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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 COURT OF JUSTICE ON AGREEMENTS
VI - "Club" Agreements

We have seen in these articles that the consideration of test cases has served to create legislative precedents for whole classes of business agreements in the EEC, given that some of these are awaiting ratification by the Court of Justice of the Communities. One is thinking here in particular of the Belgian Tile Covenant and the sanitary ware pact (first and fourth cases, Comment 364), the second of which was thought by the Commission's services to have been the most restrictive agreement of all, and both of which concerned collective, mutual exclusive agencies. So too with the Grundig-Consten case, upon which the Court of Justice gave its findings last week, and which was an instance of an exclusive agency with absolute territorial protection (see Comment, 360). It now remains for us to consider some cases which the Commission took as test-pieces for three other classes of agreement.

The first has to do with joint selling arrangements in the Common Market for nitrogen fertilizers. All the producers in each member-country have pooled their sales to form "comptoirs", but in each of the Six these have certain procedural and structural peculiarities. Basically, however, they are alike in that the rule prevents producers from selling direct, and obliges them to pass their orders on to the national comptoir; which is why they gave the Commission notice of the conditions of their agreements at the end of 1962. A dossier on the issue is now being examined in Brussels, but the fact that the system affects the whole Common Market area will make the finding of a solution a difficult business. A number of provisions and practices are bound to be condemned, but the system as such is unlikely to be thrown out. The Commission will be on the look-out mainly for abuses.

In most of the countries, and Belgium in particular, the basis of the nitrogen industry is chemical sythesis, but some is produced from ammonium sulphate formed in coking-ovens. As a by-product of steel, this is given strict priority by the comptoirs. The economic reason for this is that, if the comptoirs did not exist, the steel companies would simply write off these residuals, which are not included in the price of steel. They would happily hand them over to users, and this would have a disastrous effect on the nitrogen industry. This being so, the comptoirs proposed that they should buy these materials from the steel works and distribute them, on condition that they thus became the exclusive customers. In addition to this, there is a tacit understanding between the various national comptoirs that they will not compete with one another, and that each will restrict to a minimum its exports to other EEC countries. For example, Houilleres du Nord et du Pas-de-Calais, through the French Comptoir, sell their material in Belgium, but only of those grades which are not produced there; again, the comptoir of one country may get another out of trouble, but only by making up its deficiencies.

Brussels' criticism of the national comptoirs is levelled against their self-sufficient approach; their closed-circuit methods within their frontiers - and it is worth noting that, on this score, the French comptoir is the worst offender. Its reply to this is that it is now exporting to non-member countries, but at prices below those asked on the national market, and that it is getting down to a rationalisation scheme whereby all the producers will get the same returns, whatever the final destination of their products. Thus one of the Commission's prime objectives is to achieve much lower prices within the Common Market. But this is not easily done: current Common Market prices, and those at which nitrogen products are sold to China and elsewhere are known, but we remain in total ignorance of what profit margins these represent at any stage. The comptoirs tell the Commission that they must sell at high prices inside the EEC so as to achieve low-priced exports for the underdeveloped countries (and it is interesting to note that they have formed another comptoir in Switzerland - La Nitrex, Zurich, to sell their products to non-member countries). However, as the champion of a treaty, one of the objectives of which is free competition for the good of Community consumers, the Commission countered this argument by pointing out that, until now, it has been the states, and not the producers who have been responsible for subsidising exports to under-developed countries. For a matter of years now, the Community's nitrogen industry has been expanding considerably - and it seems unlikely that such a development could take place, when exports "at a loss", large-scale investments and considerable profits were all being made, had not internal EEC prices been so high as to ensure generous profit margins. All this points to the feasibility of lowering prices.

The Commission can hardly turn a blind eye to all the practices involved in this sytem, when some of them are blatant infringements of the rules of competition. But at the same time we must draw a clear line between national and Community levels: within each country, the comptoir is a real agreement, but one which springs from national legislation. Thus it falls to the Six States, if they so wish, to modify comptoir policy, but it is difficult to picture them doing it at a time when concentration, be it commercial or industrial, is the order of the day. Just the same, the comptoirs are all but stifling competition in this sector between member-countries, and this is an outright contravention of the Treaty. Knowing of the direct interest of some states in the industry, however, the Commission is in no hurry to bring this issue before the Council of Ministers - it is no accident that the case has been in abeyance for three and a half years.

Another class of agreement is concerned with trade covenants for multiple discount levels. Standard discount practice is for each manufacturer to allow wholesale discount to his sales agents according to the importance of the transaction, but there are a number of covenants in existance which have fixed uniform discount scales, such that several, if not all the members of a trade agree, for instance, to allow 5% on such and such a quantity, 10% on twice that quantity, and so on... A number of such multiple discount agreements have been notified to the Commission, particularly ones involving German companies. The rebate a manufacturer decides to allow his agent in these cases is calculated, not according to the agent's purchases from him alone, but according to what he has bought from all the makers of that same product. The trader is entitled to buy from any manufacturer who is party to the agreement, but thus commits himself to not buying from anyone who is outside it. Thus when all the producers in a given country are involved, they exclude from their "club" competing producers in other countries. This is a typical infringement of the Rome Treaty's rules of competition.

As its test case for this type, the Commission decided to examine one relating to the tyre market in West Germany. All the tyre manufacturers there have got together to avoid a discount war by maintaining a single, fairly low scale of discounts for their customers. All the largest firms operating there, not only Continental Gummi, but Goodrich, Goodyear, Dunlop, Michelin and Pirelli as well, are parties to the covenant. Other firms, not involved, have complained about this. The Commission's first move will be to ascertain why they did not join the agreement, particularly as its members insist that it is open to all firms in the trade. Some months ago, moreover, one of the loudest cries against the agreement was being raised by Kleber-Colombes, before it joined the Michelin group. So if all the companies affected in fact join the agreement it seems very likely that the Commission will tread lightly in its handling of the matter.

There is also a test-case under consideration in Brussels for a further type of agreement between manufacturers alone; market-sharing. On January 22 of this year the Commission sent an open letter to 53 cement firms in Belgium, Germany and the Netherlands informing them that, following its initial enquiries, it found the agreement they had submitted for its consideration, and which tended to control the Dutch cement market, was liable to prohibition under Article 85 of the Treaty of Rome, and that there were no grounds for exemption. The contracting parties had, in particular, agreed between them quotas for deliveries of cement and clinker on the Dutch market, fixed uniform prices and sales conditions and undertaken not to build cement factories on the territory of any one of them without the consent of the rest. The Commission decided that this agreement distorted trade between the Netherlands on the one side, and Belgium and Germany on the other, and restricted competition in the products concerned on the Dutch market.

Those concerned have taken the matter to the Court of Justice of the Communities, but the case is not due to come up until the Autumn, and the Advocate General's findings have as yet not been disclosed. In the Grundig-Consten case, the West German Government took Grundig's part, and this time the Dutch authorities are supporting the cement covenant. The vital reason for this - and it is one which complicates the whole issue - is that the Netherlands are largely dependent on neighbouring countries when it comes to meeting their cement requirements, and the Dutch Government maintains that the outlawing of the agreement would threaten their supplies. This has yet to be proved, but we shall look at the case again, when the Court starts work on it.

Lastly, the Commission is taking a long, well-advised look at a case which is in fact the first instance where Article 12 of Regulation 17 has come into play. This article makes provision for economic surveys to be made of any sector where it is suspected that the rules of competition are being flouted. The point of departure in instances like this will be neither specifically-named companies, nor definite complaints. That all is not well in some sector or another is something one senses, without knowing exactly why or how. This Article 12 was inserted at the instigation of France, and is designed to lend force to Article 86 of the Rome Treaty (abuse of dominating positions), but not solely for this: when suspicions are aroused and an economic survey is undertaken, the case may just as easily concern Article 85 as Article 86.

The offending sector in this case is the margarine industry, so it follows that the company under fire, since it covers 80% of Common Market production of this product, and thus holds a very dominating position, is Unilever. But, let us note, it is not this dominating position as such that has been reprimanded by the Commission, for Article 86 does not condemn this out of hand. The real point of contention is the abuses and restrictive practices that this situation could enable Unilever to resort to on the Common Market. Although Unilever has factories of some sort throughout the Community, like products may vary considerably in price from one member-country to another: they can, for example, be twice as high in Italy as in the Netherlands, and there are marked differences, too, between Germany, France and Belgium. One of the things that puzzles the Commission is the fact that French traders do not buy their margarine in Belgium, where the lower prices would give them greater profit margins. Apart from this, there are mysteries like the fact that the Dutch group appears to require of Belgians buying margarine that they should also order Unilever soups. It is restrictive practices like these, even more than the price variations, that have caught the attention of the Commission's investigators. The Commission itself is here confronting one of the largest industrial powers in Europe, but it is not yet at the end of its tether, though its plan of attack has not yet been formulated.

In a later "Comment" we shall present some conclusions on this investigation of agreements, and consider too the Court of Justice's findings on two of the cases it has heard to so far.

THE WEEK IN THE COMMUNITY
July 25 - July 31, 1966
From Our Correspondent in Brussels

THE COMMON MARKET

The Ploughman Homeward Plods...

Eleven weeks, day after day, or rather night after night, after their basic compromise on the financing of the common agricultural policy, the Six have finally succeeded in solving the immediate problems arising from this agreement and governing its formal approval. These problems were many, complex and full of political implications. A single government with a solid majority would have been hard put to overcome them. And yet the Six, divided as they were on points of principle and faced with delicate domestic situations, managed to succeed. The great lesson of the European crisis is therefore confirmed: no matter what their differences on doctrine and foreign policy, the Six are now linked, at least from an economic point of view, by an increasingly binding solidarity, which continues to push them on. This is the Community's famous driving force.

M. Rey pointed this out, in the early hours of July 27, when the final agreement on the Kennedy Round had been reached by the Council of Ministers. The Commission's representative at the GATT negotiations is not given to lyrical outbursts but he spoke nevertheless of a "fantastic effort" which "astonished the rest of the world". At the same time M. Rey admitted that this remarkable achievement was somewhat tarnished by "the determination of certain members of the Council to protect individual interests of secondary importance". Once again the Six had reached a compromise by an obscure and roundabout route which almost proved to be a cul-de-sac. Once again, the joint enterprise nearly lost the battle for the want of a horseshoe nail.

As soon as the discussions began on the morning of July 26, all the old suspicions floated to the surface and the atmosphere was frankly hostile. The Dutch especially made no bones about their conviction that the French, having got the common agricultural policy safely in their pockets, would waste no time in trying to wreck the Kennedy Round. The French representatives replied that their opposite numbers were clearly determined to spare the United States and Britain even the slightest discomfort. However it would be inaccurate to say that this regrettable exchange was proof of fundamentally different attitudes to the negotiations, and that the Six had only succeeded in papering over the cracks.

Basically, of course the whole problem had arisen out of a misunderstanding, because one side was too suspicious and the other a bit too canny. The Commission had provided the Council with a series of proposals on agricultural offers to be put to GATT and had suggested that the Ministers should accept them "en bloc". The offers were fairly generous, perhaps even somewhat contradictory to the protectionism of the July 24 agricultural agreement, but they were, after all, only a basis for negotiation and not irrevocably binding on the Community. It was extremely unlikely that all the EEC's partners in GATT would be able to guarantee it such definite concessions in return. The risks were far outweighed by the psychological advantages that could come of such an approach, and France's partners were the first to admit this, though some of them must have been counting on France not to go all the way with this.

Indeed, this was just what happened, not least because the French delegation, like most of the others, was not led by a minister, but by its permanent representative the Ambassador Jean-Marc Boegner. As he had only a very narrow margin of negotiation, the talks enabled the technicians to score a victory over the politicians; just the same thing happened as on the night of July 23-24. As in those talks, too, here again internal politics got the better of doctrine. On the one hand, there was Signor Restivo with his eyes very much on Southern Italy, and on the other, Monsieur Boegner preoccupied with certain areas of France with fairly sensitive economies and rumblings in the ranks of the electorate. His attacks against over-generous offers in the table-wine, fruit, vegetable, poultry and fish sectors were obviously made on behalf of the Midi and Brittany departments in turn.

The French representative was asking a lot in calling for the postponement of the offers for all the sectors involved: the idea being to get what the French really wanted, that is, that the concessions should be reduced or that certain sensitive products should be left out altogether. After that of course there was no avoiding the individual demands of the other States. This the Commission decided to accept. In fact, however, the original offers were not altered very much. It is difficult to be entirely accurate, but the reduction should be around 10-12% of the value of imports of the goods concerned into the EEC. But like the July 24 agreement, a compromise was reached partly by yielding to the protectionist attitude of the Six. The argument was fairly logical though, because otherwise what was given in Brussels might have been taken back in Geneva. At any rate this action was approved by Chancellor Erhard himself when the German delegation to the EEC Council felt it advisable to consult him by telephone.

The main substance of the decisions reached is as follows:

1) Dairy Products:

The proposal is that a world-wide agreement should be made similar to the one on cereals which fixes world reference prices and consolidates the level of subsidies. This agreement would affect all the main products involved in international trade, that is, butter and powdered milk. However in addition to the overall requirement of general reciprocity, the Six laid down two special conditions, on France's insistence: first of all that Britain should open up her market more to suppliers from GATT (the 600,000 tons which Britain imports are largely reserved for New Zealand and Denmark; at present the EEC only supplies 3,000 tons to Britain; also, that the United States should give up the concessions allowed them by GATT, which, in certain cases, meant that they could control imports through in this sector. It should also be mentioned that the Six will ask that wherever they make concessions, their partners must relinquish any concessions they receive under Art. 23 of the General Agreement on Tariffs.

2) Beef:

Here again, a world agreement is envisaged but for frozen meat only, although if necessary it could be extended to other sectors. This applies especially to cattle on the hoof because in this field the Argentinians have developed an extremely efficient system of marine transport.

3) Grain-fed Products (pigs, eggs, poultry):

For these products, which are protected by a sluice-gate price (that is, a minimum price below which EEC imports are not allowed to enter) and levies, it is proposed:

- to fix the sluice-gate price at the level of the third quarter of 1966 and to gradually reduce the levy for pork-meat;
- to fix both these safeguards at a 5% lower rate for eggs and poultry (the Commission had proposed a reduction of around 8%, taking into account improved Community productivity);
- to include a review clause, allowing the EEC to increase its protective measures in respect of a possible increase in world prices for secondary grain if its Kennedy Round partners give up their defensive measures allowed under GATT in advance.

4) Fruit and Vegetables:

In this sector, where the EEC's import policy has yet to be formulated, the proposal is that two protective measures should be consolidated - internal reference prices and compensatory taxes, which are tantamount to levies - on the understanding that the Six will fix them such that adequate protection is guaranteed. The third measure (customs duties), which is practically the only one involved when it comes to fruit and vegetable products and preserves, will be subject to reductions varying by a few points according to the commodity. Apart from this, the inventory of exempted products has been extended: it now includes grapes, tomatoes, new potatoes and edible and dessert chestnuts.

5) Wines and Spirits:

Offers will only be made for bottled "appellation controlee" wines. Liqueurs are excluded, as are ordinary table wines. On this last point, France pointed out that the GATT talks concern Spain and the Mahgreb States almost exclusively - four partners with which the EEC has already started bilateral talks.

6) Sea Foods:

The tariff and quota concessions proposed by the Commission have been reduced for three products which are particularly sensitive on the French market: herrings, tuna and sardines.

7) Rice:

The consolidation of the support figure (Community entry price minus world market price) will be proposed.

8) Cork:

Reductions of 4% to 16% in duty, according to the product's stage of manufacture, will be offered.

9) Beer:

The Commission's concessions have been reduced.

10) Sugar, Fatty Substances, Tobacco:

Offers will be made at a later date.

Transport Policy: Decisions before the End of the Year

National peculiarities among the Six have created such a conflict of interests between them, or rather between the Netherlands and their partners, that the definition of a common transport policy has long lain in the balance, even though, by definition, it is an essential feature of an economic system based on freedom of circulation. This, however, did not prevent the Six from achieving a compromise in principle in June 1965: it only remained for the means of application to be worked out. As luck would have it, the French withdrawal from Brussels followed soon after, and things went no further - the ministers were occupied with more pressing matters. Now, the Summer Recess is rapidly approaching, and there is a distinct danger of the problem remaining untouched for several months more. This is why Mr Lambert Schaus, the member of the Commission responsible for this sector, has secured from the Council of Ministers an undertaking that they will at least draw up a strict "work schedule". This came about at the meeting on July 28: the Six agreed to meet again on October 19 and 20 to debate the key subject of upper and lower limits for freight rates and to hold a further session on December 6 to reach a decision. It seems extremely likely, in view of the vested interests involved, that the Council will be at it all night.

One thing that became obvious at the July 28 talks was that the Netherlands, riding high at this stage, and committed to the defence of extensive interests, were still the self-styled champions of integral liberalism. This calls for the fullest possible freedom for arranging prices (especially for inland waterway traffic), which in turn refutes any form of restriction on tariffs. The "fork" system, which allows for multiple tariffs within limits of tolerance, goes some way towards meeting this demand. Agreement must also be reached as to the width of this tariff gap, and how it should be communicated to traders. This will obviously become the crux of the debate, as the Netherlands must needs allow a minimal degree of common freight rates or reject the whole idea of a common transport policy. This is a waiting game, and nobody really showed their hand, but the talks were useful inasmuch as they allowed the points on which the Six differ to come into strict relief.

A positive result of these talks was the appearance of a regulation achieving a first, fairly modest liberation of international bus and coach tourist travel. As from January 1, 1967 only the member-country in which a vehicle is registered will have to authorise "locked-door" tours, occasional services carrying passengers on the outward trip and returning empty and transport of a company's employees in its own vehicles. It is interesting to see how the Limburg tragedy, which involved the death of some thirty children, has made the ministers see eye to eye on the need to speed up the study of ways and means of rationalising road transport. This has already been proposed by the Commission, and there is no doubt that it would have the most beneficial effects on road safety, as regards minimum age and competence of drivers, length of working day, compulsory rest periods etc.

* * *

Sixths or Tenths?

For the agricultural season 1964/65 the European Agricultural Fund (FEOGA) reimbursed three-sixths of national governments' expenditure on operations eligible for assistance from its "Guarantee" section. During their negotiations at the beginning of 1966, the Six agreed that FEOGA would cover all of such costs, once freedom of movement for goods has been established by the introduction of common prices and a common market organisation in the sector concerned. But the rate at which progress towards this target should be made had still to be settled: at the time it was still uncertain whether freedom of movement for certain products could be achieved within the hoped-for limit, in other words during the three-year period from June 30, 1965. The question of whether to increase the figure annually by sixths or more slowly by tenths immediately became important.

The May 11 compromise laid down that if agreement on the agricultural problems was reached before June 30, then the annual increment should be one sixth. But agreement was not reached until July 24. "Could the clock not be stopped?", argued the two EEC "Agricultural Powers", France and the Netherlands, pointing out that this was not far off the required date, and that the delay in no way affected the introduction of freedom of movement in the various sectors. But neither the Dutch nor the French really insisted on this point, and it was finally decided that the annual increase would be by tenths. Apparently the explanation for this is that as the negotiations on the common agricultural policy went on, Community financial responsibilities continued to increase, and it therefore seemed reasonable to give the FEOGA's principal "debtors", and the Germans in particular, a breathing space.

EURATOM

Cooperation with the USA

In response to a wish expressed by the US Atomic Energy Commission, the Euratom Council, on July 28, authorised the Euratom Commission to open negotiations with the USAEC. The aim of these is to exchange information concerning reactors cooled by organic liquid and moderated by heavy water. Euratom has gained a considerable amount of knowledge in this sector due to studies and work carried out on the "Orgel" project (over $100 million spent so far), and the USAEC is actively pursuing a similar project, called "HWOCR". The decision made by the Six does not prejudice their final choice of any particular heavy-water reactor prototype. The building of an "Orgel" prototype, foreseen in the original scheme, has been under discussion for some time now, for various reasons, one of them being that the future development of heavy-water reactors appears to be very encouraging, as they are by far the most economic to run. Nevertheless if agreement is quickly reached with the Americans and the results are satisfactory, then the outlook may be changed.

The Euratom Council also decided by five votes and one abstention (by the French) to grant the advantages of a "joint enterprise" status to the nuclear power plant at Obrigheim in West Germany. The French abstained on the grounds that the status of "joint enterprise" and its advantages should only be granted to projects beyond the scope of a single State, or to projects where there is an element of chance involved, but whose satisfactory solution might give advantages to the whole Community. Obrigheim cannot in any way be classed under either of these two headings. In the event, the advantages granted have not entailed any financial burden on the Community and it will have access to all the technical, industrial and economic information resulting from the project. Moreover, nearly all the equipment used for building Obrigheim was bought in the Community.

STUDIES AND TRENDS

INTERNATIONAL ISSUES IN EUROPE

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

In recent years there has been considerable interest and attention aroused by international borrowing. This is hardly surprising, in view of the extent to which, in a comparatively short space of time, this new form of issue has influenced the development, the structure and the character of large-scale financial business.

Causes and effects

It is a fact that the granting of loans by international bank consortia has only reached any appreciable scale in Europe since the beginning of the sixties. There are a number of reasons for this development. Among them is the changeover to convertibility of currencies, completed in 1958, but more particularly the need for additional money, occasioned by the process of economic integration in Europe. A further important factor has been the American Interest Equalization Tax, which has closed the New York market to borrowers from developed countries outside the United States. This forced the Old World to seek new sources of finance, if investment activity was not to be restricted by the available supply of funds. The search became more urgent when, at the beginning of the sixties, Switzerland, hitherto the most important source of foreign lending in Europe, went over to a restrictive capital export policy. A further blow to European markets fell in February 1965, when the United States, in order to protect their balance of payments, instructed American companies to increase the proportion of financing from outside the USA in their direct investments in foreign countries.

The effect of all these factors was to change the tempo of international issue business in Europe from its originally steady pace into almost runaway expansion. In 1960, the total value of foreign loans given by the major European countries, excluding those granted by Great Britain to Commonwealth borrowers, was 720 million Swiss Francs in round figures; by 1963 it had progressively developed to 1,800 m. Sfr. In the succeeding two years there was a spectacular rise, to 3,800 m. Sfr. in 1964 and to 5,600 m. Sfr. in 1965. Thus, in the last two years the value of these issues has virtually trebled, as Table I shows. (see page 4)

New borrowers - new lenders

The rapid expansion in the volume of issues was accompanied by changes in the identities of the borrowing nations. Up to 1964 European borrowers had predominated, although international organisations, especially the World Bank, and various non-European countries, notably Japan, had also occupied a respectable position. By contrast, American companies, and/or their European affiliates and subsidiaries, only began to appear in significant numbers as borrowers on the European markets after the most recent of their government's steps to protect their balance of payments. The first issue by an American-controlled company occurred in June, 1965. By the end of that year these issues had run up to 1,600 million Swiss francs, making American firms almost solely responsible for the increase in the value of international lending in the period.

But the appearance of the American borrower changed not only the volume, but also the climate of this type of business. From the point of view of the investor, international loans had, up to then, lived only in the shadows; but these issues by first-class American firms began to attract the attention of a much wider field. The more so, since these issues often took the form of convertible loans; in view of the firm trends on the New York Stock Exchange the previous year, these looked especially attractive, since they gave the purchaser the chance to benefit from the increase in share values, as well as providing relatively good rates of interest. Euro-bonds thus began to find an increasingly wide market among investors. At the same time they also enhanced the importance of national money markets and were thus increasingly well-regarded by European currency authorities.

Be this as it may, the origin of the continuing expansion of international issue activity lies in the enterprise and diligence of the issuing houses doing this type of business. To be frank, there was scarcely a single Swiss bank to be found among them, most of them being compelled to stand aside by the restrictive official capital export policy and by tax considerations. The result was that Switzerland, which, in 1960, had provided finance for nine-tenths of the foreign loans issued in Europe, was only responsible for a mere 6 per cent. last year. Institutions from other European countries rapidly filled the gap, from Great Britain, Belgium and West Germany, often with the support of their own authorities. Last year they were joined by increasing numbers of American houses, mostly participating in loans to American companies.

Problems and peculiarities

It was natural that considerable problems should arise during the growth of this international loan business and that there should be no precedents for their solution. In addition to the currency question, innumerable tax and exchange control obstacles also created difficulties. Suitable methods of overcoming them could only be found by experiment and by trial and error. For example, the complicated currency stipulations, which it was at first thought necessary to evolve for these transactions, were gradually replaced by much simpler and more realistic formulae. It is symptomatic of this that the leading international currency, the American dollar, has become, since 1964, by far the most important coin for this type of transaction on the Euro-market, as is shown in Table II. The second place is occupied by the German Mark; a long way third comes the Swiss Franc, whose importance as a loan currency has sharply declined with the decrease in issue activity on foreign account in Switzerland; the more so because the authorities have made energetic attempts to counteract the unhealthy trends sometimes arising from the tendency to force the currency of this small country into an inappropriate international role. (see page 5)

However, the central problem of international issues does not and did not lie in the currency question, but in a totally different field. In order to appreciate this, one must recognise that almost all banks which are heavily involved with the issue of Euro-bonds, are virtually unable to sell foreign issues to their own investors for a variety of reasons. For instance, in England it is the exchange control regulations which stand in the way; in Belgium it is taxation; in the United States it is the interest equalization tax; and in West Germany, the fact that internal loans bring a higher return than foreign ones. In subscribing to Euro-loans, therefore, the issuing houses of these countries can scarcely rely on their own resources, but must seek them elsewhere. Thus underwriting and placing, which are functionally complementary activities and have hitherto always been so in Europe, become divided in these transactions, obviously making the disposal of these bonds more difficult.

If these structural weaknesses were successfully to be overcome, it was necessary for numerous banks to try, in the closest co-operation, to seek out and exploit existing opportunities for placing. For this reason most of the international loans in Europe are conducted by extensive consortia; they include houses from several countries, generally with no or only very modest placing potential of their own, but who are thought to be in a position to find opportunities for placing elsewhere. On average, the issuing syndicates of the most important European international loans in 1965 consisted of 38 members; in the case of issues which were to be quoted in the United States as well, this average number rose to 50.

Placings of considerable lots of Euro-bonds were made in Switzerland, surprisingly in that Swiss banks were not usually represented in the issuing consortia, for the reasons given above. At first sight paradoxical, this stems largely from the fact that the Swiss authorities are not always consistent in their economic policy. In an attempt to prevent the financing of the current boom by foreign money, the banks were instructed at the beginning of the sixties to cease payment of interest on foreign-owned Swiss Franc holdings and not to invest them in Swiss securities. On the other hand, because of the restrictive capital export policy, pursued by the authorities mainly for reasons of internal policy, they were unable to offer their numerous foreign clients sufficient foreign securities, which they themselves had had a hand in issuing. They were therefore obliged to direct their customers to securities issued by international syndicates without Swiss participation.

In this way, a significant proportion of foreign loans raised in Europe finished up in portfolios managed by Swiss banks. The amounts so invested were many times as high as the official limit of foreign loans held in Switzerland - 339 million Swiss Francs. This shows the very modest extent of officially controlled capital exports, compared with the actual outflow of money in other forms, which, however, produced exactly the same effects on the country's economy as the controlled capital export. This experience proves that, in a convertible currency system, state interference in the monetary economy can always be evaded in the long run. The market follows economic indicators and can sooner or later always circumvent state intervention. When considering this situation, it should not be forgotten that placings of Euro-loans in Switzerland in recent times, in addition to being made with institutions which traditionally command a large circle of foreign customers, have also been made to an increasing degree with regional or local banks, with a predominantly Swiss clientele. With this shift of emphasis, these placings have also altered their position vis-a-vis the national economy. In previous years it was almost exclusively foreign money that was being re-directed abroad in this fashion; but recent signs indicate that there is an increasing export of Swiss capital; these transactions are thus having a correspondingly greater effect on Swiss capital markets. The available statistics do, in fact, seem to show that Switzerland, formerly an importer of capital on balance has since the autumn of last year actually been exporting capital.

Switzerland has thus remained an international financial centre. However, she is playing this role, so important for her standard of living and her employment, not openly as before, but almost in secret. This has led to the loss of a good deal of the respect and the advantages connected with the export of capital. Similarly, the passive role, which she has adopted in international issuing business, has led to loss of influence on events. Developments have thus led to changes and distortions which might have been significantly less marked if Swiss banks had been able to put their placing potential on the scales and thus obtain a hearing for their views and opinions.

Table I

International issues in Europe by debtor countries*
(nominal value converted to Swiss francs)

Debtor countries	1962	1963	1964	1965
		(in Million Francs)		
W. Germany	130.0	210.0	160.0	121.7
Italy	-	229.0	211.5	346.5
France, Belgium, Netherlands	125.9	379.8	203.2	429.8
Total EEC	255.9	818.8	574.7	898.0
U.K.	194.0	70.0	64.5	208.3
Scandinavia	60.0	240.7	1428.8	1038.4
Austria	25.0	48.2	77.7	91.9
Spain, Portugal	21.6	76.2	106.4	-
Total Europe	556.5	1253.9	2252.1	2236.6
U.S.A.'	60.0	-	-	1572.6
Canada, Israel, Mexico	44.6	108.0	21.6	-
Australia, New Zealand, S. Africa	50.0	-	-	357.1
Japan	108.1	151.6	838.0	108.3
Total Overseas	262.7	259.6	859.6	2038.0
International Corporations	556.6	253.7	702.6	1353.5
Grand Total	1375.8	1767.2	3814.3	5628.1

* Excluding Commonwealth loans in London
' Includes international loans by subsidiaries of U.S. firms

International issues in Europe by currencies*
(nominal value converted to Swiss francs)

	1962	1963	1964	1965
		(in Million Francs)		
Euro dollars (units of account = U.S.$)	21.6	207.4	43.2	-
U.S. dollars	82.1	572.5	2040.7(2)	3130.5
Pound sterling	-	-	96.5	278.3
Deutsche Mark	108.1	173.4	972.4	1364.9
Dutch florins	198.0	-	65.8	246.3
Italian Lire	208.8	104.2	-	103.8
Belgian Francs	26.1	60.7	-	52.3
Lux. Francs	26.1	-	-	2.6
French Francs	-	-	132.2	110.4
Swiss Francs	705.0	649.0(1)	463.5(3)	339.0
Total	1375.8	1767.2	3814.3	5628.1

* No account taken of currency option clauses

(1) Includes Swiss franc issue outside Switzerland by the city of Copenhagen (60 million)

(2) Includes Swiss tranche of Portugal's dollar issue ($5.2 million)

(3) Includes Swiss franc issue outside Switzerland by the Belgian telephone and telegraph authority (100 million francs)

TO BE CONTINUED

NOLL MASCHINEN FABRIK. Italy: BARA, Versailles (tractors etc.) forms Italian subsidiary. Netherlands: IMPERIAL SMELTING CORP., London (RIO-TINTO ZINC group) takes 50% in the Dutch firm METADO (powdered zinc). NEDERLANDSCHE DOK, Amsterdam and the marine engineering firm ERIKSBERGS MEK VERSTADS, Gothenburg form joint subsidiary to sell high pressure cleaning machines. Switzerland: METCO, Long Island, New York (mechanical and ceramic burners) forms Swiss sales subsidiary.

L FINANCE

France: The American finance company WALTER HELLER forms French factoring subsidiary. Germany: MIETFINANZ, Mülheim (leasing) increases its capital through three new shareholders. THE FIRST NATIONAL BANK OF CHICAGO opens first EEC branch in Frankfurt. Italy: FINANZIARIA ERNESTO BREDA, Milan (EFIM group) has 99% in new Italian rubber company STA ITALIANA GOMMA. The Liechtenstein holding company SA VIE takes share in LEASING & TRADING CO, Milan. Netherlands: ROBECO, Rotterdam (investment trusts) forms special fund for public utility companies.

N FOOD & DRINK

Belgium: PROFRIGO, Brussels takes large share in SOGEDA, Brussels (CCCI group - frozen foods) and LE SEMEUR, Mechelen (canned foods). France: Three French sugar companies STE SUCRIERE DE COUDUN, INDUSTRIELLE DE COUDUN and ~~STE~~ DE PORTES take over the assets of SUCRERIE-DISTILLERIE DE COUDUN-J. FANTAUZZI. AGRAREXPORT, Munich (exports of agricultural products) forms French company. Germany: The Hamburg co-operative EDEKA is major shareholder in two German food firms BACKDIE-MEIERCO and BACKDIE GmbH. The Dutch concern DROSTE'S CACAO forms Frankfurt subsidiary. Italy: The Milan dairy concern UNION CASEARIA FRANCAISE goes into liquidation. Netherlands: Two Dutch dairy products companies FRICO and KORTENKAAS merge.

O INSURANCE

Netherlands: The British insurance company LLOYD'S BROKERS forms Rotterdam subsidiary.

O OIL, GAS & PETROCHEMICALS

France: HAVRAISE DES PETROLES (liquid gas and fuels) and the solid fuel firm REMY-MEUNIER form joint company. FRANCAISE DE RAFFINAGE joins RAFFINAGE SHELL BERRE and FRANCAISE DES PETROLES BP in GEOSTOCK, Courbevoie.

P OPTICAL & PHOTOGRAPHIC

Germany: The Japanese camera firm SANKYO SEIKI forms Düsseldorf subsidiary.

P PAPER & PACKAGING

Italy: FABBRICA ITALIANA CONTENITORI, Alessandria is formed by Swiss interests to make and sell metal packaging.

Page	
P PHARMACEUTICALS	France: The SMITH NEPHEW and LABORATOIRE ROGER BELLON association increases share in ORBEL, Neuilly.
Q PLASTICS	Britain: The Italian plastics group MAZZUCCHELLI has financial as well as technical links with DUNLOP RUBBER, London. Netherlands: TEE-PAK, Chicago (tubes etc.) moves its European head office from Zurich to Amsterdam. USA: AKU and GENERAL ELECTRIC will form American manufacturing subsidiary for synthetic fibres.
R SHIPBUILDING	Italy: Greek shipowner takes 20% in new Italian company CENTRO MARITTIMO DI CAGLIARI.
R TEXTILES	France: Three French weaving and linen firms will co-operate in manufacturing and foreign sales: they are TISSAGES P & R FREMAUX, WALLAERT and REYNAERT & BRABANT. The Manchester fashion house ARTHUR HENRIQUES forms Düsseldorf subsidiary. The Italian textile group MARZOTTO merges its hotel interests. The Lebanon: The Paris textile DOLLFUS-MIEG forms 50% Lebanese subsidiary.
S TRADE	Netherlands: The Dutch wholesale chain-store organisation IFA NEDERLAND opens four Amsterdam finance subsidiaries.
S TRANSPORT	France: NAVALSA, Strasbourg (river transport) and three other French firms form Strasbourg wharfing company. The international transport company HENK HENTZEN, Rotterdam increases the capital of its Paris subsidiary. Netherlands: The New York transport company TERMINAL SERVICES forms Dutch subsidiary.
T VARIOUS	The Antwerp publishers ASTRA takes controlling interest in LAFINA, Antwerp.

ADVERTISING

** The Paris advertising and marketing agency SEPFA SA, headed by M. Francis Dupuy, has formed a 50% Brussels subsidiary R. BUSSELEN SEPFA & CIE-ASSOCIATION INTERNATIONALE DE CONSEIL EN PUBLICITE SA (capital Bf 100,000). The new concern will arrange the promotion of radio, press and television campaigns, as well as producing posters, folders, brochures and similar advertising material.

BUILDING & CIVIL ENGINEERING

** The manufacturing agreements signed between the British building materials group REDLAND HOLDINGS LTD, Reigate, Surrey, and its 56.4% West German subsidiary BRAAS & CO GmbH, Frankfurt have led to the formation of a Swiss concern BETONZIEGEL AG (capital Sf 2 million) which will open a concrete tile factory in the Zurich region. Its directors include the chairman of the British group, Mr Alexander Young, and Herr Rudolf Braas, who has a 21.8% interest in the Frankfurt company.

The agreements signed between the two companies have already led to the formation of BRAMAC DACHSTEINWERK GmbH, Vienna (see No 360) which will build a factory at Pöchlam bei Melk, and to the decision to form in association with CIE INDUSTRIELLE DES COMBUSTIBLES DE L'ATLANTIQUE SA, Nantes, a French company - STE FRANCAISE REDLAND SA (see No 357), which will build a factory at Orleans.

** The VIANINI SpA group of Rome (capital Lire 5,000 million) which is engaged in civil engineering and the manufacture of concrete building materials for water-pipes, drainage etc., is about to absorb two of its subsidiaries, VIANINI MILPAC SpA, Latina and VIANINI SpA, Milan.

The Italian group has been making lined "Sontab" pipes at Aprila since a few months ago under licence from the Swedish group A/B TRYCKROR, Malmo (2.2m pipes with both radial and longitudinal reinforcement: 5 m long and weighing 12.5 tons). It also has factories of its own at Aprila, Caivano, Naples and Grumo Appula, Bari and through subsidiaries or associates, plants at Mozzanoca, Bergamo; Latina Scola, Bari; Capaci, Palermo; Porto Torres, Sassari and Misterbianco, Catania. It controls the harbour and marine dredging firm VIANINI SARDEGNA SpA, Porto Torres and has associates in Commodore Rivadavia, Argentina; the Ivory Coast and Liberia.

** MATEXI-NV MIJ. TOT EXPLOITIE VAN IMMOBILIEN, Meulebeke, and the members of the Belgian Vande Vyvere family which controls it, together with the Antwerp investment company INVESTCO NV, have made over various Belgian property assets to the newly-formed investment and management company, PATRIVA NV, Meulebeke (capital Bf 210 million).

CHEMICALS

** The American company WALLACE & TIERNAN INC, Belleville, New Jersey, has gained control of the West German water processing company, CHLORATOR GmbH, Grötzingen über Karlsruhe (capital DM 500,000). Until now the German company which was owned by Herr Bernhard Edga had two subsidiaries: PETUNIA GmbH, Grötzingen and CHLO RATOR LTDA, Sao Paulo.

The American company, which is linked with KON. INDUSTRIELE MIJ. NOURY & VAN DER LANDE NV Deventer (see No 355)- a subsidiary of KON. ZWANENBERG-ORGANON NV, Oss (see No 363) - already has a West German manufacturing subsidiary, WALLACE & TIERNAN GmbH, Guenzburg, Donau. It also has several wholly-owned subsidiaries outside the United States: in Britain, WALLACE & TIERNAN LTD, Tonbridge, Kent; in Canada WALLACE & TIERNAN LTD, R.J. STRASENBURGH CO OF CANADA LTD and HARCHEM LTD; in Mexico LABORATORIOS STRASENBURGH SA; and in Australia, WALLACE & TIERNAN PTY LTD, Sydney.

** The Milan group STA ITALIANA RESINE-S.I.R.SpA headed by Sig. Nino Rovelli (see No 362) is opening headquarters in Milan for its subsidiaries being formed in Sassari to finance the development of its Sardinian chemical complex at Porto Torres (see No 360). It has recently opened the headquarters of SIREF SpA (a 90% interest, balance held by OFFICINE DE PORTO TORRES SpA. Sassari: a subsidiary - capital Lire 1 million). Three other subsidiaries, SARDAR SpA, SIRBEN SpA and SIRAR SpA (see No 346) have recently increased their capital. The first two now have Lire 1,500 million instead of Lire 1 million, whilst Sirar's has gone from Lire 500 million to Lire 1,500 million.

The same group has formed three other finance companies in Sassari, each with Lire 1 million capital; SARDA POLIMERI SpA, ELSAR SpA, and SIRTENE SpA.

** Negotiations are about to be concluded between CHEMISCHE INDUSTRIE SYNRES NV, Hook of Holland (see No 346) and LAPORTE INDUSTRIES LTD, London (see No 291) for the British manufacture - through a joint subsidiary at Stallingborough, Lincs - of synthetic resins (including "Ketone" coatings produced by HOWARD OF ILFORD LTD, a subsidiary of the British group, which also makes phthalic anhydride, solvents and sorbitol). These resins, which will be in production by the beginning of 1967 will be used mainly in the plastics industry and for various coatings.

This will be the fourth important association of the London group with foreign interests and the first on behalf of its Dyes and Organic Products Division. It also has 40% in the French company STE CHALONAISE DE PEROXIDES ORGANIQUES-EWM AL SA (through its wholly-owned subsidiary ELEKTRO CHEMISCHE WERKE MUENCHEN AG, Munich); 20% in the Spanish PEROXYDOS SA, La Zaida, Saragossa; and 28% in India in NATIONAL PEROXIDE LTD. The Dutch group is controlled 50% by ALLIED CHEMICAL CORP, New York and has companies, subsidiary or associate, in many foreign countries including Spain (Barcelona), Portugal (Lisbon), France (Compiegne), Mexico, Brazil, etc.

** The French chemical and rubber company PAULSTRA SA, Levallois-Perret, Hauts-de-Seine has formed a manufacturing subsidiary called PAULSTRA SOUTH AFRICA (PTY) LTD in South Africa. This is in association with the Johannesburg holding company STEEL & POWER PRODUCTS LTD whose main interests are shared among the rubber, plastics, concrete and hotel industries. The new company (president Mr Ullmann) will build a factory at Wadeville making rubber parts (mainly elastic couplings, springs, etc.) at a cost of around £100,000.

In November 1965 (see No 329) Paulstra reorganised its industrial and sales activities by taking over three subsidiaries STE NICO-PETERSEN & CIE SA, Boulogne-Billancourt; SIMECA-STE INDUSTRIELLE DE MECANIQUE & DE CAOUTCHOUC SA, Segre, Maine & Loire and STE COMMERCIALE PAULSTRA SA, Levallois-Perret. It has therefore increased its capital from Ff 13.5 million to Ff 23,245,000.

** HICKSON'S TIMBER IMPREGNATION CO (GB) LTD, a member of the HICKSON & WELCH (HOLDINGS) LTD group of Castleford, Yorkshire specialising in chemical impregnation and treatment of woods by the "Vac-Vac" vacuum process used in several foreign countries (especially South Africa, Australia, New Zealand and Malaysia), has signed a licensing agreement with the Dutch group MIJ VOOR INDUSTRIELE ONDERNEMINGEN GEBR VAN SWAY NV, The Hague (see No 210). Two of the latter's subsidiaries in Nimegen, GARANTOR NV and HOUTBEREIDING GEBR VAN SWAY (specialists in chemical wood preservation) will now be responsible for Benelux sales of materials treated by the British process.

** L'AIR LIQUIDE SA, Paris, has strengthened its South African interests by forming a subsidiary (capital Rands 50,000: $70,000 approximately) specialising in the manufacture of soldering equipment. It has had a South African subsidiary since 1948, UNION LIQUID AIR CO (PTY) LTD, Germiston, Johannesburg (capital increased in 1965 to Rands 1,720,000: $2,293,000).

The French company's most recent moves have been the formation of the Swiss holding company OXYPAR SA, Fribourg (see No 367) and the signing of a technical agreement with the POWER GAS CORP LTD, Stockton-on-Tees, Durham, a member of the Sheffield group DAVY-ASHMORE LTD (see No 306). Under this, Power Gas will design and construct plants for liquefaction and re-evaporation of natural gas from the North Sea, using processes supplied by L'Air Liquide.

** E.N.I. - ENTE NAZIONALE IDROCARBURI SpA, Rome intends to form a company to take over the chemical and agricultural activities, and the exploitation of the Volterra salt pans belonging to the former LARDELLO-SOC PER LO SFRUTTAMENTO DELLE FORZE ENDOGENE SpA, Rome. It is likely that ENI's own subsidiary ANIC SpA (see No 365) will have at least a 50% interest in the new concern. Lardello (boric acid, sodium chlorate derivatives was recently taken over by ENEL-ENTE NAZIONALE PER L'ENERGIA ELETTRICITA, Rome (see No 354), but under Italian law it can only retain ownership of Lardello's thermo-electric activities.

** FARBWERKE HOECHST AG, Frankfurt (see No 367) after debating whether to build its new plant for manufacturing phosphorous by electrolysis (see No 349) at Antwerp or Flushing. has finally decided on the latter because of the low cost of natural gas as fuel. They have just concluded negotiations with the Administration of Havenschap Vlissingen-Oost (East Flushing). The German group has formed a subsidiary, HOECHST VLISSINGEN NV (authorised capital Fl 40 million) headed by M. J.G.K. Brookhein, the head of one its Amsterdam subsidiaries, HOECHST HOLLAND NV (see No 358). The factory owns 150 acres, with an option on a further 640 acres, and it will cost some Fl 60 millions out of a total of Fl 85 million being invested in developing the site and harbour facilities. When it starts production in October 1968, it will have an initial annual capacity of 30,000 tons of phosphorous.

FARBWERKE HOECHST has numerous direct and indirect interests in the Netherlands: POLYMEERFABRIEKEN BREDA NV, Breda; DEKA TRANSPORT NV, Rotterdam (through DUISBURGER KUPFERHUETTE AG - see No 362); WEERTER KUNSTSOFFEN-FABRIKEN NV, Weert (controlling TERCANAL NV - see No 358), MESSER-GRIESHEIM NEDERLAND NV Amsterdam and KALLE-NEDERLAND NV, Amsterdam.

COSMETICS

** STE DE DISTRIBUTION DE PARFUMERIE & COSMETIQUE-DIPARCO SA, Neuilly-sur-Seine (see No 356) has absorbed its almost wholly-owned subsidiary, PARFUMS CHERAMY SA. Neuilly (capital Ff 1.75 million), and the assets of the latter are valued at Ff 3.26 million. The group will now be known as DIPARCO-STE DE FABRICATION & DISTRIBUTION DE PARFUMERIE & COSMETIQUE SA.

ELECTRONICS

** The STA GENERALE SEMICONDUITORI-SGS group of Agrate Brianza, Milan (see No 359) has increased the capital of its Paris subsidiary SGS FAIRCHILD SA (factory at Rennes and sales handled by EUROPELEC SA - see No 295) from Ff 2 million to Ff 5 million. The entire increase has been subscribed by its Luxembourg holding company SGS INTERNATIONAL SA.

The latter (directors Messrs R. Bonifacio, J. Segre and V. Ricci) was formed only recently. Its capital of $800,000 has been almost entirely paid up by the Italian firm (linked with FAIRCHILD CAMERA & INSTRUMENT CORP, Lyosset, New York - see No 320), the remainder coming from three subsidiaries, SGS-FAIRCHILD A/B, Stockholm, SGS-FAIRCHILD LTD South Ruislip, Middlesex and SGS-FAIRCHILD GmbH, Stuttgart. The German firm supplies semiconductors mainly to WANDERER-WERKE AG, Cologne (see No 288). A few months ago it put up a factory at Wasserburg Bavaria and the Swedish company built another at Marsta. TELETTRA-LABORATORI DI TELEFONICA ELETTRONICA & RADIO SpA, Milan and ING C. OLIVETTI & CO SpA, Ivrea are also shareholders in Generale Semiconduttori (director Sig. Valerio Ricci).

** Following an agreement signed in Britain between GENERAL ELECTRIC CO, New York, and the DE LA RUE CO LTD, London, over the indirect links of these two in a sales company DE LA RUE BULL MACHINES LTD, London (in which the British group held 50%), the French company BGE-CIE BULL GENERAL ELECTRIC, Paris (see No 345) is keeping its 50% in its British subsidiary while De La Rue is selling half its interest to the American group. By taking a direct share in DE LA RUE BULL MACHINES, General Electric will be greatly aided in its penetration of the British computer market, but this will not affect - for the moment at any rate - the company's status, which will still be commercial.

** EUROPEAN ENTERPRISES DEVELOPMENT -E.E.D.SA, Luxembourg has gained control of the French concern ELECTRONIQUE MEDICALE "S.E.R.D.A.L." -STE D'ETUDE, DE REALISATION, DE DIFFUSION D'APPAREILS DE LABORATOIRE Sarl, Saint-Remy-les Chevreuse, Yvlines. The move was carried out by underwriting two successive increases of the latter's capital. The first raised it from Ff 60,000 to Ff 85,000 and the second to Ff 160,000. The French company does development work for electronics in medical research and it was formed at the beginning of this year with a capital of Ff 30,000. European Enterprises recently increased its own capital to Lux f 314,750,000, when it acquired eleven banking and financial establishments as new shareholders.

ELECTRICAL ENGINEERING

** The Swiss company, WYDER AG RADIOTECHNISCHE WERKSTAETE, Baden, Aargau, (which markets radios, televisions, record-players and tape-recorders) has opened a Milan branch. The Swiss company, whose president is Madame H. Wyder Hesperger, has interests in Rieden, Aargau and Nusshaumen, Baden.

** The Swedish manufacturer of lead accumulators, dry cells, optical and laboratory instruments and machine-tools etc., SVENSKA ACKUMULATOR A/B JUMKER, Stockholm, well known for its "Junker Tools" and Nife" brands, has formed a new Common Market subsidiary in the Netherlands, NIFE ACCUMULATOREN NV, Haarlem (capital Fl 750,000, directors Messrs. K. L. Ameln, N. A. Ahlbery and G. Bouman.

The Swedish group is widely represented throughout the world and has several foreign subsidiaries, in Scandinavia, the United States, Latin America and in Europe: SOC ITALIANA ACCUMULATORI NIFE SpA, Genoa and Milan; STE NIFE BELGE SA, Brussels; NIFE STAHLAKKUMULATOREN GmbH, Berlin and Hamburg; NIFE STAHLAKKUMULATOREN GmbH, Vienna; NIFE AKKUMULATOREN AG, Zurich, ACCUMULADORES NIFE SA, Madrid etc.

** The Dutch company NV PHILLIPS' PHONOGRAPHISCHE INDUSTRIE, Baarn PHILIPS' GLOEILAMPRENFABRIEKEN, Eindhoven group - (see No 366) now has 80% control - through POLYGRAM SA, Brussels (formerly PHONOGRAM SA) in COGEDEP SA, St Josse-ten-Noode, Brussels (see No 300) which sells records, radio, TV, record-players and tape-recorders etc. The latter, which recently raised its capital to Bf 2.5 million, was formed in 1965 50-50 by POLYGRAM SA (which was originally directly controlled by SA PHILIPS-CIE INDUSTRIELLE & COMMERCIALE, Brussels) and a Franco-Belgian group including CIE EUROPEENNE DE DISTRIBUTION & D'EDITIONS PHONOGRAPIQUES-COGEDEP SA, Courbevoie, Hauts-de-Seine and CIE PHONOGRAPHIQUE FRANCO-BELGE BARCLAY SA, Brussels (see No 306).

Phonographique Barclay is controlled by the French music publishing group BARCLAY, owned by M. Edouard Ruault, (known as Eddy Barclay - see No 333). The Cogedep group, Courbevoie specialises in wholesale distribution of records, mainly to chain-stores (market-share more than 10%). It is owned jointly by the same group (through CIE PHONOGRAPHIQUE FRANCAISE BARCLAY SA, Neuilly, Seine) and STE PHONOGRAPHIQUE PHILIPS-SPP SA, Neuilly, Seine (Philips group).

ENGINEERING AND METAL

** Close co-operation is being studied between two German tractor manufacturers, KLOECKNER-HUMBOLDT-DEUTZ AG, Cologne-Deutz (see No 358) and GEBRE EICHER TRAKTOREN- & LANDMASCHINENWERK oHG, Forstern uber Markt, Swabia. These companies hold first and sixth place respectively (21% and 6.5%) in this sector. First of all, they will entralise their two sales networks and later it is intended that their two production lines will be co-ordinated. Besides tractors (5450 units in 1965), Eicher makes a wide range of agricultural machinery in its factories at headquarters and at Dingolfing, Isar.

Deutz is a member of the KLOECKNER & CO KG, Duisburg and covers 13.6% of the Franco-German tractor market (after MASSEY-FERGUSON LTD, Toronto - see No 322 - which in 1965 had a share of 14.5%) In this particular sector, its main interests are 25.1% in the German firm MASCHINENFABRIK FAHR AG, Gottmandingen, Baden which controls (100% and 97% respectively) FAHR ARGENTINA SA, Buenos Aires and FARMOBIL AG, Glarus, Switzerland. It also has three Latin American manufacturing subsidiaries: OTTO DEUTZ SA MOTORES & TRACTORES, San Paolo (100%), DEMISA-DEUTZ MINAS SA, Belo Horizonte, Brazil (50%) and DEUTZ CANTABRICA INDUSTRIAL & COMERCIAL SA, Buenos Aires. Among its foreign subsidiaries are three in the Common Market: MAGIRUS-DEUTZ FRANCE SA, Paris (capital raised in 1965 from Ff 960,000 to Ff 5 million), DEUTZ-MOTOREN NV, Rotterdam and MAGI-BEL SA, Kontich, Belgium of which it now has almost full control (see No 358).

** The Swedish manufacturer of office machinery ETAPP MOBLER A/B, Solvesborg (directors Messrs. B. T. Soderland and S. B. Fornell) has formed an equal industrial and financial link with MEUBELFABRIEKEN AWA NV, Almelo, headed by Messrs. J. H. Alink and B. Wilhelm, to make and sell furniture in the Netherlands. A joint subsidiary has been formed: MEUBELFABRIEKEN AWA-ETAPP NV, Borne (capital Fl 750,000).

** IMPERIAL SMELTING CORP LTD, London (see No 349), a member of the RIO-TINTO-ZINC CORP LTD group of London (see No 363), is about to take 50% in the Dutch firm NEDERLANDSCHE METALLURGISCHE CHEMISCHE INDUSTRIE-METADU NV which has been recently formed (capital Fl 600,000) by NV KEMPENSCHE ZINKMIJ NV, Budel to make powdered zinc. The latter is the only Dutch producer of zinc and recently became part of the KONINKLIJKE ZOUT-KETJEN NV group of Hengelo(see No 366).

Imperial Smelting and Kempensche Zinkmij are already associates (with 25% and 35% respectively) in ZINC-ORGANON NV (formed in September 1964 - see No 306) which since the end of 1965 has been working a plant at Budel producing 12,000 tons a year of fluorocarbon and 5,000 tons a year of hydrogen fluoride products.

** The programme for the manufacture of bottling machines (mainly for beer, lemonade and mineral waters) interrupted by the liquidation of W. NOLL MASCHINENFABRIK, Minden will be carried on by ENZINGER-UNION-WERKE AG, Mannheim which specialises in making equipment for the drinks industry (cleaning machines, bottling and labelling machinery etc).

The latter will form a subsidiary for the purpose called NOLL GmbH, Minden. The company itself has a turnover of more than DM 53 millions. In March 1964 (see No 247) it formed a manufacturing and sales company in London with local interests, ENZINGER (GB) LTD (capital £10,000). The company is headed by Messrs Robert Andre and Alexander Fuchs and has a capital of DM 4.6 million owned more than 25% by DEUTSCHE BANK AG (see No 365).

** The French manufacturer of tractors, cultivators and agricultural machinery L. BARA SA, Versailles, Seine & Oise has formed a subsidiary in Bologna in association with BARA AG Kloten, Zurich. The new company is called ITMA INTERNATIONAL SpA and it will make "Nike" caterpillar tractors (20 to 48 h.p.: "Vigneron" type) formerly produced by INDUSTRIA TRATTORI & MACCHINE AGRICOLE-ITMA SpA, San Giorgio di Piano which it used to represent.

Bara imports and sells in France for numerous foreign agricultural machinery makers including: "New Idea" corn-pickers for cultivating maize from the United States; "Isaria" sowing machines from Germany; "Amazone" fertilizer distributors and "Holder" diesel tractors; "Olt"maize-sowing machines from Jugoslavia, etc.

** Following negotiations, NEDERLANDSCHE DOK- & SCHEEPSBOUW MIJ-N.D.S.M., Amsterdam (see No 347) and the marine engineering concern ERIKSBERGS MEK VERKSTADS A/B, Goteborg (of the group ANGFARTYGS A/B TIRFING) have formed a company 50-50 by the name of EUROMEKAN NV to make, sell and lease high pressure cleaning machines. The new company is directed by M. W.L. Diebel of the Hague: the Swedish share of the capital (Fl 500,000) has been put up by the Zug holding company EUROMEKAN AG.

** The DIDIER-WERKE AG group of Wiesbaden (see No 289) is reorganising its interests in France. It has centralised its sales through a new subsidiary, STE COMMERCIALE DIDIER SA, Paris (capital Ff 200,000, president M. Martin Bieneck - one of its own directors). The German group has direct 65% control in association with its wholly-owned subsidiary CHAMOTTE- & DINASWERKE HOMBURG (SAAR) GmbH (10%) and STE INDUSTRIELLE DE PRODUITS CERAMIQUES SA, Paris.

The latter, which until now was owned 40% by the German group in association with the WORMS & CIE Scs group of Paris (see No 361), will now be called DSIPC-DIDIER STE INDUSTRIELLE DE PRODUCTION & DE CONSTRUCTIONS SA (capital increased from Ff 5.33 million to Ff 5,934,000) after taking over DIDIER SA, Paris (capital Ff 302,000). Last January this company absorbed ERT-STE D'ETUDES & DE REALISATIONS TECHNIQUES SA, Paris (capital Ff 100,000) which the Wiesbaden company formed in December 1960. DSIPC will therefore combine all the group's industrial activities in France both in the fields of engineering and the production of fire-proof materials (factory at Longwy, Meurthe & Moselle). The German group employs more than 8.000 workers and also has large interest abroad, especially in Europe: NEDERLANDSCHE OVENBOUW MIJ NV, Zeist, Netherlands (in equal association with WOODALL-DUCKHAM LTD, Crawley, Sussex); DIDIER Srl, Milan; DIDIER-HANDELS AG, Zurich (the new name since last March of DIDIER-VERTRIEBS); DIDIER WERKE GERLACH GmbH (100%); L. KRAFT DINAS- & SCHAMOTTEWERKE GmbH (100%) and OESTERREICHISCHE GRAPHITSCHMELZTIEGEL & GRAPHITPRODUKTE GmbH (80%) - all in Vienna; and in Spain: MAGNA-MAGNESITAS NAVARRAS SA (16.6%) and SINTERMAG-MAGNESITAS SINTERIZADAS SA (25%) both in San Sebastian; DIDIER-MERSA SA, Lugones (30%); and COMERCIAL DIDIER-MERSA SA and CONSTRUCCIONES DIDIER SA, Bilbao.

** BRUECKNER MACHINERY LTD has just been formed in Nottingham with £100 capital (directors Messrs K. and G. Bruckner, Rudi Gorr, D. and P. Smith) to distribute stretching and drying tenters for the textile industry (especially synthetic fibres). The new company will in fact be an agency for the German group comprising KURT BRUECKNER KG, Leonberg, Stuttgart and BRUECKNER TROCKENBAU INH. GERNOT BRUECKNER, Tittmoning, Obb. The latter is represented in France by B.V. PLAST Sarl, Paris.

** METCO INC, Long Island, New York (mechanical and ceramic burners) has formed a sales subsidiary in Switzerland, directly and through its Amsterdam subsidiary METCO NV. The new company METCO AG, Zug (capital of 100,000) will have as president Mr David Wrubel, an American living in Amsterdam. The parent firm was previously represented in the country by VILCOMET AG, Zurich.

In Europe, the American company also controls METCO VERTRIEB GmbH, Hattersheim, Main; METCO ITALIA SpA, Turin (see No 278) and METCO LTD, Chobham, Woking, Surrey, which has its own subsidiary, METALLIZING EQUIPMENT LTD. In France it is represented by SAMI-STE D'ATOMISATION METALLIQUE INDUSTRIELLE SA, Asnieres, Hauts-de-Seine.

** ATELIERS DE CONSTRUCTIONS MECANIQUES ESSIEUX & RESSORTS -ACMER SA, Paris (see No 254) which specialises in making leaf and helical suspension springs for the automobile and railway industries, has absorbed its 50% subsidiary CIE FINANCIERE ACMER-COFINAC SA, Paris (see No 324), which had Ff 6 million capital. It has now increased its own capital from Ff 6.35 million to Ff 6.64 million.

The former subsidiary financed credit sales of plant and was initially under the sole control of ACMER, but in 1964 50% was bought by SOGENIN-STE GESTION DE PARTICIPATION DE LA HENIN SA, Paris and its 50% subsidiary BANQUE POUR LE DEVELOPPEMENT DU CREDIT A LA CONSOMMATION-CREDICO SA Paris (see No 286). It has since shared in the formation of SLME-STE DE LOCATION DE MATERIEL D'EQUIPEMENT SA (see No 254) and STE DE LOCATION DE MATERIEL D'EQUIPEMENT-SERVICE "SLME-SERVICE" SA, Paris (see No 288).

** Through its wholly-owned sales subsidiary, FERROSTAAL AG, Essen (see No 274), the Nuremburg steel group GUTEHOFFNUNGSHUETTE AKTIENVEREIN (see No 366) has taken a 25% interest in FRANZ KIRCHFELD GmbH, Dusseldorf, which is increasing its capital from DM 2,500 to DM 4 million. With an annual turnover of around DM 120 million, it deals in steel products, and specialises in exporting machinery and equipment for the food industries.

Ferrostaal (annual turnover around DM 1,000 million) has 33% interests in eleven German concerns in its own sector. Its foreign sales network includes seven Latin American subsidiaries, and in Europe FERRACIAIO Srl, Milan, STEEL & METAL PRODUCTS CO LTD and FERROSTAAL (LONDON) LTD, both of London, FERROSTAAL PORTUGUESA LTDA, Lisbon. It also owns two Swiss holding companies: INVESTMENT HOLDING GmbH, Berne and S.A.I.A.-SOZIETAET FUR ADMINISTRATION VON INTERESSEN IN AUSLAND AG, Zurich.

FINANCE

** The finance company WALTER E. HELLER & CO, Chicago, Illinois is going to undertake factoring operations in France. It is therefore forming STE FRANCAISE DE FACTURATION-FACTO-FRANCE-HELLER under an agreement recently signed with FRENCH AMERICAN BANKING CORP, New York (see No 356) a joint subsidiary of BNP-BANQUE NATIONALE DE PARIS SA (see No 364), CIE FINANCIERE DE SUEZ SA (see No 366) and BANQUE DE L'INDOCHINE SA (see No 365).

The American company already has Common Market interests - a wholly-owned subsidiary in Mainz, HELLER FACTORING BANK AG (formed in December 1963-capital DM 10 million) and it also holds shares in INTERLEASE SA, Luxembourg (see No 271). Outside the EEC it controls WALTER E. HELLER TRANS-CORP SA, Glarus, Switzerland (formed in June 1962 - capital Sf 430,000); in London H.H. FACTORS LTD, formed mainly in association with HAMBROS BANK LTD in October 1964 (capital £500,000); and CIA ESPANOLA DE FACTORING SA, Madrid formed in November 1965 in association with BANCO POPULAR ESPANOL, Madrid (see No 287).

** The leasing company MIETFINANZ GmbH VERMIETUNG VON INVESTITIONS-GUETERN, Müllheim, Ruhr has doubled its capital to DM 2 million by admitting three new shareholders: WUERTTEMBERGISCHE BANK of Stuttgart (more than 65% controlled by the Land of Bade-Württemberg), FRANKFURTER BANK of Frankfurt (see No 341) and I. D. HERSTATT KGaA of Cologne (a member of the Cologne group GERLING KONZERN - see No 315). Mietfinanz still remains under the control of its two founder companies KLOECKNER & CO KG of Duisburg (see this issue) and BANKHAUS FRIEDRICH SIMON KGaA of Düsseldorf (see No 355). The latter is itself linked at 26% and 10% respectively with BAYERISCHE VEREINSBANK, Munich and BERLINER BANK AG, Berlin. Since February 1965 (see No 293) it has had an interest in INTERLEASE SA, Luxembourg.

** THE FIRST NATIONAL BANK OF CHICAGO has chosen Frankfurt as the site of its first Common Market branch.

This bank ranks tenth amongst the American deposit banks and eighth amongst its merchant banks. Its chief subsidiaries in the USA are FIRST CHICAGO INTERNATIONAL BANKING CORP, New York and FIRST CHICAGO INTERNATIONAL FINANCE CORP, both of which were formed in 1962. Since November 1964 it has had a branch in London (see No 269).

** ROTTERDAMSCHE BELEGGINGSCONSORTIUM NV -ROBECO of Rotterdam (see No 328), which is the largest Dutch investment trust company has set up a fund under the name "Utilico" for public utility companies, 80% of the loans from which will go to electricity concerns (chiefly distribution). Three-quarters of this portfolio will consist of American stocks, and it will be supervised by a subsidiary formed for this purpose, UTILICO NV (president M. W. H. de Monchy). 20% of Utilico's Fl 5 million initial capital has been put up by the parent company (the remainder is to be supplied by public issues, the first of which will be made in the second half of August).

Utilico's portfolio will at first comprise 38 American, 5 Canadian, 8 German, 3 Belgian, 3 Spanish and 4 Japanese companies. In 1965 -Robeco formed ROLINBO NV on similar terms to handle an investment fund (chiefly North American), involving companies which were chosen more for their growth than for their dividends

** FINANZIARIA ERNESTO BREDA SpA, Milan (which is 50% controlled by E.F.I.M. -ENTE PER IL FINANZIAMENTO DELLA INDUSTRIA MECCANICA of Rome - see No 350) has 99% control of G.I.S. -STA ITALIANA GOMMA, which was recently formed in Rome with Lire 1,500 million capital (see No 364). The remaining 1% is held by SOC. MINERARIA CARBONIFERA SARDA SpA of Carbonia, Cagliari, which is a wholly-owned subsidiary of E.F.I.M.

The new company is to regroup E.F.I.M.'s interests in the rubber sector, concentrating mainly on the agreements made a few months ago (see No 352) between BREMA SpA of Bari (in which an interest is held by Finanziaria Ernesto Breda) and FIRESTONE TIRE & RUBBER CO, Akron, Ohio.

A few months ago E.F.I.M. also acted through Soc. Mineraria Carbonifera Sarda, but this time in the aluminium sector, to take 52% in forming ALSAR-SOC. MINERARIA CHIMICA METALLURGICA PER L'INDUSTRIA DELL ALLUMINIO IN SARDEGNA SpA at Portoscuro, Cagliari (see No 350), following an agreement made with TRACTION & ELECTRICITE SA, Brussels and MONTECATINI SpA, Milan, each of which hold 24% of the Lire 500 million capital of this new company.

** The holding company, SA VIE, Schaan, Liechtenstein, has taken a share in LEASING & TRADING CO Sas, Milan, (leasing of manufacturing equipment - Lire 6 million funds) headed by Sig. Montano Lampugnani Novare. It has also taken a share in a property company, Sas AIGUES VIVES (Lire 1 million funds) where Sig. A. Volpini, Daverio, Varese is the active partner.

FOOD & DRINK

** The Hamburg co-operative group, EDEKA-ZENTRALE EINGETRAGENE GENOSSENSCHAFT mbH, has become the major shareholder in two West German food distribution companies belonging to Herr Wilhelm Klein: BACKDIE-MEIERCO-HANDELS GmbH, Nuremberg (88 sales outlets) and BACKDIE GmbH, Oberkotzau (55 sales outlets). In 1965 the respective turnovers of these two companies were DM 32 million and DM 15 million.

The Edeka-Zentrale group (turnover around DM 2,500 million) includes EDEKA FRUCHTKONTOR GmbH, with branches in Bologna and Rotterdam, EDEKA IMPORT GmbH (capital DM 9.8 million) and EDEKABANK GmbH. It also has branches in the main towns of West Germany with a dairy products purchasing centre at Kempten, a fish purchasing centre at Cuxhaven, and it has representatives in Valencia, Spain and Rabat, Morocco.

** The Munich company, ARBEITSGEMEINSCHAFT AGRAREXPORT, which acts as central agent for several German companies dealing in the export of agricultural goods and foodstuffs, has formed MAISON ALLEMANDE Sarl in Paris (capital Ff 10,000). Nine-tenths of the capital belongs to Herr Joachim Hietzig with the balance held by Herr Helmuth Fahrnschon and the manager is Herr Rolf-Dieter Nufer. The new company, whose aims are similar to those of the French export group SOPEXA-STE POUR L'EXPANSION DES VENTES DES PRODUITS AGRICOLES & ALIMENTAIRES SA, Paris (see No 292) will be responsible for promoting sales of German produce in France by means of food tasting sessions and by forming distribution centres, opening restaurants and other forms of publicity.

** Mr Jack Renatau has been appointed liquidator of the Milanese concern UNION CASEARIA FRANCAISE (UCAF) SA (dairy products and cheese marketing - capital Lire 6 million) which since it was formed in 1961 has had M. Pierre Davoine as president. It was formed by a group of French companies: PIERRE DAVOINE-LA COMMERCIALE DES PRODUITS LAITIERS Sarl, Dijon, Cote d'Or (33.3%), UNION NATIONALE DES COOPERATIVES LAITIERES, Paris; UNION COOPERATIVE D'AFFINAGE DE FRANCHE-COMTE, Vezoul; UNION DES BEURRERIES DE LA MANCHE, Conde-sur-Vire and UNION DES COOPERATIVES AGRICOLES LAITIERES DU TARN, Les Sauvages, Tarn.

** The splitting-up of the French company SUCRERIE-DISTILLERIE DE COUDUN-J. FANTAUZZI & CIE SA, Coudun, Oise (capital Ff 1 million) has lead to the formation of three new companies to take over its assets. The first, STE SUCRIERE DE COUDUN Sarl, (capital Ff 5.37 million) will take over the manufacturing assets; the other two, STE INDUSTRIELLE DE COUDUN Sarl (capital Ff 2.2 million) and STE DE PORTES Sarl (capital Ff 2 million) are property companies.

** The Dutch concern, DROSTE"S CACAO- & CHOCOLADEFABRIEKEN NV, Haarlem (chocolate, cocoa, coffee, milk powder) has formed DROST-O-MAAT-KONONKLIJKE DROSTE FABRIEKEN VERTRIEBSGESELLSCHAFT FUR AUTOMATENPRODUKET mbH, in Frankfurt. The new company (capital DM 20,000) will supply automatic vending machines, and it is headed by M. H. Schweer.

** PRODUITS & FRIGORIFERES-PROFRIGO SA, Brussels (president Count A. de Beaufort, capital Bf 200 million - see No 340) has acquired a large shareholding STE GENERALE DE DISTRIBUTION-SOGEDI SA, Brussels (see No 331) as well as in LE SEMEUR SA, Mechelen. The former, controlled by C.C.C.I.-CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE SA (see No 355) markets frozen foods produced by SA DES PRODUITS SURGELES FRIMA SA (formerly VIKING INTERNATIONAL SA - see No 311) and the second (capital Bf 32.5 million) which also belongs to the C.C.C.I. group, produces canned foods. The CIE D'ANVERS SA has a 3.4% interest in Profrigo.

The main Belgian interests of Profrigo in the food and drink sector are LES PATRONS CHARCUTIER SA, Anderlecht, FRIGORIFERES D'OUTRE-MER-FRIGOMER SA, Brussels, ETS MAURICE MICHAUX & CIE SA, Brussels and STE DES EAUX DE BOISSON SA-SODELEAU, Brussels, STE DES BOISSONS GAZEUSES & MINERALES-SOGAMI SA, Brussels.

** Two Dutch dairy products companies have merged their interests. FRIESCHE COOPERATIEVE ZUIVEL EXPORT VEREENIGING-FRICO, Leeuwarden (see No 297) has taken over NV KORTENKAAS INDUSTRIE & HANDELMIJ, Oosthuizen. The Leeuwarden company, whose sales effort is headed by M. Atze Weening, controls FRICO-FRANCE Sarl, Mouvaux, Nord, formed in 1963 with the French company LOSFELD FRERES & LESAFFRE Snc, Mouvaux, to import and pre-pack "Frico" products.

INSURANCE

** The British insurance company, LLOYD'S BROKERS, London, has formed a 90% Rotterdam subsidiary, ROTTERDAM-LONDON ASSURANTIE AGENTUURMAATCHAPPIJ NV (capital Fl 100,000) under the management of Mr P.M.W. van Eyck. It will take over the car insurance interests (around 25,000 contracts) of SELECTA VERZEKERING & HERVERZEKERING MIJ. NV, Rotterdam (capital Fl 1 million).

OIL, GAS & PETROCHEMICALS

** The French distributor of liquid gas and heavy fuels STE HAVRAISE DES PETROLES DU HOC SA, Paris and the compressed solid fuel firm ETS REMY-MEUMIER, Le Havre have joined 65-35 to form STE AUXILIAIRE D'ETUDES TECHNIQUES & TRAVAUX-AUXITEC SA (capital Ff 10,000). M. Andre Carette, president of Ste Havraise, will also be president of Auxitec. The former (capital Ff 2,145,000) has filling centres at Harfleur, Seine Maritime and Blinod-les-Pont-a-Mousson, Meurthe & Moselle.

** C.F.R.-CIE FRANCAISE DE RAFFINAGE SA, Paris (see No 345) a 50.45% interest of C.F.P.-CIE FRANCAISE DES PETROLES SA (see No 365) is now linked with CIE DE RAFFINAGE SHELL BERRE SA, Paris and STE FRANCAISE DES PETROLES BP SA, of Courbevoie in STE FRANCAISE DE STOCKAGE GEOLOGIQUE-GEOSTOCK Sarl, Courbevoie, which has increased its capital from Ff 100,000 to Ff 150,000. Francaise de Stockage Geologique was formed in September 1965 (see No 328) to enter the underground fuel-storage business and it has a research and prospecting permit covering 135 sq. km. in the department of the Drome. Control of Raffinage Shell Berre is shared 60-40 by SHELL FRANCAISE SA (see No 339) and CIE DE PRODUITS CHIMIQUES & RAFFINERIES DE BERRE SA, itself controlled by CIE DE SAINT-GOBAIN SA (see No 367), whilst Francaise des Petroles BP is a member of THE BRITISH PETROLEUM CO LTD group, London.

OPTICAL & PHOTOGRAPHIC

** The Japanese manufacturer of cameras and precision instruments, SANKYO SEIKI MFG CO LTD, Tokyo has formed a subsidiary, SANKYO (EUROPE) EXPORT & IMPORT GmbH, Düsseldorf (capital DM 120,000) headed by M. Yoshiro Takeda. The new company is to co-ordinate the European business activities of its founder.

The latter (1965 turnover 5,000 million yen - $15 million) had already founded in July 1964 SANKYO CAMERA VERTRIEBS GmbH, Düsseldorf, headed by M. Robert Wieland, but this company was only concerned with the German market, (see No 264). In France, it is represented by ETS. MARGUET, Paris and it has a New York subsidiary, AMERICAN SANKYO CORP.

PAPER & PACKAGING

** F.A.I.C.O.-FABBRICA ITALIANA CONTENITORI SpA was formed recently in Pozzolo Formigaro, Alessandria to manufacture and market metal packaging. SA DE DISTRIBUTION & VENTE, Arlesheim, Bale, has supplies 80% of the initial capital of Lire 1 million, which the Board can increase to Lire 120 million. The Swiss holding company recently took a share in the Milan property concern, TEAM DI GIUSEPPE REPETTO & CO Sas (Lire 3 million funds) which is headed by Sig. Repetto of Genoa. The president of F.A.I.C.O. is Sig. Marinoni and the managing director is Sig. Garre, both hold a 10% share in the company.

PHARMACEUTICALS

** The association which has existed for several years between the British group SMITH NEPHEW ASSOCIATED COS LTD (see No 330) and the French group LABORATOIRE ROGER BELLON SA (RHONE-POULENC has recently increased its interest to 45%) in ORBEL SA, Neuilly-sur-Seine, has led to the formation of ORBEL SpA, Milan (president Sig. Giovanni Irigona of Milan). The new company will manufacture and market medical dressings, bandages and other non-pharmaceutical clinical and medical products. Half of the initial capital of Lire 1 million (which can be increased to Lire 30 million) has come from a sub sidiary of the French group LABORATOIRES ROGER BELLON SpA, Sesto S. Giovanni, Milan.

Last year the French founder (capital Ff 4 million) had a turnover of Ff 12.27 million. Its president is M.J. Dessaigne, and it has a factory in the Isere at Pont-Eveque.

PLASTICS

** The American company, TEE-PAK INC, Chicago (synthetic tubes, plastic packaging and processing materials - see No 324) has moved the European division office of TEE-PAK INTERNATIONAL AG, Vaduz from Zurich to Amsterdam. For the last year, the American company has had interests in the Netherlands, where it has formed a manufacturing subsidiary, TRANS-PAK NV, Delfzijl.

** The Italian plastic materials group, MAZZUCCHELI CELLULOIDE SpA, Castiglione Olana, Varese (see No 334) has added financial links to the technical links it already had with the British rubber group, DUNLOP RUBBER CO LTD, London. The former has sold to DUNLOP SEMTEX LTD, London (formerly SEMTEX LTD) 50% of its subsidiary, DOMOSIC SpA, Castiglione Olona. The latter (capital Lire 500 million) manufactures (mainly under British licences) roofing tiles, floor tiles and sheets made from thermoplastic and asbestos vinyl marketed under the names "Silex" and "Isoflex", which correspond to the British groups "Vinylex" and "Sermatic".

** The Dutch connections in the field of thermoplastic polyphenol oxide (PPO) materials between the Netherlands group AKO-ALGEMENE KUNSTZIJDE UNIE NV (see No 362) and GENERAL ELECTRIC CO (see No 356) through a 40-60 subsidiary POLYCHEMIE AKU-GE NV, Arnhem (capital increased since its formation in 1964 to Fl 25 million - see No 291) will be strengthened in the United States in synthetic yarns and fibres.

They intend to form an American production subsidiary in similar proportions (the Dutch share will be 5% held by AKU and 35% by its subsidiary AMERICAN ENKA CORP, Asheville, North Carolina - see No 323) to supply insulating and high-resistance materials to the electrical and electronic industries. Sales will be handled by American Enka, which intends to put up a telephone- and signalling-wire plant at Siloam Spring, Arkansas, to increase its present output by 50%. Production of PPO by the two groups' joint subsidiary will be sold in Europe by VERENIGDE PLASTIC VERKOOPKANTOOR NV, Zeist (see No 282) which is owned by AKU and already imports this product from the United States.
In the same field of synthetic fibres, the Dutch group will be producing "Spandex" elastic elastomer yarns in the Netherlands, Germany and Spain.

SHIPBUILDING

** The Greek shipowner, Spiro Panaioti Migliveras (resident in Khartoum) has taken a 20% interest in CA-MAR-CENTRO MARITTIMO DE CAGLIARI SpA recently formed at Cagliari, Sardinia. The new company will construct a shipbuilding yard where repairs, maintenance and scrapping of ships will be carried out, and all types of marine services supplied. The new company is controlled by ALPINA-CONSULENZE PROGETTAZIONI & COSTRUZIONI SpA, Milan, a study and research company belonging to LA CENTRALE-FINANZIARRA GENERALE SpA (see No 362) which has supplied 80% of the initial capital of Lire 1 million. The management is headed by Sig. Pietro Napoleone (Genoa) who has powers to increase the capital to Lire 500 million.

TEXTILES

** The Paris textile group DOLLFUS-MIEG & CIE SA (1965 consolidated turnover of Ff 225 million - see No 348) is continuing the extension of its foreign sales network by forming a 50% Lebanese subsidiary, LES FILTERIES REUNIES SA, Beirut, (capital Ll 100,000 -$35,000).

Its most recent moves in this sphere have been the formation of CAFIL-COMPTOIR AFRICAN DE FILTERIE SA, Casablanca, (capital Dh 10,000 - $2,000) - a 98% interest, SDAD LUSO-FRANCESA DE LINHAS, Lisbon (capital Esc 500,000 - $16,700) - 80%; and HILOSTUBINO, Caracas (capital Bol 200,000 - $40,000) - 50%, which is to take over the business of a local company. With these moves, the number of foreign subsidiaries and shareholding belonging to the Paris group, directly and through the holding company SOPARCOL SA, Panama, is now 27.

** Three French weaving and household linen firms have decided to cooperate more closely in manufacturing (specailisation and standardisation) and in marketing (foreign sales). They are TISSAGES P. & R. FREMAUX SA, Lille; factories at Houplines, Nord (capital Ff 1,600,000), WALLAERT FRERES Sarl, Lille with three factories (capital Ff 5,800,000) and REYNAERT & BRABANT Sarl, Haubourdin with factories at Haubourdin and Fives-Lille (capital Ff 600,000).

Two sister-companies of Fremaux are ETS FREMAUX SA, Amiens (capital Ff 1,500,000) and FILATURES FRERES SA, Lomme, Nord (capital Ff 2,500,000). Since September 1965 Wallaert has had a reciprocal marketing agreement with BIELEFELDER WEBEREIEN AG, Bielefeld, a German textile concern with an annual turnover exceeding DM 30 million. The latter has several foreign subsidiaries: BIELEFELDER SPRINGER FRANCE Sarl, Paris, SPRINGER ITALIA Srl, Milan etc.

** The Manchester fashion house ARTHUR HENRIQUES has formed HENRIQUES FASHION DAMEN-MODEN, GmbH in Düsseldorf (capital DM 20,000) headed by Mr Arthur Gold of Manchester. The British concern already controls EDMUND FREEMAN & CO LTD, and WILLIAM RAE & CO LTD.

** A merger of the property interests (mainly hotels) of the Italian textile group MANIFATTURA LANE GAETANO MARZOTTO & FIGLI SpA, Valdagno, Vicenza has been arranged, whereby CIA ITALIANA DEI JOLLY HOTELS SpA, Rome and Milan (formerly CIA ITALIANA ALBERGHI TURISTICI SpA - capital Lire 9,500 million) whose main hotel interests are in the Mezzogiorno, will be taken over by ALBERGHI RISTORANTI TURISTICO TURISTICI UTILITARI-ARTU SpA, Valdagno.

Marzotto is one of Northern Italy's leading wool-combing and spinning groups: it has a large ready-made clothing branch, and has considerable property and agricultural interests. In the area around Venice, for four of its subsidiaries, LA-NOR SpA, AUSAPELLI SpA, AUSATEX SpA and AULAN SpA, it has built a large plant for the manufacture of artificial and synthetic fibres (from cotton thread and woollen waste). Its other subsidiaries or important shareholdings are INTERCONF SpA (formed July 1964), ATTIVITA TESSILE SpA, Valdagno (formed August 1964), FINANZIARIA TESSILE SpA, Valdagno, STA INDUSTRIE AGRICOLE, Noventa Cicentina, MARZOTTO SUD-SAMS SpA, Salerno, and the road transport concern RIVALTA-SCRIVIA SpA, etc.

TRADE

** The Dutch organisation of voluntary sales chains for wholesalers and retailers, VERENIGING IFA NEDERLAND NV, The Hague, with a branch and depots in Amsterdam and a member of the International Food Trades Federation, has formed four financial companies as subsidiaries in Amsterdam -FINANCIERINGMIJ. IFA NEDERLAND-FINIFA NV, FINANCIERINGMIJ. VOOR WINKE LIERS-FINIFA NV, FINANCIERINGMIJ. VOOR GROSSIERS-FIGROS NV and IFA-ZEGEL NV, with capitals of Fl 500,000, Fl 250,000, Fl 100,000 and Fl 50,000 respectively.

TRANSPORT

** NAVALSA SA, Strasbourg (river-shipping; see No 254), which is controlled by SCHWEIZERISCHE REEDEREI AG, Basle, has joined with three other French firms in forming a company at Strasbourg to co-ordinate the work of some of their wharves, particularly for shipping on the Rhine. The new firm (capital Ff 12,000) is called STE LES BARGES DE L'EST-BARGEST Sarl, while the three other firms behind it are: COGEF-CIE DE GERANCE & D'EXPLOITATION FLUVIALE SA, Paris (capital Ff 8,560,000); C.A.N.A.L. - CIE AUXILIAIRE DE NAVIGATION D'ALSACE & DE LORRAINE SA, Nancy (Ff 250,000), and L'ARMEMENT SEEGMULLER SA, Strasbourg (Ff 720,000)

Cogef is a subsidiary of SANARA-CIE FLUVIALE & MARITIME DE TRANSPORT SA, Paris (see No 332), which itself belongs to the group S.C.A.C.-STE COMMERCIALE D'AFFRETEMENT & DE COMBUSTIBLES SA (see No 348).

** The international transport company, HENK HENTZEN NV, Rotterdam, has increased the capital of its Paris subsidiary ETS HENK HENTZEN TRANSITAIRE Sarl from Ff 10,000 to Ff 110,000. The latter has been based since May 1964 (see No 255) on the premises of INTRAMAST-FRANCE Sarl (capital Ff 10,000), a subsidiary of the road and rail transport company, INTERNATIONAL TRANSPORT- & EXPEDITIEBEDRIJF "INTRA-MAST" NV, Oud-Gastel, Netherlands.

** The New York transportation concern TERMINAL SERVICES LTD has formed an almost wholly-owned Dutch subsidiary, CONTAINER TRANSPORT MIJ. RAPID NV (Fl 45,000). It will carry out all types of work in the Netherlands and elsewhere, connected with the transport and despatch of goods by rail, road and sea and also operate container-storage sites.

VARIOUS

** The Antwerp publishing group, ASTRA-ALGEMENE DRUKKERIJ & ROTO-GRAVURE NV, has taken a 66% controlling interest in LAFINA NV, Antwerp, which has just trebled its capital to Bf 15 million. Until now, FINIMCO NV, had a 50% interest in Lafina.