & PAJOT SA, Nassandre, Eure has set up a subsidiary at Montereau, Seine & Marne called SETAM-STE D'ETUDES & DE TRAITEMENTS DE PRODUITS ALIMENTAIRES & MEDICAUX Sarl (capital Ff 180,000). This company will study, exploit and develop processes for treating, preparing, preserving and canning dietary and food products.

Since 1963, Bouchon & Pajot (capital Ff 22.9 million) - refineries at Nassandre, Cagny and Courseulles, Calvados - has had a sugar factory at Montereau with a capacity of 2,200 tons a day of sugar beet after taking over SUCRERIE & DISTILLERIE DE MONTEREAU SA.

** The technical links between SA DES FERMIERS REUNIS, S.A.F.R., Paris (see No. 343 - a subsidiary of the GENVRAIN SA group - see No. 308) and S.I.R. - SPECIALITA INTEGRATIVI RAZIONALI SpA, (see No. 245) have been strengthened with the formation of a joint Milanese subsidiary, S.I.S.A. SpA (president M. Jean Descateaux) which will sell powdered milk used for animal feeds. The new concern (vice-president Sig. Paolo Carlotti) will form subsidiaries and agents throughout Italy to distribute dehydrated and milk-based livestock feeding stuffs produced by the new S.I.R. factory at Correzzana, Lesmo.

Genvrain recently extended its French interests in the same field. It acquired, with its subsidiary, S.A.F.R., a minority shareholding in STE JEAN GUYOMARC'H SA, Vannes (capital Ff 2.5 million - 1965 sales worth Ff 145 million). UFINAL-UNION FINANCIERE POUR LE DEVELOPPEMENT DE L'INDUSTRIE ALIMENTAIRE SA, Paris is also a shareholder in the Vannes concern (see No. 301). The latter specialises in animal feeding stuffs, and the battery rearing of chickens. In 1964 it helped to reorganise the finances of MAGADUR, Languidic, Morbihan.

INSURANCE

** The fire insurance company AFFILIATED FM INSURANCE CO of Providence, Rhode Island (see No. 272) which has had a Paris branch since 1964 (director M.J. Tournel) has now formed one in Hamburg under the directorship of Herr Karl Pape.

The American company (president Mr. M.R. Swan - capital $1.5 million) is linked with a number of insurance groups in the USA and Canada, which are based in Providence, Boston, Philadelphia and Park Ridge, Illinois. It has a London subsidiary, FM INSURANCE CO LTD, which is directed by Messrs A.T. Johnson and Marcel Tissot.

** The Hamburg transport insurance group ALBINGIA VERSICHERUNGS AG, (capital Dm 10 million) has opened a branch in Vienna headed by Herr Joachim Lux. The Hamburg concern is controlled by the GUARDIAN ASSURANCE GROUP, London, and it is represented in Belgium by DECKERS & MACKERBERT, Antwerp. It also has a 90% life insurance subsidiary, ALBINGIA LEBENSVERSICHERUNGS AG, Hamburg where the balance is shared between FRANKONA RUECK & MITVERSICHERUNGS AG, Munich and AACHENER RUECKVERSICHERUNGS AG, Aachen.

The London insurance group controls RELIANCE MARINE INSURANCE LTD, Liverpool and GUARDIAN ASSURANCE, UNION INSURANCE SOCIETY OF CANTON, BRITISH OAK INSURANCE, BRITISH TRADER'S INSURANCE, CAMBRIAN INSURANCE and LICENSES GENERAL INSURANCE, all of London.

OIL, GAS & PETROCHEMICALS

** MARATHON OIL CO, Finlay, Ohio, has increased its West German interests, through its subsidiary DEUTSCHE MARATHON PETROLEUM GmbH, by gaining control of OEL-MOLL, Ulm, Donau, a heavy petroleum products wholesaling concern in Bavaria and Wurttemberg.

MARATHON OIL has a 40% interest in ERDOEL-RAFFINERIE MANNHEIM GmbH, Friensenheim, controlled by WINTERSHALL AG, Celle. The American company is finishing the construction of a petrochemical plant at Burghausen, Bavaria (see No. 293) and it owns around a hundred service-stations throughout Germany. It controls two other subsidiaries in West Germany, MARATHON ERDOEL GmbH, Frankfurt formed in 1964 (see No. 291) and MARATHON CHEMISCHE WERKE BAYERN GmbH, Munich (see No. 307).

** A merger decided on in principle last year (see No. 298) has just taken place within the Milan group LIQUIGAS SpA (see No. 361). MIGAS SpA Milan (capital Lire 125,000 million) has taken over its subsidiary SARDA OROGAS SpA, Cagliari (capital Lire 20 million).

With the aim of adapting itself to the new shape of liquified gas distribution networks within the Common Market, Liquigas, which has absorbed two of its subsidiaries, PRODOTTI PETROLIFERI CHIMICI Srl and LIQUIGAS INTERNAZIONALE SpA, is making a number of moves: 1) it will make over to its subsidiary INTERGAS SpA (formerly ITALWARREN SpA, in which GULF OIL CORP was a shareholder) the whole of its Italian industrial and commercial interests (valued at some Lire 344,500 million); 2) it will also make over to the same concern its shareholding in LIGMAR SpA, Milan (valued at Lire 15,000 million); 3) it will strengthen its links with ESSO STANDARD ITALIANA SpA, Genoa (1965 sales worth Lire 403,000 million and head office in the process of being moved to Rome - see No. 353) its principal supplier of GPL by selling it s 60% interest in INTERGAS.

PAPER & PACKAGING

** The Dutch group VERENIGDE PAPIER & KARTONFABRIEKEN-VERPAK NV, Oude Pekala (paper, packaging, card etc. - see No. 323) has acquired controlling interests in two similar firms at Tilburg: VAN OPSTAL CARTONNAGES NV (capital Fl 250,000) and CARTONNAGEFABRIEK ATLANTA NV (which has been renamed CARTONNAGEFABRIEK VAN OPSTAL-ATLANTA NV).

Verpak, which is directed by Mr. B. Drenth, and has Fl 10 million capital, was formed in 1965 when two Oude cardboard firms, CARTON & PAPIERFABRIEK BRITANNIA NV and CARTON & PAPIERFABRIEK DE BROON NV (capital Fl 840,000), merged under a joint holding company.

** The American paper group BROWN CO of Berlin, New Jersey (see No. 355), one of whose chief shareholders is the Italian group headed by Sig. M. Sindona (through FASCO AG of Vaduz, Liechtenstein) has opened a Milan branch for the marketing company formed by the group four months ago in Brussels, BROWN INTERNATIONAL PAPER & PULP SA, (capital Bf 200,000). The new branch is to be directed by M. Gaddo Quilici, Rome.

PHARMACEUTICALS

** The Swiss company CIE PHARMACEUTIQUE, SA COPHER, Gnosca, Ticino (foods, cosmetics and pharmaceuticals, veterinary and dietary products: director Dr. Briccoli) has taken 40% in forming CIE PHARMACEUTIQUE SUISSE Sas in Milan (capital Lire 10 million). Dr. Briccoli is to manage the new concern, which is to both manufacture and sell Cophar lines. The other two shareholders, both with 30% interests, are MEROPE HOLDING SA, Chiasso, and ZAIFER SA, Bellinzona (see No. 322).

PLASTICS

** The Israeli firm CIA I.P.L. ISRAEL PLASTIC LACES LTD. Tel Aviv, has taken a 50% interest in the Milan company I.P.L. RICAMPLAST Sas (capital Lire 100,000), which was formed recently with Mr. A. Krans as manager. Mr. Krans holds the other 50% of the capital, and the firm is to sell plastic tablecloths, lace and other synthetic fabrics.

** COMMERZBANK AG, Hamburg, has made over to NIEDERSACHSEN GmbH, Hanover (see No. 369) its 25% interest in the largest German fine porcelaine company, FUERSTEMBERG EHEMALIGE HERZORLICH BRAUNSCHWEIGISCHE PORZELLANMANUFAKTUR GmbH, Fürstemberg, Weser (capital Fm 1.5 million - see No. 336). This move increases Niedersachsen's controlling interest in this firm from around 65% to over 90% (see Chemicals, No. 369).

** To conform with the decision of the Federal Trade Commission following anti-trust actions brought against PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No. 362) and NATIONAL DISTILLERS & CHEMICAL CORP, Richmond, Virginia (see No.357) concerning several of their joint subsidiaries, the former is making over to the latter its 50% interest in the Belgian ATLANTIC POLYMERS NV, St-Josse-ten-Noode (see No. 351). This concern has built at Zwijndrecht, Antwerp (with C.T.I.P. as chief contractor) a polyethylene factory, supplied by the steam-cracking plant of PETROCHIM SA, Antwerp (a joint subsidiary of Phillips Petroleum and Petrofina SA).

National Distillers will give Phillips Petroleum its minority shareholding in AMERICAN RENOLIT Co, Houston, Texas, formed in 1964 in conjunction with the German group RENOLIT WERKE GmbH, Worms (see No. 357), whose patents are used for the manufacture of polyvinyl chloride sheets and strips.

** TOFINSO SA, Toulouse (capital Ff 7.5 million), EXPANSO S.D.R. SA, Bordeaux, Gironde (capital Ff 8,880,000) and LA MECANOPLASTIQUE SA, Massy, Essones (capital Ff 3 million), all three members of the CIE DES COMPTEURS SA group, Paris (see No. 365) have each taken a 12.5% share in CONSORTIUM PYRENEES PLASTIQUES Sarl, Mourenx, Basses-Pyrenees (formerly at Billeres) whose capital has been doubled to Ff 20,000.

Formed in 1948, LA MECANOPLASTIQUE manufactures all types of plastic equipment for industry (especially the engineering industry) and it controls CIE FRANCAISE DES PLASTIQUES-FRANPLASTIC, Orbey, Haut-Rhin.

RUBBER

** DEUTSCHE GOODYEAR GmbH, Cologne (see No. 369), a subsidiary of GOODYEAR TIRE & RUBBER CO. Akron, Ohio, has decided to set up a tyre factory at Philippsburg Kr. Bruchsal on a site of about 100 acres recently purchased about 25 km south of Heidelburg. This will be the American group's second factory in Germany (taking into account GUMMIWERKE FULDA GmbH) and it will require an investment of DM 55 million. It will be in production by October 1967 and will be employing around 400 workers for an initial output of 6,000 tyres a day.

TEXTILES

** RHONE POULENC SA Paris and PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma have extended their association in the synthetic polymid fibres industry in Puerto Rico (see No. 360) to the USA by forming a joint manufacturing subsidiary PHILLIPS FIBER CO. (see No. 360). This is to build a technical centre at Greenville, South Carolina for synthetic textiles, it is scheduled to become operative in the middle of 1967.

** The German textile group GERRIT VAN DELDEN & CO, Gronau, Westphalia (see No 369) has formed a subsidiary, GERRIT VAN DELDEN CO GmbH, Gronau (capital DM 20,000; manager Mr Hendrik van Delden) to take over the assets of a similar Westphalian firm GEBR LAURENZ KG, Ochtrup (in financial difficulties) which it now controls.

Similar financial problems are also facing two other firms in this sector: the cotton importers BLOCK, PATZAK & CO mbH, Bremen (capital DM 1 million) controlled by TREUHA VERMOEGENSVERWALTUNGS GmbH, Hamburg, a holding company linked with the Laurenz group and its own subsidiary BIHA BAUMWOLL-IMPORT-HANDELS GmbH, Bremen (capital DM 200,000).

TOBACCO

** B.A.T. -BRITISH-AMERICAN TOBACCO CO LTD, London (see No 353) has used its German profits (as well as those of its London subsidiary WESTANBY TRADING & INVESTMENT CO, LTD) to develop of one of its West German subsidiaries, BRITISH-AMERICAN TOBACCO (DEUTSCHLAND) GmbH. The latter is now BAT INDUSTRIE-VERWALTUNGS GmbH, and has increased its capital to DM 200,000.

The British group (its brands include Pall Mall, Lucky Strike, Viceroy, Player's, Kool, Senior Service) also controls in West Germany HAUS BERGMAN ZIGARETTENFABRIK GmbH and B.A.T. CIGARETTEN-FABRIKEN GmbH, Hamburg (factories in Berlin, Bahrenfeld near Hamburg, Ahrensburg, Holstein, and Bayreuth. IMPERIAL TOBACCO CO OF GREAT BRITAIN & IRELAND is a 28.5% shareholder of B.A.T.

TOURISM

** The HILTON HOTELS CORP group of Los Angeles (see No 361) has increased the capital of STE HOTELIERE DE PARIS SA which recently became a public company, from Ff 8 million. The French company is directly controlled by HILTON HOTELS INTERNATIONAL INC, New York and its sister firm in Panama.

Ste Hoteliere de Paris recently opened a 250-room hotel near the Eiffel Tower in Paris. The American group's other interests in Paris are STE HOTELIERE DE L'AEROPORT D'ORLY Sarl (see No 277) and MOBERGE Sarl, Paris.

TRADE

** The food and supply group DOCKS DE FRANCE SA, Paris (see No 325) is taking a 40% share in the Spanish firm SUPERMERCADOS ARAGONESES SA, Saragossa. This company runs self-service stores. It will increase its capital to Pts 10 million and open - with the co-operation of its new share-holder - large stores. Docks de France is owned 14.39% by CIE FINANCIERE DE SUEZ SA after buying the latter's 40% share in their joint subsidiary STE DES SUPERMARCHES DOC SA (see No 281).

The Paris firm runs about twenty supermarkets in the Paris area. It has a capital of Ff 9.72 million and is owned by the "Toulouse" group which includes:

1) CIE SUPERDOC SpA (capital Ff 3 million; president M. Henri Toulouse);

2) PARIDOC Sarl (capital Ff 350,000) a chain-store group comprising 24 companies under the name "Magasins J"; it has more than 8,000 points of sale and 3,000 mobile stores;

3) CEDIS SA, Besancon, Doubs (capital Ff 36.5 million) which comprises more than 850 stores including 70 large and small supermarkets supplied by Paridoc, etc.

TRANSPORT

** The Hamburg shipping concern UNIMAR SEETRANSPORT GmbH, has formed a Rotterdam subsidiary, UNIMAR ZEETRANSPORT NV (capital Fl 500,000) run by M. A. S. van den Brock, Nieuwerkerk and Herr K. M. Glatter, Hamburg.

The German company is the exclusive representative in a number of countries, including Spain (Barcelona) of CONTRANS GES. FUER UBERSEEBEHAELTERVE RKEHR mbH, Hamburg, a joint subsidiary of HAMBURG-AMERIKANISCHE-PACKETFAHRT AG, Hamburg, NORDDEUTSCHER LLOYD, Bremen, DEUTSCHE BUNDESBAHN (German State Railways) and RUDOLF A. OETKER, Hamburg.

** MAGGIORE FRANCE Sarl (capital Ff 50,000) the Paris subsidiary of AUTOSERVIZI MAGGIORE, Rome, has gained control of LA VOITURE SANS CHAUFFEUR SA, Paris (capital Ff 350,000), and taken it over. La Voiture Sans Chauffeur had net assets of Ff 660,000, and Maggiore France has now increased its capital by Ff 608,000

** CHANDRIS CRUISES SA, Panama (shipping, and sales and service of ships and motor vessels) has opened a Venice branch under the directorship of Messrs E. Cattaneo of Venice and E. Tomazo of London. The parent company is headed by two Greek shipowners, Messrs. G. A. Chandris and J. C. Samarinos of Pireus and M. M. J. Pneumatocos.

VARIOUS

** PETO SEED CO, Satocoy, California, headed by Herr Dietrich Schmidt, a German living in Satocoy, has taken 56.6% in forming PETO ITALIANA Srl, Parma (capital Lire 990,000) dealing in the selection and sale of seeds. Herr Schmidt will manage the new concern, and Sig. Alberto Freci of Parma is the main Italian shareholder.

** BARENBRUG'S ZAADHANDEL NV, Arnhem (seed-merchants, including grass-seeds for clover, lawns, etc.) has formed a Hamburg sales subsidiary BARENBRUG'S ZAADHANDEL GmbH (capital DM 100,000) managed by Herr J. C. Grimnitz (of the Hamburg concern HEINICKE GRIMNITZ & CO) and M. J. J. Barenburg, owner of the Dutch concern.

The latter has representatives in several countries (including the USA and the Argentine) and since 1952 has had a Belgian subsidiary, BARENBRUG'S ZAADHANDEL NV Arlon (capital Bf 3 million). Its British representative is GOLDSMITH BROS LTD, Bury St-Edmonds, Suffolk.

Patinvest	F
Peto Seed	P
Pierson, Heldring & Pierson	J
Plange, Georg	K
Polymark	H
Quaker Oats	K
Radio-Electrique, Berne	F
Rhein Donau Stahl Handelsges	H
Salador	F
Sarda Orogas	L
Schwartzkopff	I
Schweizerische Aluminium	G
Specialita Integrativi Razionali	K
Süddeutsche Kalkstickstoffwerke	I
Suez, Financiere de	O
Supermercados Aragoneses	O
Traubomatic, Sao Paulo	G
Triunfo, Coimbra	K
Tunzini	H
Typograph	I
Unimar Seetransport	O
Unipark	D
Van Opstal	M
Verpak	M
de Vilbiss	H
Villares, Sao Paulo	G
Voiture Sans Chauffeur	P
Werner, Fritz	I
Westanby Trading	O
W.M.D., Donauwoth	D
Zaifer	M