



# *Opera Mundi* **EUROPE**

**A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET**

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COMMENT  
A Letter from Paris

THE COURT OF JUSTICE ON AGREEMENTS  
VII - The Court's Directives

As we come to draw our conclusions from this study of business agreements in Europe (see Nos 359, 360, 361, 363, 364, 368), an excellent introduction is provided by the decisions given recently by the Court of Justice of the Communities on the Technique Miniere-Maschinenbau and Grundig-Consten cases. In the first case a French company, Technique Miniere, exclusive agent for the German firm Maschinenbau, contracted to buy 37 road-graders over a two-year period. It stopped accepting deliveries after the first six, however, and reacted to the manufacturers' prosecution for non-performance of the contract by taking the case to the Paris Court of Appeal, and alleging that the contract, which had not been notified to the EEC Commission, violated the Rome Treaty's rules on agreements (see No 363). The Luxembourg Court was not concerned with deciding the legal rights of either company, but with answering the Appeal Court's questions as to how to interpret Article 85 of the Treaty of Rome, which relates to agreements.

The Court gave its decision on June 30, and its findings clearly indicated that the Paris Appeal Court should give judgement against Technique Miniere. This decision sets a legal precedent in three ways:

- 1) It is now clear that the notification of exclusive agency agreements, although it is recommended, is not compulsory if the agreement contains no clauses likely to make it liable to the ban expressed in the Treaty: the conditions of an agreement, and not its non-notification are what can incur its prohibition.
- 2) The decision obviously discourages any concerns who in the future might feel tempted to invoke Article 85 of the Treaty, or the regulations governing its application, to avoid the obligations of an agreement which, for them, has lost its initial interest.
- 3) The decision leaves the various national legal systems well armed with a host of interpretations of Article 85, enabling them to take the initiative in dealing with agreement cases, especially those where a third party is the plaintiff, and thus removing the necessity for companies to go direct to the Commission or the Court of Justice.

On the same day, the Court of Justice gave its decision on the Grundig-Consten case, and the effects of this will be even more far-reaching, in view of the number of analogous cases now before the Commission. Furthermore, the plaintiffs had the official backing of the Italian Government, which saw this case as a trial platform for its own campaign against the Council of Ministers and the Commission, from which it sought the

annulment of certain of the regulations governing the application of Article 85 (see No 361). To recapitulate, the German firm Grundig (radios, television and tape-recorders) and its exclusive French sales agent Consten had appealed to the Court of Justice against a decision by the Commission which had banned their agreement as contrary to the Treaty, in that it entailed absolute territorial protection with the use of legal prosecution against parallel imports (see No 360).

It is impossible to provide a "potted version" of the official report of the suit, as it fills 95 foolscap pages, but the essence of the decision can be summed up in one sentence: The Court rejected, as having insufficient legal grounds, the appeal by Grundig and Consten against the decision of the Commission which banned their contract, but with the one reservation (which we have already indicated) that the Commission could have granted a partial exemption, passing the contract on condition that the clauses contravening the Treaty were withdrawn. In other words, Grundig and Consten can now draft a new contract, identical to the first, but leaving out those clauses - such as the ones ensuring absolute territorial protection and banning parallel imports - which violated the terms of the Treaty. A new contract, in this form, would come into line with those already "acquitted" by the Commission.

Now the decision has been made, the Commission and especially the companies involved know what to expect for the thousands of analogous cases which have been shelved, pending this directive. The Italian Government, too, can now only expect a rejection of its case by the Court, as it concerns the annulment of a regulation in terms and for reasons given by that government which would have entailed a decision in favour of Grundig and Consten. It was no mere coincidence that Grundig had asked the Court to defer its ruling on the case until it had come to a decision on the Italian Government's proposal. The reason for this was that "the present case was only one of a type, whose solution depended directly upon the Rome Government's case, which would provide a general directive". Towards the end of 1965, Consten dissociated itself from this request, but this did not prevent the two issues from remaining closely allied. In its decision, the Court refers several times to the arguments put forward by the plaintiffs and by the Italian Government, when they assert that Article 85, Paragraph 1 does not apply to "horizontal agreements" between producers, and that exclusive agency contracts are not "agreements between companies" in the sense conveyed by the Treaty, in that "the parties are not of equal standing". The Commission rightly replied that, although it referred generally to all agreements upsetting competition in the Common Market, this Article "did not distinguish between any such agreements, whether they be made between manufacturers alone, between producers and distributors, or even between distributors alone".

Another interesting side to the Court's decision is the bearing it has on the problem of trade-marks. Under its contract with Grundig, Consten obtained the sole French rights for use of the mark "Gint", which was similarly available to exclusive agents in other countries. In order to control or prevent parallel imports, the trade-mark had been registered internationally by Grundig, and Consten had registered it in its own name in France. The Court decided that the Community system of competition "did not brook the abuse of a law from the legal code of one or other of the countries

concerned as a means of impeding the efficient working of Community Law on agreements".

The German Government complained that the Commission had not given the credit due to the guarantee system and after-sales services, which it thought would be impossible to maintain in the absence of absolute territorial protection. The Court's reply to this was to point out that Consten's main competitor, UNEF of Paris, although it had started selling Grundig's products in France later than Consten, and although it had taken considerable risks, "nevertheless provided a free guarantee and chargeable after-sales services under conditions which, taken as a whole, do not appear to have brought the Grundig trade-mark into disrepute".

As we have seen, the only criticism the Court had to make of the Commission was that it had not allowed the exclusive agency agreement to continue, on condition that parallel imports were not prevented. The Commission, of course, could have defended itself by saying that it was just this absolute territorial protection which differentiated the Grundig-Consten case from those which it had passed; and that if the plaintiffs had removed the restrictive clauses and notified the amended contract, there would have been no appeal to the Court of Justice. It was precisely because the plaintiffs wanted at all costs to retain these clauses that they defied the Commission, appealed to the Court, informed the German Government and enlisted the support of the Italian Government.

Which way will Grundig and Consten turn, now that this decision has been made? Should they make their agreement conform with the Treaty of Rome by renouncing absolute territorial protection and allowing parallel imports? It looks rather as though they have taken the first course, for even as the case was still being decided, Grundig products started appearing in shops which were not agents of Consten. To take the most important example, FNAC (Federation Nationale d'Achat des Cadres), the leading French discount house for radios, cameras, television sets, record-players and tape-recorders, started to sell two Grundig recording machines at "special holiday prices" this summer - the TK6 and the C100 were going at two-thirds the normal price. This proves two things: a) That freedom of competition should also make a dealer free to adopt a small profit margin if he wants to recover his profit on speed of turnover of stock, given that there is no restriction on his supplies of the goods in question. b) That the manufacturer should be glad to have dealers competing amongst themselves, even at lower prices, as this also reflects the quality of the product, and serves to stimulate production. It is, at any rate, better that this should have happened than that Grundig should have "answered" the Court's decision by forming a French branch dealing exclusively in its own products at fixed prices, whether this branch be formed by Grundig alone, or in association with Consten (for the latter is still possible).

It will be interesting to see how the Commission will apply the Court's decision to the more or less analogous cases which have been mounting up in the files of the Directorate on Competition during recent years. The highest court in the Community has now established a distinct system of case law relating to all exclusive sales agreements which entail absolute territorial protection. Again, the Commission

now knows that it should not peremptorily condemn these, nor ban them en bloc, but should only veto the clauses which restrict competition. Nor has it excluded those cases where, for important reasons, absolute territorial protection is justified: there are not many of these, but they do exist. They deal mainly with the launching of new products, as this requires considerable investments from both manufacturers and agents to finance promotion and distribution. It may well be the case that, after a certain length of time, products will be deemed established, and then such initial protection should lapse; though on the other hand it is difficult to see why Brussels seems to find that sales of heavy plant justify long-term or even indefinite absolute territorial protection. We may, however, consider instances like this to be the exceptions that prove the rule.

This study will be concluded shortly with an examination of the relationship between agreements and mergers.

THE WEEK IN THE COMMUNITY  
From our Correspondent in Luxembourg

ECSC:

A Damper on Industrial Investment

Capital expenditure by ECSC industries amounted last year to \$1,247,000 million, a figure well below that recorded in earlier years, but this included the costs of carrying out the extensive investment plans launched in 1960-1961. Natural though this tendency may be, it is confirmed, if not underlined by the planned investment projects declared to the High Authority during the first six months of the present year. The total value of these projects amounts to \$186 million, compared with a 1965 half-yearly average of \$355 million, whilst the half-yearly average for the period 1959-1961 was \$695 million. This sharp decrease in investments by ECSC industries is due in part to their wish to contain steel production capacity, and to the fact that the coal industry's capital expenditure over the past few years has been aimed at modernisation and reorganisation. But it is also probable that low profit levels and the difficulties faced in trying to raise loans on the capital markets have had an effect.

The plans announced for new investment projects in coal mining do not envisage a great deal of expenditure (\$17 million), although the plans show that coal mining in the Community is trying to increase its competitive position by improving extraction methods and regrouping administrative services. The majority of these plans apply only to the coal mines of the Ruhr.

The table quoted below shows the cost of the plans which have been declared to the High Authority.

Table 1	1st six months 1966	six monthly averages					1956 1958
		1965	1964	1963	1962	1959 1961	
Coal-mining	17	61	22	36	44	81	105
Iron-ore mines	1	-	-	-	-	4	8
Iron and steel	168	294	250	65	276	610	216
Total	186	355	272	101	320	695	329

Only one proposal for iron-ore mining has been declared, and its aim is to improve the processing of ore at the surface.

The drop in capital expenditure by the steel industry is considerable, when compared with earlier years. According to the High Authority experts, this is due

to the heavy financial burdens resulting from the completion of the extensive investment programmes undertaken between 1960 and 1962, and the difficulties of the various European capital markets.

The majority of new investment plans are concerned with modernisation and rationalisation schemes. Thus the plans declared to the High Authority during the first half of this year will only lead to an increase of 100,000 tons in crude steel production.

The Community's crude steel production should, as the result of the industry's 1965 capital expenditure, lead over the next three years to the figures quoted in Table 11.

Production and Production Potential by Areas

'000.000 metric tons

Area	Actual production 1965	Production potential 1965	Expected production potential			
			1966	1967	1968	1969
Northern Germany	4.9	6.4	6.7	7.1	7.3	7.3
North Rhine/Westphalia	26.1	31.9	33.9	34.7	34.6	34.6
Southern Germany	1.4	1.9	2.0	2.0	2.0	2.0
Saar	4.3	5.3	5.4	5.6	6.1	6.1
Germany (F.R.)	36.7	45.5	48.0	49.4	50.0	50.0
Belgium	9.2	10.5	11.1	11.9	13.0	13.3
Eastern France	12.4	14.2	14.7	14.9	15.1	15.8
Northern France	5.2	5.9	6.2	6.4	6.5	6.6
France - other areas	2.0	2.6	2.7	2.7	2.7	2.7
France	19.6	22.7	23.6	24.0	24.3	25.1
Italy-coastal areas	6.6	7.4	9.2	10.5	10.6	11.5
Italy-other areas	6.1	7.5	8.0	8.1	8.4	8.4
Italy	12.7	14.9	17.2	18.6	19.0	19.9
Luxembourg	4.6	4.9	5.2	5.4	5.4	5.4
	3.2	3.5	3.7	3.7	4.1	4.3
Total	86.0	102.0	108.8	113.0	115.8	118.0

Such growth somewhat exceeds the production foreseen by the High Authority in the "steel" section of its General Objectives for 1970, and this will probably cause a lower utilisation of production capacity rate than exists at present.



The majority of the Community's steel will soon be oxygen steel, followed by Martin and Thomas steel. But there will still be important differences between the various steel-producing areas of the Community, depending on the ores used and the outlets available for the different types of steel. The North Sea and Mediterranean coastal plants will be making over half their crude steel by oxygen processes whilst in Lorraine this method will barely cover ten per cent of production.

For rolled products, the major investments made to expand flat products capacity, especially hot and cold wide strip, has been gradually slowing down. With the somewhat faster growth in sections, it is likely that flat products production will be at a similar level in 1969. There has been considerable growth in continuous-casting installations, especially. Table III shows (in millions of tons) the expected growth in the rolling sector, by types of products.

'000,000 metric tons

Average Annual Rate of Development in the Rolling Sector by Types of Finished Product						
Product	Actual production			Production potential		
	1952	Average cumulative annual rate of increase (in %)	1965	1965	Average cumulative annual rate of increase (in %)	1969
Heavy and light sections incl. tube rounds and squares .....	15.2	+ 3.5	23.9	30.8	+ 3.9	35.9
Wire-rod .....	2.8	+ 6.9	6.7	8.1	+ 4.1	9.5
Total, sections	18.0	+ 4.2	30.6	38.9	+ 3.9	45.4
Hoop and strip and tube strip .....	2.3	+ 6.3	5.1	6.7	+ 2.9	7.5
Plate of 3 mm and over..	4.3	+ 5.8	8.9	12.3	+ 2.2	13.4
Hot-rolled sheet under 3 mm .....	3.1	- 6.3	1.4	2.5	- 4.5	2.1
Cold-reduced sheet under 3 mm .....	0.8	+23.3	12.2	16.2	+ 4.6	19.4
Total, flat products	10.5	+ 7.7	27.6	37.7	+ 3.0	42.4
Total, rolled products	28.5	+ 5.6	58.2	76.6	+ 3.5	87.8
(of which: products rolled in continuous and semi-continuous mills)	(.)	(.)	(35.5)	(46.4)	(+ 4.2)	(54.7)

## Coke and Coking-coal in the Community

Luxembourg: At the last meeting of the special Council of Ministers of the ECSC, coking-coal was the main subject under discussion, as it was the only type of coal for which a Community solution had been envisaged. This solution (which was to have taken the form of Community financial aid to ECSC coking-coal crossing national frontiers within the Community) was not finally adopted, but none of the delegations denied that if no way is found of helping Community coking-coal, internal production may become insufficient and the organisation of the common steel market may be upset.

The coking-coal problem differs from domestic and steam-coal in two ways:

It can only be replaced by imported coking-coal, or coke made from imported coking-coal, and there is a considerable volume of internal Community trade in it.

During the last few years, the consumption of coking-coal by the Community's blast-furnaces has dropped appreciably: from 940 kg per ton of pig-iron produced, it fell to 704 kg in 1964, and the experts forecast that this figure will have reached 605 kg by 1970. For this reason, the Community's steel industry is experiencing a slight drop in coke utilisation, although there is an increase in the output of pig-iron. In 1960, 47.7 million tons of coke were used to produce 54 million tons of pig-iron, whilst in 1965 44.5 million tons of coke produced 63.2 million tons of pig-iron.

This decrease in the amount of coke required for each ton of pig-iron is mainly due to:

- the use of high-grade imported ore by the blast-furnaces and the other ancillary installations;
- the amount of iron-ore agglomerates used in the blast-furnaces;
- the direct injection of oil, gas or coal-dust into the blast-furnace.

These three factors are probably going to grow over the next few years, but even so it will be impossible to replace the use of coking-coal in a large number of cases.

Table I shows in millions of tons the development of coking-coal consumption by the Community's steel industry:

	Table I			
	1955	1960	1965	1970
Blast furnaces	39.8	47.7	44.5	41.9
Ancillary units	0.9	2.2	4.4	5.3
Other users	1.1	1.1	0.8	0.8
TOTAL	41.8	51.0	49.7	48.0

In 1964, nearly 70% of the consumption of coke in the Community occurred in the steel industry, although the figure differs considerably when it is broken down country by country. What is important is that the steel industry's share will increase, as consumption by other users is falling rapidly due to competition in the industrial and domestic sphere from the oil industry.

Table II breaks down coke consumption by countries within the Community for the year 1964 (in millions of tons).

Table II

	Total consumption	Consumption in the steel industry	Steel industry share as %
West Germany	33.6	20.9	62.2
Belgium	7.2	6.2	86.1
France	18.7	14.5	77.5
Italy	4.6	2.6	56.5
Netherlands	2.4	1.4	58.3
Luxembourg	4.0	3.9	97.5
Community	70.5	49.5	70.2

There are major differences in the sources of coke supplies from country to country. The Belgian, Dutch and Italian steel industries use between 80% and 90% of coke produced in their own coking plants, and thus a relatively small tonnage of coke is bought in. In France and West Germany, however, where the coal-mines own large coking-plants, between 60% and 70% of coke used by the steel industry comes from these plants, though in West Germany they have close financial links with the steel industry. Luxembourg buys all the coke needed by its steel industry from other members of the Community. Finally it should be pointed out that the Community imports very small quantities of coke from non-member countries.

In 1964, deliveries of coking-coal were broken down as follows: 68% to mine-owned coking plants, 26% to coking-plants belonging to the steel industry and 6% to independently-owned coking-plants. The role played by imported coal differs according to the type of coking-plant. In the majority of the member-countries, the mine-owned plants are supplied with on-site extracted fines, whilst imported coal is used in the steel-owned plants and especially in the independent plants. For the Community as a whole, 24% of all coking-coal used in the steel-owned plants was imported in 1964. For Italy this figure was 100% in France 18%, in Belgium 13%, whilst in West Germany it was only 2%. Approximately 70% is the Community average for imported coking-coal used by independent plants.

This has only been possible because of the protectionist measures taken by the various producing countries in relation to imported coal. The price structure would

not by itself have ensured that the number of Community outlets would remain stable, at the level reached during the past few years.

Table III gives the indices (1953=100) of the cost of coke and coking-coal at the mine, in the different coalfields of the Community.

Table III

	Coke	Washed Fines
Ruhr	143	132
Saar	115	131
South Belgium	115	108
Nord/Pas-de-Calais	108	101
Lorraine	108	117
Dutch Limburg	141	101

It can thus be seen that there has been a noticeable rise between 1953 and 1965 in the price of both coke and coking-coal in all of the Community's coalfields. Yet the price of American coking-coal at the North Sea ports has not changed. It should be asked whether it would be practical for the Community's steel industry to rely solely on coal imported from non-member countries - the United States.

The High Authority's experts have worked out that if the steel industry received all its supplies of coking-coal from the United States, and assuming that the C.I.F. price remained steady at \$ 14 per ton for this coal, the different steel industries of the Community would make the following saving per ton of coal used:

Table IV

West Germany	\$ 2.30 per ton
Belgium	\$ 1.50 per ton
France	\$ 2.10 per ton
Italy	\$ 0.0 per ton
Netherlands	\$ 1.20 per ton

This purely theoretical calculation does not however take into account the important factor, where coke is concerned, of quality. It also assumes that the price of American coking-coal will remain stable, which could be open to doubt if there was a large increase in deliveries (for example, by over 20 million tons annually of good-quality coking-fines), and the transport problem is another variable.

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It is for this reason - amongst others - that the High Authority had put it to the Council of Ministers that, with the help of a Community financial scheme, Community coking-coal should be available at the same price as American coking-coal. This solution having been rejected by the Council, the experts of the High Authority are trying to work out new proposals, which the ad hoc committee on "Coal Problems" can study after the summer recess.

STUDIES AND TRENDS  
INTERNATIONAL ISSUES IN EUROPE

by Dr. Hans J. Mast, Manager of the Swiss Credit Bank (Credit Suisse)

Part II

Weaknesses and Difficulties

The longer the international issuing business was carried on in its existing form, the more certain weaknesses began to emerge alongside the positive advantages, in countries outside Switzerland. Recently, for instance, European business has been complaining to an increasing degree, that its own investment is being hampered by the massive capital uptake by American firms. A feeling of unease is abroad and could with time gain sufficient political weight for there to be a danger of counter-measures; this danger is the greater, because the funds taken up by American firms are often not used by them for direct investment, but for take-overs, which are not always in the best interests of the economy.

As a result the presentation of these loans left something to be desired. For one thing, partly for fiscal reasons, a highly artificial construction was frequently put upon these securities, bearing little relation to economic realities and thus not representing any satisfactory basic solution from the point of view of issue policy. Thus, for the same reasons of currency and fiscal legislation, that the issuing houses were unable to find placings for the Euro-bonds in their own countries, so they were unable to create any broadly-based market for these securities. Further, the separation between placing and underwriting caused many issuing houses to regard each transaction as an individual case and to pay little attention to longer-term considerations of a healthy issue policy. These factors have contributed to the fact that the market has been swamped with an almost unbroken stream of international issues since the spring of 1965 and the demands made upon it have been considerably greater than its capacity to meet them. How sharp the decline in values has been is indicated by the single fact that the nominal interest rate for first-class international loans expressed in U.S. dollars rose from 5½% at the end of 1964 to 6½% at the beginning of 1966. The losses thus involved for the holders of these securities, coupled with the unsatisfactory state of the market, have caused investors to show considerable reserve towards Euro-bonds in the last few months. Placing has therefore now become extremely difficult, even for the most attractively presented issues on behalf of first-rate borrowers. Conversely, the high interest rate on the international capital market has induced leading firms to take another careful look at their borrowing plans and in some cases, to postpone them.

Basic economic forces

The influence of these forces has noticeably retarded the pace of Euro-issues since February this year. At the moment the market is going through a

phase of seeking new directions and new forms. In order to build up an accurate picture of the development possibilities, it is essential to distinguish carefully between the forces responsible for the present situation. There are two principal factors, one related to national economies and the other of a more technical nature. In fact, the signs of strain which are apparent on the European capital market result from the fact that demand for capital for financing investment is outstripping the rate of savings formation. This imbalance would naturally be especially emphasised, as soon as American firms, acting under the official instructions outlined above, began to shift the weight of their financing of direct investment away from the United States and on to the already stretched European money markets.

To this extent, the rise in interest rates was both natural and necessary. But it was intensified by the fact that, as far as could be seen, these American firms were taking up more money than they immediately required. Furthermore, other borrowers began to speed up their issues in face of increasing tension on the market. The level of interest rates was thus forced up faster and farther than would have been the case, had a quieter and sounder issue policy been obtained, and one better related to demand. By now this whole complex has reached a point where it can scarcely be maintained without generating problems and difficulties for the European economy as a whole.

Certain adjustments are necessary, from an economic point of view, if undesirable financial and business developments are to be avoided, and these have clearly begun to operate in some cases. Difficulty in obtaining finance appears to be restricting investment activity in Europe to some extent and thus helping to re-establish a balance between supply and demand on the capital market. But care should be taken not to try to confine these adjustments to American firms. It is true that it is their excesses, for which their European financial advisers must also bear some responsibility, which have contributed to present problems. But it should not be forgotten that these firms, frequently in growth industries, are often among the leaders of economic progress on the Continent, and are thus contributing in no small measure to its prosperity. For another thing, the process of cutting back investment is not without its own problems.

If it proceeds too rapidly, it can impede the further growth of the economy. This raises the anxious question as to whether, here and there, restrictive measures, designed to take some of the steam out of the economy are not already fully extended, or indeed seriously over-worked.

On the other hand, a shortage of capital in Europe leads to a repatriation of foreign investment and may even cause American firms to finance a greater proportion of their direct investments in the United States again; while this would be a relief to the money market it would induce balance of payments problems for the Union and would heat up imported inflation in Europe. At this point the policy problems of the capital market begin to impinge on current problems of international currency policy, and it would be out of place to discuss these here.

It remains to be seen how these unavoidable adjustments will work out in detail and how much weight will be given to each of the two trends indicated. At the moment contradictory forces dominate the arena and make forecasting difficult. One thing is certain, however; it will take the combined common sense, moderation and prudence of all the parties involved to overcome the present difficult phase in financial and currency affairs in the West without major upheavals

#### Prospects for the international issue business and for Switzerland

Among the steps which seem to be necessary is a permanent reform of the Euro-bond market, which will hardly be able to continue without certain revisions of issue policy. Purely technical measures are of little help. For one thing, experience has shown how deceptive was the belief that purely organisational measures would suffice to stir the somewhat unproductive capital markets of the continent to lush international growth. By the same token the international control of issues, suggested from abroad, is merely a cure for the symptoms, instead of striking at the roots of the present malaise. The same can be said of the proposal to set up an investment trust with the task of investing the funds obtained from the issue of its certificates in Euro-bonds; it is scarcely conceivable that such a procedure would attract a large number of new investors, prepared to acquire these securities indirectly. But it must be admitted that a rather more diversified financing practice than has so far applied might help to alleviate the situation. In the first place, the formulation of future issues must be so chosen as to give some guarantee that investors and underwriters will remain content. In this connection, it should continually be kept in view that the issue business, properly conducted, is not a day-to-day business. It is precisely in the specially sensitive international sphere that the desired results can only be obtained in the long run on the basis of an issue policy carefully adjusted to the potential of the capital market, which seeks genuine placings, and which assures orderly trading.

Swiss banks should be able to make an increasing contribution to this work. Now that parliament has decided to abolish the coupon tax, the most important fiscal obstacle to their participation in international issuing consortia has been removed. At the same time, there is a growing awareness that Swiss banks, if only in the interests of their customers', who are the largest group of potential purchasers of Euro-bonds, should use the opportunities open to them to get a better grip on the Euro-market. The authorities have welcomed initiatives taken in this direction. They are clearly also aware that these steps can only attain success if official control over the export of capital becomes more liberal than it has been. It is clear that the banks will only be interested in participating in international issues if authorisations for this are not set off against their existing foreign issue business in Swiss Francs.

In addition to foreign loans expressed in Swiss Francs, the banks will in future be able to issue an increasing volume of actual Euro-bonds expressed in foreign currencies. More generous handling of the control over capital exports reposing in Article 8 of the banking law can be justified by the fact that it will not lead to any additional exports of capital, but will merely channel them into those routes which are of greatest benefit to Swiss investors and the Swiss economy in the long run.



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If they are not so channelled money will continue to flow unseen over the borders as it has up to now, and could occasion reactions on the interest and capital markets of the country which might otherwise be avoided. Here too, it is true to say "Les absents ont toujours tort". In conclusion, it is equally true of Switzerland as it is of countries across the border that it is time to abandon policies based on appearances only, which have been so often pursued in the Euro-loan field, and to strive for solutions which are compatible with the nature of the business and with the economic circumstances.

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- K FINANCE Belgium: The Belgian investment company HYPOTHEEK- & BELEGGINGSMIJ takes 21.8% in new bank BANKUNIE, Turnhout. France: BANQUE HASSAN, Geneva and SOFIBANQUE HOSQUIER, Paris form joint property subsidiary. Germany: FUERST THURN & TAXIS BANK, Munich takes share in Düsseldorf investment company ADIG.
- L FOOD & DRINK Italy: The Dutch group WESSANEN'S forms new Milan subsidiary. MARS CHOCOLADEFABRIEK (subsidiary of MARS, London) forms Milan subsidiary.
- L INSURANCE Belgium: The French group LA PREVOYANCE transfer all its Belgian property and life insurance assets to its Brussels subsidiary. Germany: The German insurance company CONTINENTALE ALLGEMEINE takes over VOLKSWOHL-ALLGEMEINE, Dortmund.
- L OPTICAL & PHOTOGRAPHIC France: TELEGIC, Paris takes over LENTILLES OPHTHALMIQUES, Paris.
- M PAPER & PACKING Belgium: The German firm MOLINEUS takes minor share in INDUSTRIELLE PENASSE, Brussels (plasticised paper etc. for packing).
- M PHARMACEUTICALS France: CLIN-BYLA, Paris forms CLINEX to handle its patents, trade-marks etc.
- M PLASTICS France: The French moulded plastics firm STE QUILLERY grants manufacturing licence to SHELLER MANUFACTURING, Detroit.

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- N RUBBER                   Germany: GOODYEAR TIRE & RUBBER will build factory at Baden .
- N TEXTILES                 Germany: The German textile firm VAN DELDEN negotiates controlling interest in similar German firm GEBR LAURENZ .  
Italy: The Swiss holding company GIROM backs new Milan textile firm FIORETE .
- N TRADE                   Italy: MONTECATINI-EDISON takes 57% in MAGGAZZINI STANDA, Milan (department stores).
- O TRANSPORT              Belgium: The Antwerp transport group PLOUVIER expands two subsidiaries .
- O VARIOUS                 Germany: INTERDATA, Munich is formed to promote the "Interdata" computer programming process . Switzerland: The owner of MOEBEL KRUEGEL, Nuremberg forms Swiss investment company .

AUTOMOBILE
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\*\* GENERAL MOTORS CORP, Detroit (see No 367) has completed its Italian sales network by forming GENERAL MOTORS ITALIA SpA, which will carry out all financial and sales functions connected with the group's products (cars, lorries, motor boats, aircraft and domestic appliances). The new company is headed by M. J. Poyo of Antwerp and almost all of the capital (Lire 25 million) was supplied by GENERAL MOTORS ACCEPTANCE CORP, New York. The American company already has a subsidiary in Milan, G.M.A.C. ITALIA SpA.

The New York concern acts as the American group's finance company. It has recently formed a subsidiary at Rotterdam, GENERAL MOTORS ACCEPTANCE CORP. NEDERLAND NV (see No 349) and it also recently formed G.M.F. SUBCO, Gennevilliers, which will give technical assistance, marketing and financial help to the group's French agents.

\*\* LING-TEMCO-VOUGHT INC, Dallas has sold its minority shareholding in STE EUROPEENNE DE MATERIELS MOBILES-SEMM Sarl, Suresnes, Seine to SUD AVIATION SA, Paris (see No 364) thus giving the French group full control (it had owned 59.9% since taking over SFERMA SA - see No 289 - at the beginning of 1965).

SEMM markets mobile chalets, trailers and "Caravanair" caravans produced at the St Nazaire, Loire Atlantique factory of Sud Aviation and was formed in 1961 with a capital of Ff 1 million. The company has a sales network both in France and abroad with more than 200 points of sale.

\*\* A technical agreement has been signed by SA DES USINES CHAUSSON, Asnieres, Hauts-de-Seine (see No 335) and FIAT SpA, Turin (see No 366) allowing the Italian company, which makes about a million car radiators a year for its own needs, to combine with the French company in the field of heat-exchangers and supplies of special Chausson equipment for the manufacture of radiators.

\*\* The links between RNUR-REGIE NATIONALE DES USINES RENAULT SA, Boulogne Billancourt, Hauts-de-Seine (see No 363) and WILLYS OVERLAND DO BRASIL SA, Rio de Janeiro (see No 345) will be extended by new agreements allowing the latter (owned 38% by KAISER INDUSTRIES CORP, Oakland, California - see No 323) to manufacture, from 1968, a certain number of new models specially designed for the Latin American market: a new range of touring vehicles (five models) and vans.

Regie Renault (turnover Ff 4,530 millions in 1965) recently increased the capital of its Swiss subsidiary RENAULT-HOLDING SA, Zug, to Sf 54 million. In the last few months it also extended its assembly and manufacturing units in America by:

- 1) setting up last October the Canadian factory of SOMA, Montreal which also assembles PEUGEOT vehicles;
- 2) signing an agreement at the beginning of the year to assemble 3,000 vehicles for Peru.

Willys Overland do Brasil recently put up a new plant near Recife which will first of all assemble 560 jeeps a month. This figure will gradually be increased to 10,000 a month.

BUILDING & CIVIL ENGINEERING
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\*\* MM John Thal Larsen of Kontich, Belgium and Paul Ramboux of Brussels are managers of RAMBOUX FERTIGBAU GmbH, Cologne which was recently formed (capital DM 50,000 - Belgian controlled) for all kinds of property and building operations using prefabricated materials .

CHEMICALS
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\*\* KON NEDERLANDSCHE ZOUTINDUSTRIE NV, Hengelo (salt, soda etc. - see No 336), which is a subsidiary of KONINKLIJKE ZOUT KETJEN NV (see No 368) is trying to increase its 37% interest in the German salt company NORDDEUTSCHE SALINEN GmbH, Stade (app. 100,000 metric tons a year - see No 333). Zoutindustrie is negotiating with BRAUNSCHWEIGISCHE STAATSBANK, the State Bank of Lower Saxony, Brunswick, majority shareholder in the Hanover firm NIEDERSACHSEN GmbH (see No 359), which also holds 37% in Norddeutsche Salinen. Zoutindustrie hopes to acquire either a further 26% (which is equal to the present interest of the third shareholder, PREUSSAG AG, Hanover) or to take over some or all of the interests of Niedersachsen and Preussag.

\*\* FABBRICA ITALIANA DI COLORI & INCHIOSTRI DA STAMPA FICIS SpA, Bollate, Milan, has taken over I.N.I.S. -INDUSTRIA NAZIONALE INCHIOSTRI DA STAMPA SpA, Rome, (both of them are in the New York INTERCHEMICAL CORP. group) and adopted the name of FICIS-INTERCHEM SpA.

The American group makes printing inks, colourings and pigments. Through INTERCHEMICAL EUROPE SA, Fribourg, it has 70% control of the French firm ETS. LA-FLECHE FILS SA (factories at St Denis and St Ouen). In Britain it is represented by AULT & WIBORG LTD, London, and since 1964 it has controlled FISHBURN PRINTING INK CO LTD, Watford and Liverpool.

\*\* BASF-BADISCHE ANILIN & SODA FABRIK AG, Ludwigshafen (see No 362) is about to establish itself for the first time in Austria by forming a joint subsidiary there with OESTERREICHISCHE STICKSTOFFWERKE AG, Linz. An 80% subsidiary of the Austrian concern at Schwechat bei Wien, DANUBIA PETROCHEMI AG; will provide the site for a plastics factory (mainly polyethylene-based), which will be run by the new firm. Danubia Petrochemie, until 1962, was 40% linked with the Italian MONTECATINI group.

Oesterreichische Stickstoffwerke, which was nationalised in 1946, is the largest chemicals company in Austria, having realised a turnover of Sch. 1,900 million in 1965. Recently (see No 355), it made a co-operation agreement (for pharmaceuticals) with BYK-GULDEN LOMBARD CHEMISCHE FABRIK GmbH, Constance (a member of the QUANDT group). BASF's most recent move abroad was the formation, in association with PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma, of BADISCHE PHILLIPS PETROLEUM NV at Antwerp (see No 362).

\*\* The Dutch HERTEL & CO NV, Amsterdam, which became a minority shareholder in KLEEMAN INDUSTRIAL HOLDINGS LTD, London (controlled by Mr Derrick Kleeman - see No 327) last year, has given its name to BELDAM PACKING & RUBBER CO NV, Antwerp. This firm has been taken over by the London group, which has bought a majority shareholding in THE BELDAM PACKING & RUBBER CO LTD, London which makes seals, packings, coatings etc. for the shipbuilding industry. Hertel is represented on the board of the Belgian company by Messrs. B. K. Buurman, B. A. van Gelsdorp and A. R. K. van Oosterwijk.

\*\* A reciprocal technical and know-how agreement for the manufacture of carbon black as a raw material for synthetic rubber has been signed by the major German maker of this product DEGUSSA-DEUTSCHE GOLD- & SILBER-SCHEIDEANSTALT VORM ROESSLER, Frankfurt (13,000 tons of carbon black in 1965 - see No 344) and COLUMBIAN CARBON CO, New York (controlled since 1962 by CITIES SERVICES CO INC, New York - see No 326).

The American company is represented in Hamburg by W. KOEHNK and two subsidiaries, COLUMBIAN CARBON DEUTSCHLAND GmbH and COLUMBIAN CARBON DEUTSCHLAND GmbH & CO KG (see No 326) which is building a factory at Waltershof in the port of Hamburg, making 15,000 tons a year of carbon black. This is in addition to the other production units which the group already owns in Europe: Rotterdam (28,000 tons a year); Trecate, Milan (30,000 tons a year) and Four Ashes, Wolverhampton (5,000 tons a year).

\*\* ARCHER DANIELS MIDLAND CO, Minneapolis, Minnesota (see No 349) - specialists in resins, dyes, oils, plasticising agents etc. - has added to its Dutch interests by taking control of NEDERLANDSE CASTOR OLIEFABRIEK NECOF NV, Geertruidenberg (see No 267). The two companies have already been linked for some time. The Dutch company makes car paints and special foundry oils.

In the Netherlands the American group controls the trading firm ARCHER DANIEL MIDLAND VERKOOPMIJ NV, Rotterdam and has a majority holding in ALCHEMICA NV, Schoonebeek which makes phthalic acid. It also has a minority share in SCADO-ARCHER-DANIELS NV, Zwolle which makes plasticisers and resins and controls NV ZAANCHEMIJ, Zaandam. The Zwolle firm has also been linked for the past year with NV BILLITON MIJ, The Hague. The group's most recent operations in Europe have been:

- 1) The formation of the German company ADM GIESSEREE-CHEMIKALTEN GmbH, Hilden (capital DM 400,000) which gained control of the local grinding and foundry oils firm KERNFEST KG ARTHUR BRAUN & CO CHEMISCHE FABRIK FUER GIESSEREI-HILFSTOFFE, Hilden;
- 2) The formation of the British firm ADM CHEMICAL LTD, Birmingham (directed by Mr R. J. Mulligan - see No 317);
- 3) An association with several other firms (including AVEBENE SA, Paris and OLEOTECNICA SA, Castro-Urdiales) to pool their know-how on chemical products for foundries.

\*\* The Cologne manufacturer of paints, lacquers, dyes, varnishes and maintenance products, HERBOL-WERKE HERBIG-HAARHAUS AG (capital DM 8 million controlled 72% by the Herbig family and sales DM 100.3 million in 1965 - see No 352) has retained only a nominal shareholding in its manufacturing and sales subsidiary HERBOL-FRANCE Sarl, Riorges, Loire. This was formed in September 1962 as a wholly-owned subsidiary.

COSMETICS
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\*\* The German perfumes and cosmetics firm HENRY MARIA BETRIX & CO, Frankfurt, (headed by Messrs W.F. Segner and K.J. Segner) has wound up ELLEN BETRIX FRANCE SA (capital Ff 75,000), the subsidiary which it formed early in 1964 (see No 253) in association with PROMOREP SA, Paris (see No 362). Betrix still retains the subsidiary of the same name which it formed in Milan towards the end of 1961.

A recent advertising association linked Promorep (34%) in Paris with WILKENS PEMBERTON AG, Zurich (66%) in WILKENS, PEMBERTON & PROMOREP SA (capital Ff 10,000). The British and German agencies ALFRED PEMBERTON LTD, London, and WILLIAM WILKENS WIRTSCHAFTSWERBUNG KG, Hanover, which are linked in the Zurich firm, have made similar moves in Rome, Zurich, Vienna and Copenhagen, all in conjunction with local interests like Promorep.

\*\* The Dutch group NV KONINKLIJKE ZWANENBERG-ORGANON, Oss (see No 368) is continuing its expansion in cosmetics, toiletries and perfumery goods (see No 356) by forming a sales subsidiary in The Hague called INTEC NV (capital Fl 100,000; director Mr Frits Sanders).

In this sector Zwanenberg-Organon gained control of the American company AMERICAN ALOE CORP and at home of MEINDERSMA NV, The Hague and KON EAU DE COLOGNE-FABRIEK J.C. BOLDOOT NV, Amsterdam.

ENGINEERING & METAL
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\*\* The Swedish manufacturer of toughened machine tools, circular saws, plastic and metal cutting equipment, GOMEX VERKTYG A/B, Kalmar has formed a directly-controlled subsidiary, GOMEX WERKZEUG AG, Harrislee, Flensburg (capital DM 100,000) headed by M. Gummar Wikner. The Swedish firm is already represented in West Germany, by NESOLAS-J.H. VELDMAN of Düsseldorf.

The Swedish company (M.G. Otteby is president) has a subsidiary in London and distributors or agents in other Common Market countries: RHENALSA, Mulhouse, Haut-Rhin; ETS. H. BRENNEISEN & CIE, Zuen, Brussels; ELMAG SpA, Milan and NV NESOLAS, Amsterdam.

\*\* M. Adriaan de Vrees (The Hague) is manager and chief shareholder in EUROSTAAL BELGIE (capital Bf 250,000) formed in Antwerp to import, sell and represent metallurgical products, and especially steel, non-ferrous, and plastic pipes and tubing.



\*\* The American company, FENIX & SCISSON INTERNATIONAL INC, Wilmington, Delaware, (petroleum engineering - mainly pipe lines and underground storage tanks - see No 356) has formed a subsidiary in Rome, FENIX & SCISSON ITALIA SpA (capital Lire 1 million) with Mr Sidney E. Scisson as president.

The American company recently took a substantial interest (over 33.3%) in the formation of FENIX SCISSON-FOREX-INTRAFOR Sarl, Paris, where it is associated with two French oil prospecting and petroleum engineering concerns, FOREX SA and its affiliate, INTRAFOR SA.

\*\* OFFICINE DI OSPITALETTO DEI F.LLI GNUTTI FU. CARLO GmbH, Cologne (capital DM 20,000; manager Mr Peter W. Ruef) has been formed to promote and sell, in Germany, multi-axle conveyances and conical roller-bearings made in Italy by the GNUTTI group. This group includes principally the mechanical and foundry enterprises EREDI GNUTTI SpA, Brescia (factory at Lamezzano) and SILMA-SOC ITALIANA PER LE LAVORAZIONI METALLURGICHE & AFFINI SpA, Brescia, which have several foreign representatives including SIEMI FRANCE, Paris.

\*\* MESSIER SA, Paris, has increased its capital from Ff 4.8 to Ff 6.5 million and then by using reserves, to Ff 11.375 million after taking over REP-RECHERCHES ETUDES PRODUCTION Sarl, Paris (capital Ff 3.4 million) which makes hydraulic and electronic servo motors, high-pressure pumps, hydraulic brakes, suspension, etc.

Messier has been linked since December 1965 with DOWTY ROTOL LTD, subsidiary of DOWTY GROUP LTD, Cheltenham (see No 272) to equip the "Jaguar" fighter-trainer. It has a German licensee, LIEBHERR AEROTECHNIK GmbH, Lindenberg, Allgau (a member of the HANS LIEBHERR group, Biberach - see No 247) and itself produces equipment for the aeronautical industry: landing-gear, wheels, brakes, controls, servo-motors for aircraft and teleguided missiles, etc.

\*\* KENMORE GmbH, Cologne is being wound up with M. H. J. Genn as liquidator. Formed in June 1964 (capital DM 100,000 - see No 269) and headed by Mr. Theodor Elka, the Cologne concern was the West German representative of KENMORE MACHINE PRODUCTS INC, Lyons, New York (filtration, refrigeration and air-conditioning equipment) which was taken over by PARKER-HANNIFIN CORP, Cleveland at the end of 1963 (see No 291).

The latter manufactures hydraulic machinery, pumps and other equipment for the cold-storage industry. It has another West German subsidiary PARKER HANNIFIN N.M.F. GmbH, Kohl-Niehl and a shareholding in SCHAEFER-PARKER-HANNIFIN GmbH, Hungen (see No 290).

\*\* The German mechanical engineers ERNST HEINKEL AG, Stuttgart-Zuffenhausen has gained control of the Berlin firm DEKA AGGREGATEBAU DR ING. ERICH KLOCKENBERG & CO which makes generating sets. In 1965 Deka had a turnover of around DM 3 million.

Heinkel already has a Berlin subsidiary HEINKEL-TENNER MASCHINENFABRIK GmbH formed in January 1966 (see No 344) in association with the local firm ARMIN TENNER to expand the latter's activities in the manufacture of hoists, lifts and generating sets.

\*\* SCRIPTOMATIC NV (former subsidiary of FISCHER MACHINE CO, 1963 - president Mr Herbert V. Leonard) the Dutch representative and distributor for the American addressing and calculating-machine manufacturer SCRIPTOMATIC INC, Philadelphia, has formed an Amsterdam sales subsidiary PONDRES NV (capital Fl 25,000). It is headed by the owners of Scriptomatic NV, Messrs C. P. Schaaders of Amsterdam and F. E. Schaaders, Schoten, Belgium.

One of the main users of Scriptomatic's methods is the Amsterdam distribution centre of TIME LIFE INTERNATIONAL: over 250,000 addresses are printed each week and then sent to the company's printing centres in Paris, Melbourne and Tokyo. Scriptomatic has more than thirty representatives throughout the world: in Paris DIMATIC (which also represents ELLAMS DUPLICATOR CO LTD, Watford, Herts.), in Geneva SCRIPTOMATIC SA.

\*\* The British LAMSON INDUSTRIES LTD, London, (business systems forms and office equipment - see No 367) has reorganised its French interests by merging PARAGON-FRANCE SA, Boulogne-Billancourt (Ff 2,400,000) with ROTATICKETS FORMULTIPLES SA, Cosne, Nièvre (capital Ff 1,75 million). The former (factories at Boulogne-Billancourt and Argent-sur-Sauldre, Cher; net assets Ff 10,210,000) has been taken over by the latter, whose capital has been increased to Ff 2,950,000, and its name changed to PARAGON-ROTATICKETS.

The British group has two other Paris subsidiaries: CONTROLES AUTOMATIQUES SA and SUMLOCK FRANCE SA (capital trebled in 1965 to Ff 900,000) directly controlled by CONTROL SYSTEMS LTD, London (see No 290).

\*\* The Italian holdings of the British chemicals and pharmaceuticals group THE WELLCOME FOUNDATION LTD, London (see No 330) have been extended by the addition of a firm at Aprila called CISA-COSTRUZIONE IMPIANTI SANITARI AFFINI SpA (capital Lire 100 million) which makes sanitary equipment, sterilisation, drying and filtering apparatus for hospitals, chemicals factories, etc.

The Italian firm (president Sig M. E. della Negra) has a plant at Pomezia, Rome and a secondary office in Milan. It is directly controlled by WELLCOME ITALIA SpA, Pomezia, Rome (see No 251) and CAMMIC ENGINEERING CO LTD, Crewe Hall, Cheshire (represented since 1962 by a subsidiary CALMIC SpA, Sesto San Giovanni, Milan - see No 244) both of which belong to the London group. Wellcome also controls COOPER ITALIA (INSETTICIDI) SpA, Rome (see No 287) through COOPER, McDOUGAL & ROBERTSON LTD, Berkhamsted, Hertfordshire.

\*\* The Russian organisation LICENSINTORG, Moscow, represented in Milan by FINSILTA (MONTECATINI-EDISON group as a former EDISON subsidiary) is negotiating in Rome, through Mr B. E. Kuratin, with TERNINOSS ACCIAI INOSSIDABILI SpA (see No 280) for a licensing agreement giving the Italian-American firm its patents for flow-production stainless steel. The Italian firm is a 50-50 subsidiary of US STEEL CORP and FINSIDER SpA through TERNI INDUSTRIE SIDERURGICHE SpA (see No 327).

Licensintorg recently gave patent rights to another Italian group INNOCENTI-SOC GENERALE PER L'INDUSTRIA METALLURGICA & MECCANICA SpA, Milan (see No 346) for the manufacture of complete installations for cold-forging and rolling of tubes.

\*\* The major Dutch manufacturer of meat-scales, balances, and measuring apparatus and instruments, MIJ VAN BERKEL'S PATENT NV, Rotterdam (see No 378) has formed a Belgian subsidiary to sell and hire household, industrial and commercial equipment. The new company, IMMAFRO SA, Forest-Brussels is directed by M. C.A.R. de Geus; its Sf 1 million capital has been almost wholly paid up by SA DES BREVETS VAN BERKEL, Forest and the remainder by the Dutch parent company, four of its Dutch subsidiaries (including BRINK'S APPARATENBOUW NV, Vrigzenveen) and MEGRAFO NV, Uccle-Brussels (see No 253).

Megrafo was formed in April 1964 by the transfer of the photo-mechanical precision and measuring instrument department of SA DES BREVETS Van Berkel and is directly controlled by the Dutch group. Its capital was recently raised to Bf 35 million and its activities extended to the manufacture and sales of data-processing, measuring, storing and calculating equipment, whether mechanical, optical or electronic. Mij Van Berkel's Patent NV also controls the Belgian firms JAC NV, St Nicholas - Liege and VERAMETRIC SA, Uccle formed in 1964 by an association with a British group including GEO SALTER & CO LTD, West Bromwich, Staffordshire and its subsidiary CROWN SPRING CO LTD.

\*\* NV MULDER-VOGEM, Amsterdam (see No 291) which specialises in metallurgical and mechanical engineering (machinery and installations) for the chemical, petrochemical, pharmaceutical industries and hospitals and laboratories etc, has split its activities between two specially formed companies: MULDER-VOGEM INTERNATIONAL NV (capital Fl 5 million) an investment and management company and a wholly-owned subsidiary of the previous firm, and MULDER-VOGEM PRODUKTIE NEDERLAND NV (capital Fl 2.5 million) which, directed by Mr J. Bosscher, will take over the group's industrial activities in the Netherlands.

The Amsterdam group is the European representative or associate for several American chemical engineering firms (HIGH VACUUM EQUIPMENT CORP, INTEGRAL PROCESS SYSTEMS INC, PIPO CRYOGENIC PRODUCTS CORP, etc) and has a large commercial infrastructure abroad through subsidiaries in Paris, Brussels, Frankfurt, Buenos-Aires as well as in Great Britain (Barton, Staffordshire), Scandinavia, Colombia, etc. A recent agreement with the VAN LEER'S VATENFABRIEKEN NV group of Amsterdam (see No 343) envisages the formation of a joint subsidiary making insulated 1300 litre tanks for storage and low temperature (-200 degs) transfer of cryogen gases.

\*\* BEHLEN MANUFACTURING CO, Columbus, Nebraska and SOPREFIN-SOC PREFABBRICATI FINSIDER SpA, Rome (processing of prefabricated materials) have signed an agreement permitting Soprefin (controlled by FINSIDER of the IRI group - see No 367) to make the American company's wide-span metal covers and roofs. These materials will be produced in Soprefin's factory at Genoa-Pegli and that of MORTEO SpA (another Finsider subsidiary making metal grillage and sheets).

Behlen Manufacturing Co makes metal beams and prefabricated steel structures for hangars, garages, warehouses, factories etc. SICT SpA, Milan was appointed its European agent in 1963.

\*\* OMICRON INDUSTRIES INC, Panama has put up 90% of the capital of MALACHITE Sas, Milan (Lire 5 million). This new firm will process non-ferrous metals. Dr Oronzio de Nora of Milan holds 10% and is joint managing director. He is one of Italy's biggest industrialists and controls ORONZIO DE NORA IMPIANTI ELETTROCHIMICI Sas, Milan which has a Paris subsidiary ORONZIO DE NORA FRANCE Sarl.

\*\* The German firm CARL SPAETER GmbH, Duisburg (directed by M. J. Merki: trading in steel sheet - see No 295) has made its French branch a full subsidiary. The latter was formed in 1961 and is now called CARL SPAETER FRANCE Sarl (capital Ff 50,000). It is sited at Neuilly-sur-Seine, and is managed by M. J. Merki.

\*\* ROBERT BOSCH GmbH, Stuttgart (see No 360) which had a turnover of more than DM 2,900 million in 1965, has gained control of HAMAC-HANSELLA AG, Viersen which makes processing machines for food, pharmaceutical and chemical products. This company (capital DM 7.5 million) has a manufacturing subsidiary in the Netherlands, HAMAC-HANDELLA NV, Weert, and another in Switzerland, TRANSVAC-MASCHINEN AG, Zurich (factory in Lucerne). Its foreign sales network also includes HAMAC-HANSELLA MASCHINEN AG, Zurich, HAMAC-HANSELLA MACHINERY LTD, London, HAMAC-HANSELLA MACHINERY CORP, Palisades Park, New Jersey and HAMAC-HANSELLA DO BRASIL (MAQUINAS) LTDA, San Paolo.

In the same field, the Bosch group already has a wholly-owned German subsidiary GEBR HOELLER GmbH MASCHINENFABRIK, Bergisch-Gladbach (capital DM 2 million) which came under its control in 1964 (see No 268).

FINANCE
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\*\* FUERST THURN & TAXIS BANK ALBERT FUERST VON THURN & TAXIS (see No 309), Munich, has taken a shareholding in the investment company ADIG-ALGEMENE DEUTSCHE INVESTMENT GmbH, Düsseldorf, and it has become the associate of twenty other German banks and three foreign banks controlling the Düsseldorf company. ADIG manages a number of West German investment trusts: FONDRA, FONDAR, FONDIS, ADIFONDS, ADIROPA, TRESORA, ADIVERBA.

\*\* BANQUE HASSAN SA, Geneva (capital Sf 2 million) and SOFIBANQUE HOSQUIER SA, Paris (see No 336) which has raised its capital to Ff 11.7 million on taking over GOGACIM-CIE GENERALE DE TRANSPORTS EN AFRIQUE SA, Paris (capital Ff 14.19 million) have formed an association for management, purchase and sales of property. The two banks have formed STE AUXILIAIRE DE VENTE & DE GESTION SA - SAVEG - Paris (capital Ff 110,000) in which an interest is also held by the state-controlled insurance group L'URBAINE & LA SEINE SA and L'URBAINE-INCENDIE SA, Paris.

FOOD & DRINK
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\*\* The Dutch group WESSANEN'S KONINKLIJKE FABRIEKEN NV, Wormerveer (see No271) has formed a new subsidiary in Milan, WESSANEN COMMERCIALE ITALIANA SpA headed by M. W. van Schaik. Its sales and administrative departments are at Villanova d'Ardenghi, Pavia, where the Dutch concern has another subsidiary WESSANEN ITALIA SpA (milk-based cattle-feed). Its capital (Lire 1 million) is split 90-10 between Wessanen and W. BAKHUYZEN NV, Sloten.

The Dutch group has several different interests under its control (flour, fatty substances, milk products, breakfast foods) and has animal feeding-stuff factories in Belgium (WESSANEN NV, Olen) and in France (WESSAFRACSA, Paris). It also has a sales subsidiary in Cologne (see No 255) managed by M.T.J.F. de Both.

\*\* MARS CHOCOLADEFABRIEK NV, Veghel (capital Fl 5 million - a subsidiary of the London Chocolate and sweet group MARS LTD - see No 360) has formed MARS ITALIA in Milan, which is headed by MM. R.H. Rowley and A.M.J. van Bilsen (capital Lire 5 million).

The British group has a branch in Paris and subsidiaries in Antwerp and Düsseldorf. It is controlled by the American concern FOOD MANUFACTURERS INC, Wilmington, Delaware, which has a branch in Milan called PETFOOD ITALIA, headed by Mr Kenneth W. Stevenson and independent of Mars Italia.

INSURANCE
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\*\* The French group LA PREVOYANCE SA, Paris (see No 304) has given to its Brussels subsidiary LA PREVOYANCE -CIE D'ASSURANCES CONTRE LES RISQUES DE TOUTE NATURE SA (see No 275) all its Belgian property and life insurance assets, as well as increasing its capital to Bf 45 million. Control of the Belgian company is shared between La Prevoyance and its 46% parent-company LA PATERNELLE SA, Paris. The main shareholder in the latter with a 15% interest (a 7% crossed shareholding) is BANQUE DE L'INDOCHINE SA (see No 354).

\*\* In the German insurance business CONTINENTALE ALLGEMEINE VERSICHERUNGS AG, Dortmund has taken over VOLKSWOHL-ALLGEMEINE VERSICHERUNGS AG, Dortmund. Continentale has raised its capital to DM 5 million and changed its name to CONTINENTALE VOLKSWOHL VERSICHERUNGS AG. The shareholders in the new enterprise include VOLKSWOHL KRANKENVERSICHERUNG V. & G., Dortmund (majority) and the French and Belgian insurance companies which formed Continentale Allgemeine in 1961: CIE D'ASSURANCES GENERALES CONTRE L'INCENDIE & LES EXPLOSIONS SA, Paris (see No 290) and CIE BELGE D'ASSURANCES GENERALES CONTRE LES RISQUES D'INCENDIE SA, Brussels.

OPTICAL & PHOTOGRAPHIC
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\*\* The French company LENTILLES OPHTHALMIQUES RATIONNELLES-LOR SA, Paris (see No 167) - capital Ff 2 million, factories in Paris, St-Maur, Val-de-Marne and

Mouy, Oise and gross assets of Ff 14.52 million - controlled by SIL-STE INDUSTRIELLE DE LUNETTERIE SA, Paris, has been made over to STE D'OPTIQUE TELEGIC SA, Paris. Telegic has had its capital doubled to Ff 6 million and will take the name of LOR-TELEGIC SA.

PAPER & PACKAGING

\*\* The German firm MOLINEUS & CO GmbH, Wuppertal-Barmen is a minority shareholder (5.6%) in STE INDUSTRIELLE PENASSE-SIP SA, Jette-Brussels formed recently by ETS CL. PENASSE SA, Jette, to carry out research, processing and manufacture of coated and plasticised papers and paper products for packing. Herr Hans Oblan represents the Wuppertal firm on the board of the new company (capital Bf 4 million, managing director M. Claude Penasse).

PHARMACEUTICALS

\*\* The Paris group ETS CLIN-BYLA SA (see No 339) has backed the formation of CLINEX Srl, Milan to handle its patents, trade-marks and manufacturing processes in the chemical and pharmaceutical fields Dr Jean Louis Besancon of Paris is the sole director of the new company (capital Lire 900,000) which is controlled 50-50 by LABORATOIRES CLIN-COMAR Sarl, Paris and LABORATOIRES BYLA Sarl, Paris.

PLASTICS

\*\* The French manufacturer of moulded and injection formed plastics STE QUILLERY SA, La Garenne, Colombes (see No 354) has granted SHELLER MANUFACTURING CO, Detroit, Michigan a licence to use its patents in the USA and Canada for a new type of plastic foam "Quirethane" - (polyurethane skin-foam). The French company already has an American concern acting as its non-exclusive agent and importer, BECK DISTRIBUTING CORP, New York.

With 700 employees and two factories at La Garenne, Colombes and Argenteuil, STE QUILLERY produces vehicle steering wheels for numerous concerns including CITROEN, GENERAL MOTORS, PEUGEOT, RENAULT, SIMCA. The French concern also manufactures under the "Viraflex" and "Viraglot" trade-marks various plastic and metal-based accessories for vehicles (handles, windscreen wipers, headlights, badges, number-plates). Sheller Manufacturing produces automobile equipment, and urethane-foams "Shellertex" in a new factory (cost \$ 2 million) at Iowa City, Indiananopolis. Throughout the USA and Canada (Brompton, Ontario) it has some 4,000 employees in over ten factories.

RUBBER

\*\* GOODYEAR TIRE & RUBBER CO, Akron, Ohio, plans to build a large factory at Bruchsal, Baden, for car, lorry and tractor tyres, and conveyor belts. An investment of about DM 55 million is called for, and the factory will go into production in October 1967, employing about 400 people. Goodyear Tire & Rubber Co is represented in West Germany by DEUTSCHE GOODYEAR GmbH, Cologne, and GUMMIWERKE FULDA GmbH, Fulda.

Some months ago the American group went into the field of aircraft tyres, which are now made at Amiens, Somme, by CIE FRANCAISE GOODYEAR SA (capital recently raised to Ff 64.3 million). It already has several interests in the Common Market, at Amiens, Sandouville-Le Havre, Seine Maritime, Colmar-Berg, Luxembourg (GOODYEAR SA) and Cisterna, Roma (GOODYEAR ITALIANA SpA).

TEXTILES

\*\* The Swiss holding company GIROM SA, Chiasso has backed the Zamaroni brothers (Rodolfo and Umberto Zamaroni who have 12.5% each) in forming the Milan textile firm FIORETE and will have 75% control of the Lire 10 million company capital. The new enterprise will mainly be concerned with sales but will also manufacture, process and treat artificial textile fibres and fabrics.

\*\* The German textile firm GERRIT VAN DELDEN & CO oHG, Gronau, Westphalia is negotiating a controlling interest in another German firm in this sector, which has been in financial difficulties: GEBR. LAURENZ, Ochtrup, Westphalia (annual turnover of around DM 100 million).

The Gronau firm belongs to the van Delden family and is linked by technical agreements with VEREINIGTE GLANZSTOFF-FABRIKEN AG, Wuppertal - Eberfeld (see No 343), a 75.7% subsidiary of AKU-ALGEMENE KUNSTZIJDE UNIE NV, Arnhem. In May 1965 (see No 309) it took over the assets of the spinning concern F.A. AUGUST DILTHEY & SOEHNE BAUMWOLLSPINNEREI & ZWIRNEREI, Rheydt including its 86% holding in KREFELDER BAUMWOLLSPINNEREI, Krefeld.

TRADE

\*\* Sigs Guido Arra, Enrico Barsighelli, Antonio Cova and Count G. Motta have joined the Board of MAGGAZZINI STANDASOC TUTTI ARTICOLI NAZIONALI DELL'ARREDAMENTO ABBIGLIAMENTO SpA, Milan. They represent the new majority shareholder MONTECATINI-EDISON SpA (through a former subsidiary EDISON SpA, which has taken about 57% control of the Milan firm).

TRANSPORT
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\*\* The Antwerp transport group PLOUVIER & CIE SA (see No 344) has backed the expansion of two of its subsidiaries: SA CONTINENTALE D'EPARGNE & D'HYPOTHEQUES-CONTIDEPO SA, Etterbeek, Brussels (see No 290) has doubled its capital to Bf 100 million, while that of MONDIA NV, Antwerp (see No 264) has been increased to Bf 50 million. These moves have been made possible mainly by the making-over of assets from Plouvier and its subsidiary RIJN-SCHELDE NV, Antwerp (see No 286).

Mondia is an international transport, cargo and customs agency concern, having as its minority shareholders the German firms RHEINUNION TRANSPORT GmbH, Mannheim and Duisburg-Ruhrort, and TANUTRA AG, Basle. There are various foreign companies linked with the group (apart from Rheinunion, which covers about twelve German cities), particularly in France: MONDIA SA, Strasbourg-Schiltingheim, Paris and Lyons: in the Netherlands - VOLA NV, Rotterdam: in Italy - CELLE-SERRA-MONDIA SpA, Milan, Genoa and Venice: in Switzerland - NAVI-FER, Basle, etc.

VARIOUS
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\*\* Herr Günter Schrem, Albeck-Ulm, West Germany and Mr Eric F. Jones, Dorking, Surrey, Britain, are managers of INTERDATA GmbH, VERTRIEB VON DATENVERARBEITUNGSSYSTEMEN & ORGANISATIONSMITTELN, Munich which has just been formed (capital DM 20,000) to promote and exploit the "INTERDATA" process for computer programming and statistical, multicopying and accounting organisation in West Germany. These methods are already exploited in several European countries by companies bearing the name INTERDATA; in Baden (capital Sf 200,000) since its formation at the end of 1964 in Zurich; in Milan (formed several months ago by I.M.S. ITALIA SpA - see No 333).

\*\* The owner of MOEBEL-KRUGEL GmbH, Stein Uber Nuremberg (soft furnishings and wood furniture), Herr Wilhelm Krügel, is president of the newly-formed Swiss investment company NEWO AG, Zug (capital 500,000). The German group has a payroll of more than 600 and fifteen subsidiaries in Germany including Munich, Augsburg, Ansbach, Bamberg, Aschaffenburg, Ingolstadt, Erlangen, etc.



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