

# Opera Mundi **EUROPE**

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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# *Opera Mundi* **EUROPE**

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

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## A Letter from Bonn

## STRONG CHANCELLOR: STRONG VIEWS ON THE CRISIS

It is hard to tell how many West German politicians and economists consider that their Government should join her four Common Market partners in opposing France, now that the elections have been held and General de Gaulle has declared his intention to stand for president again. CDU members of parliament, especially those from Bavaria, have particularly asked that German links with France should be forged anew. The Federation of German Industries (BDI) is of the same opinion; it not only supports the Common Market and emphasizes the need for close cooperation with France, but also recommends getting closer to EFTA. The German Chancellor's next steps in European policy will be guided by the following considerations:

- 1 The overlapping of the European economies and the interdependence of the member countries of the Community make it imperative that the present difficulties should be settled.
- 2 France's desire (which had been expressed by General de Gaulle) that her agriculture should become an integral part of the Community is perfectly normal, and the Germans will redouble their efforts to meet the difficulties and technical objections which financing the agricultural policy presents; most of the agricultural problems would, however, be solved automatically if all the countries which are members of the Common Market held the same concept of the Community and of the functions of its institutions.
- 3 The Chancellor's determination to support the Common Market Commission (it has often been suggested that German support is due to the fact that President Hallstein is a German, but this is a very superficial view; it would be just the same if the president of the Commission were French or Italian).

In West Germany, there is still a very strong tendency to regard the Common Market as the foundation for a wider political union of Europe in the future, and it would be wrong to underestimate the importance of public opinion on the point, which is that a supranational institution independent of the governments and not subject to their direct influence would be much better able to promote European ideas than an international organization which was only responsible for carrying out decisions authorized by the governments. In the circumstances, the German Government is tending to support the Commission's status as a Community institution and to regard it as a main factor in Europe's future progress. It understands that there is no real risk of the Commission exceeding its responsibility because, in the long run, the national governments keep in their own hands adequate means of applying the brakes; what is more the prerogative of taking decisions belongs to the Council of Ministers,

and through it to the governments themselves.

The German Government is still convinced that constructive cooperation between the Commission and the Council can only be realized if the member countries have the political determination to ensure it. For this reason, among others, it rejects the idea of revising the Rome Treaty, and it would be a good thing for all the countries in touch with West Germany to understand that that country will always oppose any revision of the Treaties whatsoever. She almost has a "treaties complex" and is perhaps supersensitive on the subject because some previous German regimes have been prone to brush aside or even break treaties, with unhappy results. Her very existence is based on a series of treaties which integrate her in the West European comity of nations for political, economic and security purposes. Outside that country, it is generally accepted that the NATO Treaty might be revised after 20 years in the light of the new international situation without detriment to the alliance itself, but inside Germany, this notion is frightening; the Germans fear that they would lose by any change. They feel even more strongly the need to cling to the Rome Treaty, which has long since proved itself and has greatly benefited the German economy. Readiness to revise treaties seems to Germany uncomfortably like putting her future and her whole life back into the melting pot.

So West Germany will remain opposed to any revision and even more strongly opposed to abandoning the principle of majority voting which is written into the Rome Treaty. She might not, however, reject some sort of gentleman's agreement about how the principle should be applied. Chancellor Erhard is himself of the opinion that no member country should be compelled to bow to majority rule against her vital interests. Nobody can define exactly which interests are vital, but for all practical purposes the Chancellor and his foreign minister, Herr Schröder, have the country behind them on this subject.

The West German Government may be prepared to be flexible about the practice of supranationality, but it will certainly not approve the common agricultural policy fully unless the general balance of the Community's development is maintained. The Government and the CDU, backed up by the parliamentary opposition and by German industry, take the view that this balance depends on steps being taken at the same time to establish healthy competitive conditions in the Common Market. Foremost amongst these steps would be the abolition of fiscal frontiers and the effective coordination of national economic policies, together with a common trade policy towards non-members in accordance with the Treaty. To German minds, the last is not merely an economic objective, but very much a political one too, bearing in mind the East European bloc. The Chancellor, of course, considers that a common trading policy can only be based on a liberal attitude, and this may be one means of getting closer to EFTA, but he is entirely opposed to the idea that a liberal trading policy could become a roundabout way of diluting the Community.

If the Common Market Council of Ministers fails to solve the present problems within a reasonable period, the Chancellor may well propose a meeting between

the six heads of government. If he does, he can count on support not only from his own party, but also from the opposition who, unlike the liberals, also favour strengthening the Common Market. Watchful critics of Herr Schröder's French policy will see to it that he does not miss any chance of linking up with France again.

Even before the elections, but much more since, argument has been raging whether or not Herr Schröder should retain the ministry of foreign affairs. Some curiously ancient points have been made in his favour: for instance, it has been said that the Protestants could not let him resign, partly because this would foreshadow a change in German policy, and partly because it would upset Protestant electors. This amounts to suggesting that Germany has one Catholic foreign policy and another Protestant, just as she had at the time of the Thirty Years' War. Two adverse criticisms of Herr Schröder have been made: first, that he has dangerously neglected Franco-German cooperation, because he pays too much attention to relations with USA and Britain, and second, that he has been too forthcoming to the Communist governments of Eastern Europe, without getting much in return.

The criticisms have not been strong enough to cause his fall, but all the objections and fears expressed have induced him to think in terms of a compromise. Within his party, he has given an assurance that he will try again to obtain joint Franco-German action on the reform of NATO; he has promised to make a real effort to settle the Common Market crisis; and finally he has undertaken not to pursue diplomatic relations with the Eastern bloc governments while the latter continue to deny that the Bonn Government is the sole representative of the German people, and that that people should have the right to self-determination.

The German Government is hoping that the Chancellor's agreement with his party about foreign policy, and particularly the general desire for Franco-German cooperation, will soon bear fruit. The foreign minister, however, has little scope for personal initiative, precisely because his own party has criticized him so violently. Besides, if an attempt to improve relations with France and settle the Common Market crisis should fail, the result may be to weaken Franco-phile feeling inside the Government and to strengthen pro-American feeling. The political leaders and the most influential businessmen remain as loyal as ever to the Common Market, but General de Gaulle's remarks on September 9 (see No. 322, p. 10) certainly shook them. After his speech, Paris made some mollifying noises, but little has been heard of them in Germany, and they have had no effect. Having voted the "Bundeskanzler des Vertrauens" - "the Chancellor they could trust" - back to power, most Germans are counting on him, and him alone, to get the Common Market moving forward again.

The West German election results have highlighted the strength of his personal position. After two years at the helm, he can claim without reservations that the majority of his people trust him. Nobody else and no other party can make a similar claim, and the significance of this is clearest to those who appreciate that

when Chancellor Erhard is determining the guidelines for future German policy he is not the man to let the power, which the federal constitution gives him, lie idle. What is more, in the few weeks since the elections, while forming his Government, the Chancellor has shown that he means to make the fullest use of the rights which the constitution accords him.

He will need all his skill and energy to calm the anxiety which the Common Market crisis is causing; it is hard for him to do so at a time when the impression is growing that West Germany has started living above her means and that her "economic miracle" seems to have run its course. The Chancellor will have to await the results of the French presidential election and the formation of a new French Government, but he is unlikely to waste any time after that; he will probably do all he can to show both German and foreign opinion that Europe needs his country as much as his country needs Europe. It is an open question whether he is better placed to convince the French of this than a man like M. Spaak, whose work for conciliation is so well known.

in Brussels, she and the Five will find next month that oranges, of all things, have got them all into a hopeless tangle.

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### Taking Politics out of the Community

Speaking on the Bavarian Radio a few days ago Prof. Hallstein, President of the; Common Market Commission, made a strong attack on the idea, which some businessmen in the Community support, that the European crisis could be resolved much more simply if the Community were made non-political once and for all. Remaining true to the cause he has championed for a long time, the President of the Commission stated that nobody could guide the economy of a modern state (still less a large economic unit like the Common Market) without becoming involved in politics; perhaps not in politics generally, but at least in the politics of agriculture, tariffs, money, business, social services etc. . . . The Community's Institutions, the Commission and the Council of Ministers, "while not being a government, fulfill certain functions which are essential to the modern economy and which, in the individual states, are fulfilled by governments".

Could any other system, such as co-operation between states, operate without these institutions? Prof. Hallstein not only thinks that abolishing them "would halt progress towards a unified economic area and reduce the present order to chaos." He also believes that "the Community system has the force of law, for agreements must be honoured". He added that "the Five have confirmed their unreserved adherence to the Treaty". Why had they done so? Because the Six were committed as much to the Treaty's political content, its institutions, as to its economic advantages. It was a "package deal" - the first the Six had signed - no part of which could be changed except by revising the Treaty according to the rules. Prof. Hallstein did not say, although he well might have, that the "package deal" originally agreed would have to be re-negotiated and that certain economic concessions could then be re-considered.

Would it be possible to make the Community non-political simply by altering the "balance of responsibilities, which are very carefully shared between the institutions"? This method, Prof. Hallstein believes, would put the institutions out of action just as effectively as abolishing them; particularly if the Commission, "instead of being an independent body, able to treat with the Council of Ministers, were to become a secretariat, subordinate to governments and merely an administrative go-between". Mr. Hallstein gave only one example to support his argument but it was a significant one. To achieve the common agricultural policy, he said, the Commission needed "a certain political strength". The Commission had this strength and had used it vigorously to get a common agricultural programme adopted, come hell or high water.

It was because of the Commission, he continued, that agricultural policy was much more advanced than common policies in other sectors. Therefore, "if the Commission were now to be changed and its functions and responsibilities reduced, the

chances of establishing these other common policies would be greatly diminished." In these circumstances, some countries "would have received an advantage (the common agricultural policy), from which other member states, concerned with other policies, would derive no benefit." Among these victims he mentioned West Germany, which is disappointed by the small progress that the fiscal, commercial and economic policies have made so far.

In other words, the President of the Commission tried to show his fellow-countrymen that taking politics out of the Common Market, whether by a straightforward revision of the Treaty of Rome or by more insidious means (reducing the Commission's powers and its members' political influence) would end up greatly to Germany's disadvantage. In his statement to the Bundestag, Chancellor Erhard stressed that he did not intend to seek a solution to the European crisis "in a dogmatic manner", which shows that he takes a much more flexible view than Prof. Hallstein on a non-political Common Market. Nevertheless he insists, just as much as Prof. Hallstein, on the balanced development of the Common Market. "We are expecting", he said, "the sane progress in all the important sectors of the Common Market."

\* \* \*

#### Kennedy Round in Difficulty, but not in Danger

"The Kennedy Round is in difficulty as a result of the crisis in the Common Market, but it is not in danger", stated M. Jean Rey, member of the Commission's foreign affairs committee, speaking to a committee of the European Parliament. The crisis is certainly slowing down the Geneva negotiations, but the fact that the Commission represents the Six allows them to continue. This situation will change when the Executive has to ask the Council of Ministers for new instructions, but as far as manufactured goods are concerned, this is not likely during the next few months.

Agricultural products are a different matter, according to Mr. Mansholt, the Commission's Vice-President, for the Six can not negotiate at Geneva until the prices of many agricultural products are fixed. Only on cereals have the Six made proposals and the working party concerned now has several months' work ahead. However, the question will soon arise - whether negotiations on cereals are worth pursuing unless there are parallel negotiations on other products. In any case, there is no question of the Commission giving up. In 1963 the Six agreed that in order to ensure the smooth development of the Common Market the Kennedy Round and the common agricultural policy must proceed side by side. Both Mr. Mansholt and M. Rey have stressed that this was a major political decision, which the Commission intends to carry out.

#### Contracts and The European Development Fund?

In theory, all undertakings in the member states of the Common Market countries are entitled to share equally in the contracts given out by the European Development Fund, which is responsible for financing projects in Madagascar and the associated African

states

under the "Eurafrican" Convention. In practice, experience from 1958 until June 30 this year shows that there is very little competition, in spite of the praiseworthy efforts made by the Commission to increase it and obtain better tenders.

In practice it is the local firms, or those firms already established locally or else firms temporarily associated with one of the first two categories, who have taken the lion's share. Out of 400 contracts less than 50 have been obtained by firms outside the country concerned, 23 by firms inside the Common Market and 26 in other associated countries. Of course this situation greatly favours those firms from the former colonial countries which have maintained their local business. Thus contracts to French firms have reached a total of \$96 million, while their Common Market competitors have obtained no more than \$44 million. Italy alone accounts for \$38 million of this total and the German firms have only got a paltry \$2 million.

Those who have not obtained contracts have mainly themselves to blame: they have not had sufficient enthusiasm for projects a long way from home, the risks of which they are inclined to exaggerate. They submit very few applications (about one in ten of those received) and when they do they often raise their prices by a safety factor so large that it puts them out of the running. The Commission has made a drive to change this attitude, which the Common Market's own boom has partly caused. In the meanwhile, the EDF undoubtedly benefits France, both politically and economically.

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(In this number there are no pages 11 & 12)

STUDIES AND TRENDS  
NEW TRENDS IN EAST-WEST TRADE I

Since 1964, the trading policies pursued by American and European governments with countries using different economic systems have shown signs of change and flexibility. Political factors apart, these changes are due for the most part to developments of a purely commercial nature, which may be summarized as follows: large-scale contracts for complete factories (particularly those manufacturing chemicals, paper, fertilizers, synthetic rubber and synthetic fibres); the export of the large Canadian and American wheat surpluses to Soviet Russia and the other East European countries; the growth of East-West trade, helping the difficult balance of payments situation in many countries in both Eastern and Western Europe; lastly, the fact that both sides seem ready to admit that the growth rate achieved in East-West trade over the last few years cannot be maintained unless special steps are taken to that end.

The year 1964 saw a number of bilateral trade agreements in which the new trends appeared. Some European countries with free-market economies decided to abolish certain quantitative restrictions, while some planned-economy countries stated their intentions on trading policy. The United Kingdom government showed the way at the beginning of 1964 by offering to "liberalize" trade with East European countries on a whole range of manufactured and other goods which had previously been subject to individual quotas. This offer meant that all goods (except those placed on a "special list") from European countries accepting the British proposal could be imported without restriction as to quantity or value. The majority of items on the "special list" were goods made by those British industries which are especially vulnerable to foreign competition such as textiles or industries located in regions with a high unemployment rate.

What conditions did the United Kingdom stipulate for this liberalization? The Eastern European countries were asked to agree:

- a) that their additional earnings should, as far as possible, be used to buy more British goods;
- b) that British goods should receive treatment as favourable as goods imported from any other country;
- c) that their goods should sell on the British market at a reasonable price compared with similar goods from elsewhere.

Britain also reserved the right to re-introduce import quotas if she considered it necessary, but stated explicitly that measures of this sort would only be taken after serious consideration.

Some of the East European countries, notably Czechoslovakia and Hungary, let it be understood that they were willing to negotiate with the British Government on this basis. During the spring and summer of 1964, the first agreements were reached on the basis of the British proposals, but with certain modifications. The East European countries thought that the abolition of quotas proposed by the British government should not be directly related to their giving the pledges which the British required. Never-

theless, the parties reached agreement when the two parts were presented separately, but at the same time. Later, in March 1965, Czechoslovakia signed a new agreement under which Britain would import about 75% of the items on the list of Czech exports free from quota restrictions, either as part of an "automatic" general import licence, or through an "automatic" individual licence. Czechoslovakia maintains her own import quotas on British textiles, but allows machinery and capital goods to enter freely. The Czechoslovak government has welcomed this freeing of trade and stated that its ultimate objective is 100%.

During 1964, trade agreements on the same basis were negotiated between other Western and Eastern European countries. The bilateral trade negotiations which began last year between West Germany and several East European countries, including Poland, have aimed at gradual or complete abolition of quotas on manufactured goods so as to compensate for the new restrictions on agricultural products under the Treaty of Rome. Despite the absence of diplomatic relations, several West and East European countries have also arranged to set up trade missions. Over and above the relaxations which have been arranged under agreements, some governments have taken unilateral action: for instance, the United States Government no longer requires individual export licences for about 250 kinds of article exported to Eastern Europe; the number of import licences required each year has thus been reduced by around 31,000.

Another recent development is association between firms in Western and Eastern Europe, both to make and to sell a wide range of goods. There have been examples in the past of sub-contracts placed with organizations in the other part of Europe; the new kind of collaboration is much more ambitious. In general, the purpose of these new contracts of association is to manufacture goods in Eastern Europe, the equipment and technicians being supplied by a Western European company in exchange for a proportion of the finished goods. The Western firm remains the owner of the equipment and may also obtain a share of the profit made by the new factory either as a royalty or in some other form.

Here are some examples of recent types of contracts of this sort between undertakings in the countries concerned:

#### Bulgaria

1. An Italian firm, OFFICINE MECCANICHE GAETANO ZOCCA, has set up a trading company in Switzerland 50-50 with the Bulgarian organization, MACHINOEXPORT, which sells milling machines on a world-wide basis. The Italian firm will receive partly-made machines in Bulgaria, add parts to them (worth about 40% of the final value), complete the equipment and return these machines to the Bulgarian organization. In addition, the Italian firm will look after the sales in all countries outside Eastern Europe, while the Bulgarian supplier does likewise in Eastern Europe, not only for milling machines but for all the other articles made by the Zocca firm which are sold there.

2. The Dutch company, MARINGSON HOLDING Mij. NV and MACHINOEXPORT have set up a firm, RASTEM NV, at Hilversum with a capital of 140,000 dollars (only

20% paid up); 45% belongs to the Dutch company and 55% to the Bulgarian organization. RASTEM is engaged in the assembly, sale and service in Western Europe of fork lift trucks manufactured in Bulgaria; also in developing all Bulgarian industrial exports in the same area and importing (into Bulgaria) Dutch and West European articles and goods, including complete factories and plants. Profits will be shared equally and the two founder firms will cooperate closely.

#### Czechoslovakia

1. The British company, A. E. CALLAGHAN & SON LTD, and the Czech firm KDY-NSKI STROHIRNY, have reached agreement to cooperate in the construction of automatic textile manufacturing equipment and its sale in the majority of world markets including Eastern Europe. Callaghan machines with Czech equipment will weave cotton cloth directly from cotton fibres. The two associated companies will service the machines in their respective zones.
2. The American SIMMONS MACHINE TOOL CORP has concluded an agreement with the Czech firm SKODA under which the latter will manufacture specialist heavy engineering equipment under the brand name "SIMMONS-SKODA". The American company has exclusive selling rights in the Western hemisphere, but there is no other territorial restriction. Simmons has stated that the cost of equipment made by Skoda is much less than the cost of similar articles made in the United States, while delivery delays have come down from 14 months to 3-5 weeks. The Czechs have agreed to stockpile these machines, an unusual procedure in Eastern countries.
3. VÖEST, a very large Austrian state steel undertaking, and TECHNOEXPORT, the Czech external trade organization, have made an agreement. Vöest and the Czech heavy industrial equipment factories will set up firms in other countries. The Austrian firm will sub-contract to supply chemical and other types of plant manufactured in Czechoslovakia to the Afro-Asian countries. At the same time, Vöest has signed a contract worth 5 million dollars with STROJIMPORT, the Czech equipment importing company. Vöest will supply the Czech company with three oxygen converters (each of 100 tons capacity) and other equipment, as well as all technical information for the construction of a new steel-works.

#### Hungary

1. The West German firm, RHEINSTAL, has signed an agreement with the Hungarian Minister of Machinery to build a large factory for assembling steel components, extraction equipment and machine-tools, which will use components made within the factory as well as semi-finished articles made in West Germany. Output will be sold on the East European market by Hungarian export organizations. In 1964, Rheinstahl supplied around 700 goods wagons to the Hungarian railways, and its subsidiary, WAGNER of Dortmund, supplied lathes and a rolling-mill.

## Page

- D AIRCRAFT & SPACE France: NORD-AVIATION makes agreements with NORTH AMERICAN AVIATION and PHILCO, both of USA.
- D AUTOMOBILES France: ALFA ROMEO, Milan, doubles its Paris subsidiary's capital.
- D BUILDING & CIVIL ENGINEERING Belgium & Luxembourg: RHIN & RHONE, Lyons hold 42.5% and ETS MARITIME DE CARONTE 15.8% in a new Luxembourg firm LUXEMBOURGEOISE DE MANUTENTION DU PORT DE MERTET; VER BEDRIJVEN BREDERO, Utrecht and GROUPE IMMOBILIER BELGE form a 50-50 Brussels subsidiary.
- E CHEMICALS France: PARTICIPATIONS & ENTREPRISES INDUSTRIELLES, Paris forms BARYLITHE there. Italy: UNILEVER regroups Italian interests through LEVER GIBBS, Milan. Netherlands: VASCO-BELGE adopts the VAESSEN-SCHOEMAKER name.
- F COSMETICS France: REVILLON centralizes its manufacture and sales.
- G ELECTRICAL ENGINEERING France: UNELEC, Paris (subsidiary of CGE and ALSTHOM) forms L'ELECTROMECHANIQUE JAPY, Paris: the Belgian firm FRIAC forms a Paris subsidiary; THERMOR, Orleans and PROCEDES SAUTER, Paris form a 50-50 subsidiary; a new Paris firm EUROMATIC is 70% German-owned. Germany: SIEMENS & HALSKE and ROBERT BOSCH negotiate to form a joint subsidiary; the Dutch firm AGENTURA KABELAPPARATUR forms a Cologne sales company. Ireland: The French firm ULMIC sets up a factory at Cork. Peru: PIRELLI, Milan joins local interests to build a cable factory near Lima.
- H ELECTRONICS France: LA RADIOTECHNIQUE, Suresnes (PHILIPS group) and COPRIM regroup under a new holding company.
- H ENGINEERING & METAL Belgium: The German firm W. KREFFT forms a Brussels sales subsidiary; ALVEY CONVEYOR, USA, forms a Belgian company. Dahomey: ADRIANO GARDELLA, Genoa, holds 30% in CIA DAHOMEYENNE and the Government 70%. France: L. T. FREDMAN, Paris splits in four: Germany: OLIN MATHIESON, New York, licenses WINDMOLLER & HOELSCHER to make paper sacks; RENA-WARE, USA (crocery) forms a Frankfurt sales company; the Dutch firm METAWA forms a German sales company. Ireland: The German firm R. B. MOELLER builds a factory at Longford. Italy: The French firm PAVAILLER forms a Milan subsidiary. Netherlands: W & W. DEVELOPMENT DESIGNS, Guildford (ADWEST group) forms a Dutch company. Spain: COMBUSTION ENGINEERING,

- New York and ASTILLEROS DE CADIZ each take 30% in a new Spanish firm. Switzerland: ISI of USA (locking devices) forms a Geneva sales subsidiary.
- J FINANCE** Belgium: BANQUE DE FINANCEMENT, Brussels doubles its capital; BANK OF TOKYO opens an Antwerp branch. France: L'ABEILLE, Paris takes over CIE INDUSTRIELLE, MINIERE & CHIMIQUE and raises its capital; CIE FRANCAISE DE CREDIT & DE BANQUE (BUP group) transfers assets to a deposit bank. Germany: WADDEL & REED, New York brokers, open a Berlin office.
- K FOOD & DRINK** Belgium: CCCI, Brussels gains 75% control of SOGEDI; LAITERIE ST MICHEL (CENTRALE LAITIERE group) transfers assets to LAITERIE DE LA SYLLE; FINANCIERE JOSSE ALLARD, Brussels, has 38% in GENERAL SOFT DRINKS, Schaerbeek. Britain: PUCCINELLI-HAX formed in London to sell products of PUCCINELLI PACKING, Italy and CHELAN PACKING, USA. France: Two subsidiaries of the Madagascar firm ROCHEFORTAISE DE PRODUITS ALIMENTAIRES form a Paris company; FRANCO-NEERLANDAISE DES CACAOS, Paris, ceases trading. Italy: HARRY VINCENT, Birmingham appoints CONTI FELICE its Italian distributors; MELLIN D'ITALIA, Milan takes over DIETETICI OMOGENEIZZATI NATURALI.
- L INSURANCE** Belgium: ARAG, Düsseldorf forms a Brussels company; LE RECOURS BELGE backs a new firm. Germany: CIE D'ASSURANCES MEDICALE & CHIRURGICALE, Brussels opens a Cologne office.
- M OIL, GAS & PETRO-CHEMICALS** Britain: AGIP, Milan (ENI group) still plans an oil refinery at Canvey Island. France: WORMS, Paris and FORGES & CHANTIERS DE LA MEDITERRANEE, Paris form GAZ-TRANSPORT 50-50.
- N PAPER & PACKAGING** Belgium: The MEAD paper group, USA, takes a direct holding in its Malines subsidiary; PAPETERIES DE TISSELT. France: Two paper companies, PACOFA-MAURICE VERKINDERE & LEONARD BIERMANS and PAPETERIES DE GUYENNE form a joint subsidiary at Halluin, Nord.
- N PHARMACEUTICALS** Britain: ROUSSEL UCLAF, Paris forms a finance company. France: WARNER LAMBERT group, USA forms PRECIBIO 51/49 with ETS CLIN BYLA. Italy: ASSOCIATED PRODUCTS, New York and UFFICIO RAPPRESENTANZE GRANDI MARCHE ESTERE URAGME form a joint subsidiary in Rome.

- O PLASTICS Belgium & France: PHILLIPS PETROLEUM, USA and RHONE-POULENC, Paris agree to start a joint polyethylene plant at Antwerp and the American firm is to take a reciprocal holding in MANUFACTURE NORMANDE DE POLYETHYLENES, Paris. Germany: INTERPLAST KUNSTSTOFFFABRIK formed at Rodalben.
- P PRINTING & PUBLISHING Germany: Dr ALFRED HUTHIG VERLAG gains control of FOTOPRESS GRAFISCHE BETRIEBE WERNER DOLD.
- P TEXTILES Belgium: The French lingerie firm LEJABY forms a Brussels company. France: BALAMO, Brussels, forms a French company. Netherlands: The Dutch group KON TEXTIELFABRIEKEN NIJVERDAL-TEN CATE has bought out the interest of J. P. STEVENS, New York in their joint subsidiary STEVENS-TEN CATE, Almelo. Switzerland: The German firm JOBIS BEKLEIDUNGS-INDUSTRIE gains control of GLANDUS, Zurich.
- Q TRADE Italy: ISTITUTO BANCARIO SAN PAOLO DI TORINO, L'ASSICURATRICE ITALIANA and IMI form a Turin subsidiary for hire-purchase of plant and machinery; BNS INTERNATIONAL SALES, New York, forms a Milan company. Switzerland: PRONUPTIA, Paris opens a Zurich store.
- Q VARIOUS Germany: D. H. GROSVENOR, skimmers of Montreal form a Frankfurt subsidiary.

AIRCRAFT & SPACE
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STE NATIONALE DE CONSTRUCTION AERONAUTIQUE NORD-AVIATION SA, Paris, which already has technical links with BOEING CO, Seattle, Washington (see No. 312) and DOUGLAS AIRCRAFT CO, Santa Monica, California (see No. 258), has made new agreements with two other American aircraft and space groups. The first is with NORTH AMERICAN AVIATION INC, Los Angeles (its ROCKETDYNE division, Canoga Park, California, is the largest American rocket motor firm and has agreements with ROLLS-ROYCE LTD, Derby) and concerns the development of a rocket motor of French design: the second, with PHILCO CORP, Philadelphia (FORD MOTOR CO group - see No. 311), is concerned with satellite construction.

AUTOMOBILES
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The expansion in France of ALFA ROMEO SpA, Milan (see No. 329) of the IRI/FINMECCANICA group, which recently resulted in the creation of a National Centre of Importation and Distribution on a site of approximately 150,000 square yards at Amberieux, Ain, means that Alfa Romeo will now double the capital of its Paris subsidiary SOFAR - STE FRANCAISE ALFA ROMEO SA, Paris (see No. 177) to Ff 2 million. Sofar (president Sig. Enrico Sala) supplies more than 200 concessionaires in France. It was formed at the end of 1962, 50-50 with RNUR - REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt.

BUILDING & CIVIL ENGINEERING
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The RHIN & RHONE SA group, Lyons (see No. 300) is the main founder (with 42.5%) of MANUPORT - STE LUXEMBOURGEOISE DE MANUTENTION DU PORT DE MERTERT SA (capital Lf 6 million, which the board has decided to double). The president is M. Marcel Reckingen, director of CREDIT INDUSTRIEL D'ALSACE & DE LORRAINE, Luxembourg. The new firm will build and run ocean terminals, harbour installations for handling and storage, docks, etc., at the port of Mertert on the Moselle, which is being reorganized by STE DU PORT FLUVIAL DE MERTERT SA (see No. 266), owned partly by the state and partly by private interests.

The other founders of Manupart include the French company ETS MARITIME DE CARONTE SA, Martigues, Bouches du Rhone (15.8%) and the Luxembourg firms CIE DES MINES & METAUX SA - ANC. N. ZIMMERMAROLDT, Luxembourg, and MATHIS PROST & CIE Scs, Grevenmacher, with 4.15% each.

The building and civil engineering materials group, VER. BEDRIJVEN BREDERO NV, Utrecht (see No. 327) has made an agreement to share 50-50 with GROUPE I-GROUPE IMMOBILIER BELGE SA (see No. 304) in the study of town-planning techniques and building construction, and have set up a joint subsidiary, STE DE DEVELOPPEMENT DE PROJETS, IPEO SA, Brussels for this purpose.

The subsidiary has an initial capital of Bf 10 million: the president is Mr. Robert Vanes, assisted by Mr. Adam Feddes (managing director) and Mr. J.W. Ellens (director). The

Dutch holding is divided between the Utrecht group and three of its subsidiaries: BREDERO'S BOUWBEDRIJF NEDERLAND NV, MIJ VOOR PROJEKTONWIKKELING EMPEO NV and BREDERO INTERNATIONAL NV (all at Utrecht).

The Belgian holding is divided between GROUP I (in which BREDERO has a 4.16% interest); two of the founding companies, CIE BELGE DE PARTICIPATIONS PARIBAS-COBEP SA, Brussels (member of the group BANQUE DE PARIS & DES PAYS-BAS) and FINANCIERE LACOURT SA, Brussels; and STE ANVERSOISE DE GESTION, D'INVESTISSEMENTS & DE PARTICIPATIONS-SANIPAR SA, Antwerp (joint subsidiary of Financiere Lacourt and SAGIP of the Banque de Paris group - see No. 281).

CHEMICALS
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VASCO-BELGE Pvba, Wilrijk, formerly ANTWERP CASING CO - ANCA, which manufactures chemical products for the food industry, has taken the name of VAESSEN SCHOEMAKER BELGIE, which is more in keeping with its affiliation to the VAESSEN SCHOEMAKER HOLDING NV, Deventer, group, which it represents (see No. 232); it has also transferred its head office to Antwerp. The Dutch group, which includes VASCO-CHEM CHEMISCHE INDUSTRIE NV, Deventer, is headed by Mr. Paul Schoemaker and Mr. H.G. Vaessen (equal partners in the Belgian subsidiary). It has numerous sales companies abroad: VAESSEN ITALIA SpA, Pontecorvo, Frosinone (formed in October 1964, capital lire 1 million, by Mr. H. Vaessen, who has a majority shareholding of 89.8%); VAESSEN SCHOEMAKERS ITALIA SpA, Como (formed in September 1964, capital lire 10 million, a 96% subsidiary); STE VAESSEN SCHOEMAKER (FRANCE) Sarl, Argenteuil, Seine & Oise, capital Ff 150,000, formerly at Bezons, Seine & Oise; VAESSEN SCHOEMAKER IBERICA SA, Barcelona, formerly VASCO HOLANDESA SA.

PARTICIPATIONS & ENTREPRISES INDUSTRIELLES SA, Paris (capital Ff 800,000 - president M. Pierre Berneau, Paris) has joined 80-20 with its subsidiary STE CIVILE D'ETUDES & DE PARTICIPATIONS INDUSTRIELLES SA, Paris, to form a company BARYLITHE Sarl, Paris (capital Ff 200,000) which will manufacture and sell white acid-treated baryta and non-metallic mineral products.

Participations & Entreprises Industrielles was formed in December 1961; in April 1965 its capital was increased from Ff 10,000 to Ff 800,000 and it came under the nearly complete control of PLASTUGIL-PLASTIQUES & ELASTOMERES UGINE-PROGIL of Paris (see No. 301). The latter has a capital of Ff 23.2 million and is itself a 50-50 subsidiary of PROGIL SA (see No. 324) and of STE D'ELECTRO-CHIMIE, D'ELECTRO-METALLURGIE & DES ACIERIES ELECTRIQUES D'UGINE SA (see No. 329).

UNILEVER NV, Rotterdam (see No. 328) is regrouping some of its Italian interests (see No. 211) through LEVER GIBBS SpA, Milan (capital lire 2,500 million) which will merge with several of the group's subsidiaries, including the food-preserving firm ALTHEA SpA, Parma (tomatoes, fruit and cheese), capital lire 200 million; VAN DEN BERGH SpA, Milan (capital lire 1,800 million); SAVOR SpA, formed in Milan at the end of 1961 (capital lire 100 million); and PEPSODENT SpA. Besides LEVER GIBBS (soap, detergents, toiletries and perfume) the Dutch group also controls a similar firm in Milan, J. & E. ATKINSON SpA, president Mr. J.J.H. Nagel.

COSMETICS
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The holding company REVILLON FRERES SA, Paris (capital Ff 15.2 million) is centralizing its manufacture and sale of perfumes: STE TECHNIQUE DE PARFUMERIE F. MILLOT SA, Paris (capital Ff 980,000) of which Revillon gained control in 1962, is being taken over by PARFUMS REVILLON SA, Paris (capital Ff 600,000), which has had sales subsidiaries in London (PARFUMS REVILLON MILLOT LTD) and New York (PARFUMS REVILLON INC) since last year (see No. 282).

In July Revillon Freres formed CIE INTERNATIONALE DE BANQUE SA, Paris (capital Ff 10 million) which is mainly concerned with property (in Paris and Edmonton, Canada) and the management of industrial shareholdings: 18.48% in ASCINTER-OTIS SA, Paris (see No. 298), 20% in CABLERIE DE LA SEINE SA, Paris, etc.

CHEMICALS
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The Dutch synthetic spirit manufacturers CONDEA PETROCHEMIE GmbH, Brunsbüttelkoog (see No. 320), a 50-50 subsidiary of CONTINENTAL OIL CO, Houston, Texas and DEA-DEUTSCHE ERDOEL AG, Hamburg has transferred property rights to its new French sales subsidiary CONDEA CHIMIE Sarl, Neuilly sur Seine and increased its capital to Ff 240,000.

ELECTRICAL ENGINEERING
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UNELEC Sarl, Paris which was formed last January (see No. 287) as the 50-50 subsidiary of CGE-CIE GENERALE D'ELECTRICITE SA (see No. 326) and STE GENERALE DE CONSTRUCTIONS ELECTRIQUES & MECANQUES-ALSTHOM SA (see No. 328), has set up an almost wholly-owned subsidiary to distribute electric turning machines L'ELECTROMECHANIQUE JAPY Sarl, Paris (capital Ff 250,000). Unelec's 100% subsidiary LAMBOUX & CIE SA, Paris has a token shareholding.

For sales reasons UNELEC is keeping the name "Japy", previously used by STE ELECTROMECHANIQUE JAPY SA, Paris (capital Ff 2,066,000), which is now owned by UNELEC. Ste Electromecanique Japy SA is the result of a re-organization at the end of 1964 (see No. 285) by the firm of the same name (a member of the ETS JAPY FRERES SA group of Paris) in which the other participant was MATERIEL INDUSTRIEL & MENAGER JAPY SA, Aubervilliers, Seine (formerly OMNIUM FRANCAIS D'EQUIPEMENT MENAGER-OFREM SA).

UNELEC (which has increased its capital from Ff 10,000 to Ff 58 million since January) has also taken over SOBEMO-STE BELFORTAINE DE MOTEURS SA, Beaucourt, Terr. de Belfort (capital Ff 4.5 million shared equally between Alsthom and Ste Electromecanique Japy). Having received industrial assets from its two parent companies (including the ATELIERS D'ORLEANS Division transferred by CGE) Unelec now heads a complex of 6 factories: Beaucourt; Belfort; Orleans, Loiret and Vierzon, Cher (turning-machines and mechanical handling equipment); Fourchambault, Savoie (distribution transformers) and St Quentin, Aisne (low-tension apparatus).

The Belgian firm FRIAC Sprl, Alost, dealing in all types of refrigerators, has formed a 70% subsidiary at Paris, FRIAC Sarl (capital Ff 50,000). The remaining 30% is held by M. Georges Miquel, Paris, who has been appointed manager.

The Italian group PIRELLI SpA, Milan, is expanding in Latin America (see No. 274 and 326) and is constructing an electric cable and wire factory near Lima, which will use copper and lead produced in Peru. Together with Peruvian capital, it has formed PIRELLI INDUSTRIA PERUANA DE CONDUCTORES ELECTRICOS, Lima; the Italian share will be held by the holding company STE INTERNATIONALE PIRELLI SA, Basle.

Pirelli's recently formed PIRELLI-SUL-CIA INDUSTRIA SUL RIOGRANDENSE SA in Brazil to run an electric cable factory (low tension and telephone cables) at Porto Alegre. Pirelli has also gained control of ALAMBRICA SA, Moron, Buenos Aires, an Argentine cable-making and wire-drawing factory.

SIEMENS & HALSKE AG, Berlin (see No. 327) is negotiating with ROBERT BOSCH GmbH, Stuttgart (see No. 328) to form a joint subsidiary to co-ordinate and later combine the business of its two parent companies in electrical household goods, in which they employ 12,000 and 6,500 people respectively. Bosch's main contribution would be refrigerators (present capacity about 500,000 units a year) and Siemens's washing machines; in that connection a recent reorganization (see No. 326) resulted in SIEMENS-ELEKTROGERAETE AG, Munich, taking over ALLG. VERWALTUNGSGES. FUER INDUSTRIEBETEILIGUNGEN mbH, Munich, which controls the washing machine firm CONSTRUCTAWERKE GmbH, Düsseldorf.

In total Siemens employs 250,000 people and its 1963/64 turnover was Dm 6,500 million. Bosch employs 90,000 people and its 1964 turnover was 2,700 million.

ULMIC SA, Malakoff, Seine, which makes electrodes for glow-lamps and small components for the electronics industry, is setting up a factory at Cork, Ireland, to supply Britain and the Commonwealth. Ulmic distributes tungsten filaments and current attenuators for WESTINGHOUSE ELECTRIC CORP, New York, and was previously based at Clamart. The president is M. J.H. Bonal, who replaced M. J. Michel last year.

The recent link-up (see No. 323) of their manufacturing assets for household electrical equipment between CIE THERMOR SA, Orleans, and STE DES PROCEDES SAUTER SA, Paris (controlled 72.2% by CGE - COMPAGNIE GENERALE D'ELECTRICITE SA) is being carried out through a new company, CIE EUROPEENNE POUR L'EQUIPEMENT MENAGER SA, Paris (capital Ff 10,000), which is equally owned by the two parent firms.

German capital, held by Herr Heinz W. Brandebourg of Hamburg and Mr. Bodo M. Klaus of Pnom-Penh, Cambodia, with 35% each, has helped to set up a new company, EUROMATIC Sarl (capital Ff 10,000), at Paris, where it will deal in electro-magnetic, electro-pneumatic and hydro-electric equipment. The French shareholders are M. Roland Calmels, Asnieres, Seine (20%) and M. Jacques C. Quintard, Paris (10%).

The Dutch company, AGENTURA KABELAPPARATUUR NV, Zeist, which manufactures electrical equipment and cables to special order, has set up a sales subsidiary at Cologne, AKAPP KABELAPPARATUR GmbH (capital Dm 20,000) with Mr. Jacobus Maria Van den Brink, Zeist, and Mr. Johannes T. Raphaël, Cologne, as managers.

## ELECTRONICS

The holding company LA RADIOTECHNIQUE COPRIM - RTC SA (capital Ff 50,000) is being formed at Suresnes, Seine, to regroup the manufacture and sales of two companies in electronic components, LA RADIOTECHNIQUE SA, Suresnes (see No. 306 - member of the group PHILIP'S GLOEILAMPENFABRIEKEN NV, Eindhoven - see No. 327) and its 52.17% subsidiary, COPRIM - CIE DES PRODUITS ELEMENTAIRES POUR INDUSTRIES MODERNES SA, Evreux, Eure (capital Ff 15 million). Between now and the end of 1965 the new firm will receive the manufacturing assets of La Radiotechnique for making TV tubes, cathode-ray tubes for industrial and professional use, semi-conductors, micro-circuits, photographic enlargers (factories for these are at Chartres; Nogent-Le-Rotrou; Dreux, Eure & Loire; and Caen, Calvados) and will take over COPRIM. The latter manufactures components such as magnetic ferrites, computer "memories", ceramic condensers, resistance coils, trimmers, printed circuits, etc., in its Evreux factory. In 1964 its turnover was Ff 89 million.

## ENGINEERING &amp; METAL

COMBUSTION ENGINEERING INC, New York (see No. 318) which formed COMBUSTION ENGINEERING CO LTD, Zug, Switzerland (capital Sf 50,000), director Mr. Arthur Wiederkehr, Zurich), has taken a direct 30% share in the new Spanish company COMBUSTION-STEIN-ASTILLEROS DE CADIZ SA (capital Pts 12 million). This is a nuclear engineering firm in which the American company's Paris subsidiary STEIN & ROUBAIX (see No. 322) has a direct share of 7.5% and an indirect one of 25% through STEIN & ROUBAIX ESPANOLA SA, Bilbao (capital Pts 30 million). The rest of the capital is held by Madrid interests: ASTILLEROS DE CADIZ SA (30%) and ESTUDIOS & PROYECTOS ELECTRICOS SA (7.5%).

Stein & Roubaix, the Nuclear Department of which has received large orders from the Paris Atomic Energy Commission, also has another (75%) subsidiary in Spain, STEIN & ROUBAIX COMMERCIAL SAE. The American company has already been associated with Astilleros de Cadiz in the construction of a power station at Cordoba and has been operating in Spain for several years through LUMMUS ESPANOLA SA, Madrid (see No. 257), controlled by its own 92.5% subsidiary THE LUMMUS CO, New York (see No. 318).

W. & W. DEVELOPMENT DESIGNS LTD, Guildford, Surrey, which is linked with the British ADWEST GROUP LTD, Reading, Berkshire (formerly ADAMANT & WESTERN ENGINEERING LTD) has set up an 88% subsidiary W. & W. DEVELOPMENT DESIGNS (CONTINENTAL) NV, capital Bf 50,000, under the direction of Mr. Percy Wyett and Mr. Newman A. Locke. The Guildford firm are architects, engineers and consultants in electro-mechanical and electronic equipment and engineering.

Adwest Group, which is directed by Mr. Frank V. Waller, already has a common market subsidiary, STEELFAB (FRANCE) SA, Courbevoie, Seine ("Shawnee Poole" agricultural machinery), capital Ff 150,000 (formerly at Houilles, Seine & Oise) under the direct control of its subsidiary STEELFAB LTD, Cardiff.

The New York group OLIN MATHIESON CHEMICAL CORP (see No. 314) which is represented in Germany by OLIN MATHIESON CHEMICAL GmbH, Düsseldorf and CHEMISCHE FABRIK VON HEYDEN AG (see No. 282) has signed an industrial agreement with WINDMOLLER & HOELSCHER KG, Lengerich I.W. (paper machines). Windmoller, which has been granted a licence to make packing sacks of various thicknesses, has several representatives and agents abroad (e.g. ETS P. BOU-HANICH SA, Paris). The firm employs more than 1,500 workers and produces machines for the manufacture of (AD 1600) heat-welded and insulated materials for sacks and large capacity sacks (AM 2160), for "Clupak" papers, etc.

ETS PAVAILLER-STE DE CONSTRUCTIONS METALLURGIQUES & D'ENTREPRISES SA, Bourg-les-Valence, Drome, has arranged to set up a manufacturing and sales firm PAVAILLER SpA, at Milan, to supply rotating shelf ovens to bakers and pasta factories. Managed by Sig. Renato Longoni, a 20% shareholder, the new company will have a capital of lire 10 million, most of which is subscribed by Mme. Jacques Pavaille (65%) and M. Jean Labaune (sales director of the French firm).

The German manufacturer of kitchen and heating equipment W. KREFFT AG, Gevelsberg, which broke away from the French and Belgian groups USINES & FONDERIES ARTHUR MARTIN SA, Paris, and USINES & FONDERIES NESTOR MARTIN NM SA, Ganshoren (see No. 311), has formed a sales subsidiary in Brussels. G. BAU KNECHT GmbH, Stuttgart, now has 83% control of W. Krefft (see No. 323). The new Brussels subsidiary KREFFT BELGIUM SA is financially independent of the German firm and has a capital of Bf 500,000. Its founders are all Belgian and include M. R. Savy, M. M. Larmache, M. G. Morel and M. R. Delcros.

The Italian machine-manufacturer ADRIANO GARDELLA & F. LLO SpA, Genoa, has a 50% holding in the new company CIA DAHOMEYENNE in which the majority is held by the Government of Dahomey. The new firm will run a plant for the manufacture of jute and sacking. The Italian firm will provide technical assistance and machinery for textiles and the preparation of fibres, to the value of more than \$8 million. Last year Gardello received a similar large order for Nigeria.

A short time ago the American distributor of household goods (dishes, crockery, casserole-dishes, etc.) RENA-WARE DISTRIBUTORS INC formed a sales subsidiary in Brussels, RENA-WARE DISTRIBUTORS SA (see No. 323). The group has now set up a similar firm in Frankfurt, RENA WARE GmbH (capital Dm 20,000). The management includes Mr. S. Martin Lindquist and Mr. Thomas Andrew of Spokane, and Mr. Richard E. Baud of Berne. Mr. Baud sold his 2% holding in RENA WARE GmbH, Berne, in June 1964 (see No. 261) to the American firm, which now has full control.

ALVEY CONVEYOR MANUFACTURING CO, Saint Louis, Missouri, has set up a 60% Belgian subsidiary, ALVEY CONVEYOR EUROPE NV, Breendouk-Willebroek, to manufacture and sell handling equipment and conveyor belts in the Common Market (where it has a German representative INDUSTRIA H. TUEXEN KG, Bad-Godesberg). The remaining 40% is held by FEMONT NV, Breendouk, which has contributed to the new company (capital Bf 16 million) an industrial site at Meerhoff-Breendouk.

L. T. FREDMAN SA, Paris, which represents a number of Swedish engineering and metal firms in France (see No 330) is being split into four new firms each with a capital of Ff 10,000: Mr Lars T. Fredman is founding SA L. T. FREDMAN, G. E. P. FREDMAN (GESTION ETUDES & PARTICIPATIONS FREDMAN SA), FREDMAN & CIE SA and THELCOFRED-THERMO ELECTRO COMPOSANTS FREDMAN SA.

ISI MANUFACTURING INC, Warren, Michigan, the American manufacturer of mechanical and pneumatic locking devices, has made its first European investment by forming a sales subsidiary at Geneva to operate on a world-wide basis (except for USA and Japan). The president of ISI INTERNATIONAL SA, (capital Sf 50,000) is M. Georges Zwicky, Glarus, and the company secretary is Mr Leland Blatt of Grosse Pointe Woods, Michigan.

R. B. MOELLER & CO, Allendorf, Marburg, makers of "Mollimex" flexible steel bands, is building a factory at Longford, Ireland which will employ about 100 workers by next summer. The German firm, founded in 1928 (controlled by the Moeller family) exports its products to more than seventy countries.

METAWA NV, Tiel (see No 324), the Dutch producer of household and luxury goods in non-ferrous metals (mainly copper and brass) which employs about 200 workers, has set up a sales subsidiary in West Germany, METAWA IM- & EXPORT GmbH, Bochum (capital Dm 20,000), manager Mr Gerrit Eckelboom, Tiel. A short time ago Metawa joined H. J. STOTTER INC, New York 50-50 in STOTTER NV, Tiel.

## FINANCE

The holding company L'ABEILLE SA, Paris (see No 294), which controls a large number of insurance companies (L'ABEILLE IARD, L'ABEILLEVIE, L'ABEILLE-GRELE, etc) will increase its capital from Ff 31,075,000 to Ff 40,075,000 after taking over CIE INDUSTRIELLE, MINIERE & CHIMIQUE SA, Arras, Pas de Calais (capital Ff 9 million). The latter was set up in 1949 to manage property restored to the former CIE DES MINES DE BETHUNE, and has widespread investments, including 98% in STE D'INVESTISSEMENTS INDUSTRIELS & FINANCIERS SA (capital Ff 21 million); 70.85% in LA BAKELITE SA, Bezons, Seine & Oise (see No 251) capital Ff 7.6 million, of which 25% belongs to ETS KUHLMANN SA, Paris; 21.05% in PERMALI SA, Nancy (Ff 4,925,000), also affiliated to Bakelite; 20% in PLASCO CIE FRANCAISE DES MATIERES PLASTIQUES SA, Huningue, Haut Rhin (Ff 1,920,000) in which CIE FRANCAISE DES PRODUITS CHIMIQUES & INDUSTRIELS DU SUD-EST SA, Paris holds 34%; 20% in SA DES CHARBONNAGES LIMBOURG-MEUSE, Brussels, etc (see No 235)

Among its recent financial transactions L'Abeille transferred its subsidiary STE DE PLACEMENTS MOBILIERS L'ABEILLE SA to STE D'EPARGNE MOBILIERE SA, Paris (capital Ff 64,489,000) in March 1965 (see No 294)

WADDEL & REED INTERNATIONAL LTD, Hamilton, Bermuda, a subsidiary of the New York broking firm WADDEL & REED INC, having opened a branch in Hamburg (see No 300) has now opened an office in Berlin.

BANQUE DE FINANCEMENT SA, Brussels (directed by M. Laurent van de Sompele and M. J.P. Buffin), a subsidiary of BANQUE DE PARIS & DES PAYS-BAS, Paris, has doubled its capital to Bf 50 million. Banque de Financement (see No. 174) was formed in October 1962 and is one of several Belgian banking and financial establishments representing the Paris bank, which has offices in Antwerp, Ghent and Liege (see No. 275) and takes an active part in developing the Belgian economy (see No. 262) mainly through another of its subsidiaries CIE BELGE DE PARTICIPATIONS-PARIBAS-COBEP SA, Brussels (see No. 304) which has a share in METALLURGIQUE HAINAUT-SAMBRE SA, PHENIX-WORKS SA, SIDMAR SA, ELECTROBEL SA, GRANDS MAGASINS A L'INNOVATION SA, etc.

CIE FRANCAISE DE CREDIT & DE BANQUE SA, Paris (capital Ff 34.58 million since it recently absorbed its investment subsidiary company STE FINANCIERE DE L'AFRIQUE DU NORD) is now transferring its various foreign assets (in Algeria, Tunisia and Libya) and its French assets (estimated at Ff 63.5 million) to a deposit bank (capital Ff 30 million) under the same name. (The Paris firm is a member of the group B.U.P. - BANQUE DE L'UNION PARISIENNE SA with which it formed CIE MAROCAINE DE CREDIT & DE BANQUE at Casablanca a year ago - see No. 281 - to regroup their respective financial assets in Morocco).

The leading Japanese bank in the field of foreign transactions, THE BANK OF TOKYO LTD, Tokyo (capital Yens 20,000 million), has opened a branch at Antwerp under the direction of Mr. Shigeo Horie and Mr. Soichi Yokoyama. The bank already has branches in Paris (see No. 106), Milan (see No. 200), Amsterdam (see No. 204), Düsseldorf and Hamburg.

FOOD & DRINK
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The Belgian investment company CCCI-CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE SA, Brussels (chairman, M. Gustave Sabatier) has obtained 75% control of STE GENERALE DE DISTRIBUTION SOGEDI SA (see No. 311), which markets frozen food products made by SA DES PRODUITS SURGELES FRIMA SA, Brussels (formerly known as VIKING INTERNATIONAL SA - see No. 330). Frima has acquired from ETS ED-OUARD MATERNE SA, Jambes, Namur, a factory at Grobbendonk and its capital has been raised to Bf 140 million (44% of which belongs to CCCI).

Frima is affiliated to the group STE GENERALE DE BELGIQUE (through TRACTION & ELECTRICITE SA) and had another sales subsidiary EUROGEL SA which it recently liquidated after acquiring absolute control. It also controls FRIGORIFERES DU LITTORAL SA, Ostend.

ETS DUPRAT & DURAND SA, Talence, Gironde and CIE GENERALE DE PRODUITS ALIMENTAIRES SA, Paris, two subsidiaries of the canned food manufacturer (meat, fish, vegetables and fruit) STE ROCHEFORTAISE DE PRODUITS ALIMENTAIRES SA, Tananarive, Madagascar have now set up STE PARISIENNE DE SPECIALITES ALIMENTAIRES-PARSPA SA (capital Ff 20,000). The president is M. Henri Lelievre (managing director of the Madagascar company) and the new concern intends to widen the range of its food products and sales. The two founding companies had already joined in March 1965 (see No. 298) to form the Paris firm STE DE PARTICIPATIONS & DE GESTION DE PRODUITS ALIMENTAIRES -PARP-RODAL SA (capital Ff 200,000).

Opera Mundi - Europe No. 331

The Belgian firm LAITERIE SAINT-MICHEL SC Basilly, an associate of STE CENTRALE LAITIERE SA, Brussels has transferred its buildings, land and equipment to LAITERIE DE LA SYLLE SC, Ghislenghien, whose capital has now been raised to Bf 9.5 million. The main shareholders in this firm are BRABANIA SA, St-Josse-ten-Noode, LAITERIE DE LA PAIX SC, Nivelles and Vlezenbeek, and LAITERIE DE HERFELINGEN SC.

FOOD & DRINK
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The confectionery and chocolate group ("Blue Bird" caramels and sweets) HARRY VINCENT LTD, Halesowen, Birmingham has concluded an agreement with CONTI FELICE SpA, Milan. The Italian firm will be sole distributors of the British firm's products in Italy: until recently it was the distributor in Italy for the Swiss firm SA DES FABRIQUES DE CHOCOLAT & CONFISERIE J. KLAUS, Le Locle, Neuchatel, under an agreement which has not been renewed.

PUCINELLI-HAX LTD, London (directors Mr Edward J. R. Hack of Purley, Surrey and Mrs Joyce Bell, London, capital £10,000) has been formed recently to promote and sell preserved foods and other specialities including dried fruits, preserved fruit and vegetables, chocolate, coffee, etc produced in Italy by PUCINELLI PACKING CO SpA, Rovigo (capital lire 120 million) and in the United States by THE CHELAN PACKING CO, Wenatchee, Washington.

The Brussels firm FINANCIERE JOSSE ALLARD-FINALLARD SA, (see No 181) has a 38% shareholding with two other partners, represented by M. Bruno Phillipart (15%) and Jean de Broux (43%) in a new firm, GENERAL SOFT DRINKS, Schaerbeek, Brussels (capital Bf 10 million) to make and sell non-alcoholic drinks such as mineral waters, lemonade, fruit juice, etc.

DION DIETETICI OMOGENEIZZATI NATURALI SpA, Milan is being taken over by MELLIN D'ITALIA SpA, Milan which already controls the entire capital of Dion, lire 45 million. Mellin (formerly LABORATORI SCIENTIFICI MELLIN DI MANTOVANI E CO) makes dietetic foods. Its capital is lire 360 million (controlled by the Mantovani family) and its president Sig Enzo Massirani.

SA FRANCO-NEERLANDAISE DES CACAOS, Paris (capital Ff 750,000) which was the representative in France of the Dutch wholesale importer of tropical products DAARNHOUWER & CO'S HANDELMIJ NV, Amsterdam, has ceased trading. Until April 1964 it was called DAARNHOUWER & CIE SA.

INSURANCE
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CIE D'ASSURANCES MEDICALE & CHIRURGICALE-CAMC SA (capital Bf 200,000), recently formed at Brussels by M. Robert Dujardin and M. Charles Kever (36.5% and 36% holdings respectively) to insure against medical and hospitalization expenses, has opened an office at Stommeln, Cologne to extend its business to Western Germany.

ARAG ALLG. RECHTSSCHUTZ-VERSICHERUNGS AG, Düsseldorf (controlled by FIDA-GES. FUER VERMOGENS-VERWALTUNG & FUER VERMITTLUNG mbH, which is headed by Herr Walter Fassbender) has formed a Belgian insurance and re-insurance company, ARAG ASSURANCES RISQUES AUTOMOBILES & GENERAUX SA (capital Bf 2 million) at Brussels, for all risks except life, industrial accident and public liability. Half the capital has been subscribed by the owners of the German group, and the remainder by the FIDA (20%), CURA ASSEKURANZ GmbH, Düsseldorf (20%), and ARV - ALGEMENE RECHTSBIJSTAND VERZEKERING MIJ NV, Utrecht (10%).

The German group also include VIA ALLG. RECHTSSCHUTZ VERSICHERUNGS, Saarbrücken - with which it shares control of ATAG - ALLG. TEILZAHLUNGSKREDIT BANK AG, Düsseldorf, and TERRA ALLG. VERSICHERUNGS AG, Saarbrücken. It also has a subsidiary, ARV, in the Netherlands, and in Italy it is represented by ARAG ASSICURAZIONE DEI RISCHI DEGLI AUTOMOBILISTI & GENERALI SpA, Rome, which became a joint stock company in August 1963 with a capital of lire 1 million.

The insurance group LE RECOURS BELGE SA, Brussels (see No. 315) is backing LA BELGE-VIE, CIE D'ASSURANCES & DE REASSURANCES SUR LA VIE SA (on the same premises), to look after life assurance, life annuity and mortgage loan business in Belgium and abroad. The new company has a capital of Bf 10 million, and is managed by M. Roger H. Dewulf and M. J. Delosse. Its chief shareholders are three members of the group (SOBELCOUR SA, SABACREDIT SA and FIDUCIAIRE DES ASSURANCES - FDA SA, all based at the same office as the parent company and with 28%, 1.5% and 1.5% holdings respectively) and GROUPE DEROM Sprl, Dilbeek.

Several months ago the same shareholders formed SABAC SA, at Schaerbeek, Brussels, (at the offices of RECOURS BELGE, a 20% direct shareholder), a company engaged in credit insurance with security, loans against bills, mortgages, etc.

#### OIL, GAS & PETROCHEMICALS

The Paris group MM. WORMS & CIE Scs, Paris (see No. 317) has joined 50-50 (48.6% direct and 1.4% through its subsidiary STE DES ATELIERS & CHANTIERS DE LA SEINE MARITIME SA, Le Trait, Seine Maritime - see No. 290) with FORGES & CHANTIERS DE LA MEDITERRANEE SA, Paris, to form GAZ-TRANSPORT Sarl, Paris (capital Ff 1,800,000) to exploit the brand name "Gaz-Transport" and patents dealing with the transport and storage of liquid gas.

The manager of the new firm is M. A. Gilles (consulting engineer to MM. Worms & Cie) who is also manager of TECHNI-MARINE Sarl, Paris, a research company mainly concerned with transporting petrol by sea. The latter, set up in May 1963, is also a member of the Worms group; another shareholder in it is CIE NATIONALE DE NAVIGATION SA, Paris (a subsidiary of UGP - UNION GENERALE DES PETROLES).

The recent agreements between AGIP, Milan (subsidiary of ENI - ENTI NAZIONALE IDROCARBURI) and ESSO PETROLEUM, London (subsidiary of STANDARD OIL CO OF NEW JERSEY) whereby Esso took over Agip's British sales organization (see No. 328), have not affected ENI's plan to set up a refinery in Britain at Canvey Island (see No. 260). The Italian group will also continue its off-shore prospecting in the North Sea where it has exploration permits with PHILIPS PETROLEUM CO LTD and FINA

EXPLORATION (UK) LTD; these are handled by a new subsidiary formed in London with a capital of £2,000: AGIP EXPLORATION (UK) LTD.

PAPER & PACKAGING

Two French paper companies have formed a joint subsidiary, FLANDRES & GUYENNE-PACOFA & PAPETERIES DE GUYENNE Snc, at Halluin, Nord (capital Ff 500,000) to build a "Eurokote" high-gloss paper and cardboard factory at Thiviers, Dordogne. The two companies are: PACOFA-MAURICE VERKINDERE & LEONARD BIERMANS SA, Halluin (capital Ff 750,000 - linked to the Belgian paper and cardboard processing firm LEONARD BIERMANS NV, Turnhout) with 50.2%, and PAPETERIES DE GUYENNE SA, Thiviers (capital Ff 1,556,000) with 49.8%. The latter has factories at Castilloux and La Bruyere, Dordogne, employing around 250 people.

The American paper group THE MEAD CORP, Dayton, Ohio (see No. 311) has taken a direct shareholding in its 50% Belgian subsidiary PAPETERIES DE TISSELT SA, Tisselt, Malines (see No. 275), whose capital has been raised to Bf 125 million. Previously this firm, which makes special papers (formerly OUATE CELLULOSE SOHIE SA, taken over by the American group in 1962) was controlled 50% by the Swiss subsidiary MEAD AG, Zug (see No. 295) and 50% by UNION FINANCIERE D'ANVERS SA-BUFA, Antwerp, which contributed to the increase in capital in proportion to its shareholding.

PHARMACEUTICALS

ASSOCIATED PRODUCTS INC, New York (see No. 287) has formed a partnership with UFFICIO RAPPRESENTANZE GRANDI MARCHE ESTERE URAGME SAS, Rome, for the manufacture and sale in Italy of its products: cosmetics, perfumery, and pharmaceutical, food and dietetic products for domestic animals. A common subsidiary, ASSOCIATED PRODUCTS ITALIANA SpA, Rome (capital lire 5 million) will be formed. The Italian firm has 49.8% and the remainder of the capital is held by the American group's London subsidiary, ASSOCIATED PRODUCTS (ENGLAND) LTD.

M. Jean Comar has been appointed president of PRECIBO SA (see No. 322), the new French subsidiary of the DIAGNOSTIC REGENT division of WARNER LAMBERT PHARMACEUTICAL CO, Morris Plains, New Jersey. The new company, formed 51-49 with ETS CLIN BYLA SA, Paris, has a capital of Ff 250,000, which is shared on the American side by two of the group's French subsidiaries, RICHARD HUDNUT SA, Suresnes, Seine, and PARFUMS CIRO SA, Paris, and on the French (minority) side by ETS CLIN BYLA, ALCASYNTHÈSE Sarl and STE NOUVELLE SEMPA-CHIMIE SA (see No. 234).

The pharmaceutical group ROUSSEL UCLAF SA, Paris (see No. 268), which already has several subsidiaries in Britain (see No. 214) including ROUSSEL LABORATORIES LTD, Wembley Park, Middlesex, UCLAF LTD, Stratford, and its subsidiary UPSIL LTD, London (jointly with PECHINEY SAINT-GOBAIN) has now formed a new

one at Wembley under its own name. The new firm has a capital of £250 and the board consists of M. J.C. Roussel, Mr. Kenneth H.R. Collard, Mr. Richard H. Henrikson, M. Jacques G. Machizaud, Mr. G.E. Powerham and Mr. R.O. Atkinson, and it will be responsible for all the financial activities of the group's companies (present and future) in Britain.

PLASTICS
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PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No. 320), which has had to abandon its project to set up a butadiene factory at Ambes, Gironde, and consequently has liquidated its Paris subsidiary, STE DES OLEFINES D'AQUITAINE SA, formed in 1963 (capital Ff 8,632,000 - see No. 307), still intends to carry out its plans for industrial investment in the Common Market. Agreement in principle has been reached with RHONE-POULENC SA, Paris (see No. 329) with the following results:

- (1) A plant will be set up in Antwerp for the production of low-pressure polyethylene. The raw materials will be supplied by the steam-cracking unit of PETROCHIM - STE CHIMIQUE DES DERIVES DU PETROLE SA, Antwerp, which will shortly be completed (production should be in progress by 1967, with an annual capacity of 200,000 tons of ethylene). Petrochim is a joint subsidiary (41% each) of the American group and PETROFINA SA, Brussels (see No. 323). The new polyethylene plant will be run by a company which is still to be formed, in which the American group will have the majority share.
- (2) Phillips Petroleum will take a reciprocal holding in MANOLENE - MANUFACTURE NORMANDE DE POLYETHYLENES SA, Paris (the largest French producer of low-pressure polyethylene) which already has a licence from the American company. Manolene's capital (Ff 18.45 million) is at present shared between Rhone-Poulenc (33.3%) and its wholly-owned manufacturing subsidiary STE DES USINES CHIMIQUES RHONE-POULENC SA, Paris (55.9%) and also ETS KUHLMANN SA, Paris (5.4%) and CFR - CIE FRANCAISE DE RAFFINAGE SA (5.4%).
- (3) An equally-owned European sales subsidiary will be set up.

Through this agreement with the American group, Rhone-Poulenc is realizing its plans for the manufacture of plastic materials originally intended for the petrochemical complex at Feysin (formed with the backing of the state group UGP - UNION GENERALE DES PETROLES).

Two German industrialists, Herr Helmut and Herr Erhard Servas, have founded INTERPLAST GmbH KUNSTSTOFFFABRIK, Rodalben, Palatinat (capital Dm 100,000) for the manufacture and sale of plastic materials. The company will work closely with WILHELM SERVAS oHg (ladies' shoes), also at Rodalben, which is owned by the same two Germans. Wilhelm Servas has about 1,000 employees and possesses a manufacturing subsidiary in France, SERVAS Sarl, Merckwiller, Bas-Rhin.

PRINTING & PUBLISHING
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The publishing house DR ALFRED HUTHIG VERLAG GmbH, Heidelberg (capital raised from Dm 400,000 to Dm 1 million in July 1965), has obtained control of another company in the industry, FOTOPRESS GRAFISCHE BETRIEBE WERNER DOLD GmbH, Heidelberg-Eppelheim. This company employs 150 people and in 1964 had a turnover of Dm 4.4 million.

TEXTILES
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BALAMO SA, Brussels (see No. 312) has set up a 90% subsidiary in Paris BALAMO FRANCE Sarl, the rest of the capital being owned by BANQUE DE FINANCEMENT INDUSTRIEL SA, Monte Carlo (represented by M. Jacques Roudy). Balamo itself was recently formed as a joint subsidiary of the American group MOHASCO INDUSTRIES INC (40%) and the European group BALAMUNDI (controlled by the Belgian paper group PAPETERIES DE GENVAL SA, which is headed by M. Paul E. Goffart). The new Balamo subsidiary (capital Ff 300,000, manager M.G. Reynaud) will manufacture and sell carpets, moquettes, floor-coverings and wall-coverings using the "Tuffind" or "Soft Floor" techniques brought to Balamundi by Mohasco Industries.

The textile group KON TEXTIELFABRIEKEN NIJVERDAL-TEN CATE NV, Almelo (see No. 276) has made an agreement with J.P. STEVENS & CO INC, New York, one of the major American cotton and wool material firms, concerning their joint subsidiary STEVENS-TEN CATE NV, Almelo (see No. 267), which was set up at the end of 1961 (see No. 117) to manufacture sports clothing and rainwear. This subsidiary will now be 100% controlled by the Dutch group which will no longer have any connection with the American group in the Common Market, apart from its joint share-holding in the French firm, ETS PIERRE GENIN SA, Villeurbanne, Rhone.

The French manufacturer of lingerie and beachwear, LEJABY SA, Bellegarde, Ain, which was considering setting up a sales subsidiary in Belgium, (see No. 330), has now formed one at Brussels named DONATEX Sarl. The capital is Bf 200,000, three-quarters of which has been subscribed by M. Maurice Bugnon, Lyons, Rhone, the manager of the new company (director M. Jean Scheid) who is also manager of the sister company recently formed in West Germany, LEJABY-COLOGNE GmbH.

The German manufacturer of ladies' clothing, JOBIS BEKLEIDUNGS-INDUSTRIE GmbH & Co. KG (Bielefeld, with branches at Berlin, Düsseldorf and Munich), headed by Herr Hans Bisegger and Herr Herbet Bremer, has gained complete control of the holding company, GLANDUS GmbH, Zurich, whose capital (until now equally divided between Herr Hektor von Salis and Herr Anton Honold) has been increased from Sf 160,000 to Sf 1 million.