

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

May 1 - May 7, 1967

From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

First Round to Harold Wilson

The chances of Britain joining the European Communities improved considerably, if not dramatically, when the British Prime Minister announced to the House of Commons on May 2 that his government intended to apply for membership (see No 407). Until then the majority of European observers were somewhat sceptical, and did not really think that an enlarged Community, after so many setbacks, had much chance of success. They thought that any new British attempt would meet with another rebuff, and even if General de Gaulle was unwilling to risk a unilateral veto, he was assured of support from Bonn, even if this was only lukewarm. The strongest supporters of the Community idea, Belgium and Luxembourg, also had their doubts about admitting a country, the depth of whose conversion to the European idea remained uncertain.

But this assessment of the situation was transformed within a few days. It was not Mr Wilson's statement in itself which brought about the change, for few can have doubted the final result, the day Mr Wilson started his tour of the capitals of the Six. There are various reasons for the change of mood:

Massive support in Britain: Stronger internal opposition to the European move of the Prime Minister had been expected, but in fact no members of the Cabinet have yet resigned, although this may be a deliberate act by opponents of British entry, who believe they can have more influence within rather than outside the government. There has been some opposition from Labour backbenchers, and 74 signed a declaration against entering the Common Market, but nothing like this number are expected to vote against the Government. Furthermore, the Government will be supported by the Opposition, which has once again reaffirmed the strength of its European ideals, and well over 500 members of Parliament are expected to vote in favour of the British application on the night of Wednesday May 10.

All parties in favour: Some may still be asking whether the British have really become as Community-minded as they now appear to be, but this same question could be applied to each of the Six. In fact this time emotions are less important than political realities, and the latter clearly show the difference from the last British attempt. The new move will not become a point of argument in elections, and there is now a majority in both parties, as well as in the Commons, in favour of membership of the Common Market.

Few objections from outside: If internal reactions are taken to include those of EFTA, the Commonwealth and the effect on Britain's international responsibilities, it must be said that Mr Wilson is starting from a stronger position than did Mr Heath in 1962. Commonwealth doubts are reasonably muted, whilst EFTA members realise they will only be able to make an arrangement with the Six when there is a British agreement with the latter. Even their most outspoken anti-marketeters, such as the Swede Gunnar Lange, appear to be giving up resistance.

A skilful speech: Knowing that he held a strong position on his home front, Mr Wilson was clever enough not to limit the question of British membership to purely commercial and economic problems. He did not hide the fact that there would be some economic difficulties raised by integrating Britain into the Common Market, but he skilfully took the view that they could be solved within the framework of the Rome Treaty. The arrangements and transitional proposals which he mentioned are, in principle, quite acceptable.

Stress on the political aspect: The Prime Minister did not argue over the political aims of the Community, and in fact he was more explicit on some points than the Community treaties themselves. He placed himself firmly in the opposite camp to those who believe that since the 1965 crisis the Community has lost its political substance. He thus reassured those of the Six who fear British entry might weaken the Community, as well as giving fresh hope to the Common Markets' Anglophiles'.

A well-timed move: Not only has Mr Wilson played his cards soon enough to make the Six discuss the problem and take up their positions during the Rome summit, but he has also been sufficiently adroit (and lucky) to make his bid at a moment when the Community's own political climate has improved considerably. Again, no member state is likely to start a controversy over Britain's bid, especially as the latter can play an important role in solving some of the Community's main problems.

No French veto: His timing appears to be well chosen with regard to the internal situation in France. Most observers believe General de Gaulle's political difficulties are unlikely to renew tensions within the EEC by a point-blank rejection of Britain. Some believe the French President may well use the prospect of an enlarged Common Market as a further justification for the special powers his government is seeking to strengthen and recast France's economic and financial structure. Furthermore, well-informed diplomatic circles believe that General de Gaulle has decided not to use his veto this time. The same circles believe that the change is not due to fear of France's Common Market partners, but rather to the idea that British membership is inevitable, and therefore preparations for the new situation should now be initiated.

Monetary problems raised by Giscard d'Estaing: M. Giscard d'Estaing, who can hardly be called a spokesman for General de Gaulle, in view of his extremely strained relations with the Pompidou government, confirmed this belief during a speech he made in London on May 4. This bore witness to the fact that a sizeable part of the French majority grouping is in favour of British entry, and such a political factor should not be ignored.

In his speech, the former French Finance Minister raised a major question - that of sterling and Anglo-American solidarity over international monetary problems. His approach to the problems involved was not unfriendly, and he stressed how matters had been complicated by misunderstandings, especially over French policy, and that sterling was hardly responsible for world inflation.

The one point that came through quite clearly was M. Giscard d'Estaing's desire for Britain to adopt a new stance over American monetary policy. The reason for this is the Six have not achieved perfect harmony amongst themselves in this sphere, and a pro-American party joining the Common Market might upset things.

He also stressed the fear that the City's expertise might create a danger of European capital flowing into London, thus harming the Continental capital markets. Taken as a whole, M. Giscard d'Estaing's speech implied that membership of the EEC would involve co-operation between Britain and the Six on both external and internal monetary matters.

A Long Haul After a Good Start: It would be a bold observer who forecast early British membership of the Common Market. "This is a business of great importance, that will be long and arduous", said the French Minister of Information, M. Georges Gorse, after last Wednesday's cabinet meeting. In other words, Britain will not become a member overnight, despite Mr Wilson's wishes. Although he undoubtedly made a good start, and won the first round in a convincing manner, this was by no means a completely decisive move forward.

* * *

Professor Hallstein resigns

The announcement last weekend by Professor Walter Hallstein that he was resigning as both head of the Common Market Commission, and candidate for the new single Commission, brings to an end a chapter of psychological and political conflicts which has lasted since the 1965 crisis, and has prevented agreement being reached over the merger of the executives, now due on July 1, 1967.

Hallstein v. de Gaulle: Paris felt that Professor Hallstein had tried to overstress the supranational aspects of the Rome Treaty and also tried to act as the head of a sort of super-government. This resulted in the "Good Conduct Code" agreed by the Six during their Luxembourg reconciliation, which will be the subject of talks with the new single Commission, and will prevent the latter making any mistakes in the wielding of its authority. It was also agreed, as the result of French concessions to Bonn, that the EEC President would head the new Commission, but only for a short period. However, the length of the mandate created problems, as the Germans wanted it to last for one year, until the achievement of the customs union on July 1, 1968, whilst Paris wanted only six months.

Bonn agrees with Paris: Bonn seems to have given way last week before French pressure. They told Professor Hallstein, but he rejected the offer before it became public knowledge, and his reasons for doing so are well founded. In his letter of resignation to Chancellor Kiesinger, he made it clear that he would not be able to merge and reshape the three executives during a six months period which took in the summer and Christmas holidays, even though this operation was advanced as the reason for a short mandate. He stressed that the Six's agreement on the merger stated that the mandate would be for two years. Informed circles in Brussels are saying that Professor Hallstein refused "a tip", and for the same reasons, he also refused to become vice-president.

The Commission's Regrets: The Commission appears to have been surprised by the suddenness of the decision. It met on Monday morning and sent a telegram to Professor Hallstein signed by its vice-president Lionello Levi Sandri, in which the members of the Commission expressed "their profound sympathy" and "fully understood the higher motives which you followed" as well as their "confidence, solidarity and faithful friendship". They also said that the Communities would be deprived of his "authority and experience, at a time when they will have to solve particularly numerous and complex problems". These words are unlikely to make Professor Hallstein change his mind.

Who will take over? How will the other governments react? As they do not appear to have been consulted about the agreement between Paris and Bonn, they might well take offence. But Professor Hallstein has himself withdrawn his bid for office, and it is difficult to imagine how another government could reopen it. There is, however, a possibility that a row may now start over the vice-president Dr. Sicco Mansholt, to whom Paris also objects. The Benelux countries may propose him just to make life difficult for the French, as the latter would find it hard to use another veto now that Professor Hallstein has virtually been forced to resign. However, Sicco Mansholt hails from the ranks of the Dutch Socialists, and as these form part of the Dutch Opposition, his chances of being supported by his own government are not as good as they might be.

The other leading candidate for the head of the merged executives is M. Jean Rey, a former Belgian Minister who supports British membership of the EEC and is now the chief negotiator for the Community in the Kennedy Round, but his chances may well depend on what sort of final package deal is reached in Geneva.

* * *

THE KENNEDY ROUND

Council Meeting: The most tangible achievement of the short meeting on the Kennedy Round held by the Six on May 2 was the vote of confidence they gave the Commission and especially its representative, Jean Rey. This confidence indicated: (a) that the EEC Council completely repudiated the suggestions made in some Anglo-American quarters that it was not on the same wave-length as its principal negotiator, and (b) that he had been given enough freedom of movement to achieve the final compromise already outlined. Final approval on the deal must be given by May 11, so that the Kennedy Round can be wound up by Whitsun.

Compromise- While Rey did not get a complete go-ahead, the Six did indicate approval of the compromise which, barring accidents, seems to be developing in Geneva. On the EEC side there is readiness to accept, under certain conditions, the phased cuts in chemical tariffs. They would agree to gradual reductions in some duties (except for colourants), without waiting for Congress to revise the American Selling Price system, and the remainder of the tariff reductions would occur after that. Although agreement in principle has been achieved, the facts and figures of the operation have to be negotiated and this could be very delicate, especially as an exact appreciation of the effects of these cuts is extremely difficult in some cases.

-On Both Sides: Besides, the Six have decided firmly on giving nothing away. "The Kennedy Round", says Jean Rey, "has reached a serious but not a dangerous phase. But there can be no question of the Community making concessions to its partners without adequate reciprocal arrangements". In other words, in exchange for generosity on chemicals, some gesture is expected from the other side - these others being mainly represented by the United States, on which the Six have decided to concentrate Jean Rey's last efforts. Any possible gains which they may make for themselves will be automatically extended to the other participants and make it easier to reach agreement with them. In fact it is to be hoped that the main American negotiator, William Roth, then on his way to Washington, will also get more flexible instructions from his superiors there.

Solutions: The United States will firstly be expected to abandon their threat to withdraw previous offers if the EEC does not improve on her proposals for aluminium, civil engineering equipment and agricultural products other than cereals, especially tobacco. But on the European side, the Americans are especially being asked to accept the world agreement on cereals proposed by the Six, bar one or two minor changes. For example, the EEC could accept a food aid programme of more than the annual figure of three million tons if its self-sufficiency rate remained fixed at 89%, or else the reverse solution: a slight reduction of this rate if the volume of food aid remained unchanged. In any case, there can be no question of excluding forage cereals from the agreement or of assuring the United States guaranteed outlets in Europe in one form or another.

Although the Ministers have been extremely tight-lipped about their discussions there does not seem to have been any argument. Of course, the German representative, and even more so the Dutch Minister Joseph Luns expressed their anxiety at the turn taken by the Geneva negotiations. But this was more a matter of form and the relative brevity of the meeting on May 2 has confirmed the fact that the Six have definitely cemented their common position. Meanwhile, in Geneva, the negotiators, having recommenced talks on May 7 and failed to devise a package, have further postponed their deadline to Sunday, May 14.

* * *

Relations With Greece : A Compromising Situation

The Greek military coup poses some tricky legal problems, as regards the association agreement between Greece and the EEC. None of the six Governments

has thought of breaking off diplomatic relations with the new regime, or even recalling their ambassadors, neither does there seem to be any definite stipulation in the agreement that the signatories should maintain a system of parliamentary democracy. In this treaty, political considerations are secondary to economic ones.

At the same time the association agreement is based on the idea of full Greek membership of the Common Market as soon as the country has reached the requisite stage of development to be able to withstand competition from her partners. By comparison, the arrangement envisaged for Spain contains no such provision: it is purely economic, and when it expires can go no further without unanimous approval by the Six, that is, when the Spanish regime becomes democratic. So there can be no doubt that, at any rate in the long term, Greek association has a political character and that, politically, the change of regime in Athens raises a general problem for the EEC.

Broken Machinery: One very definite problem is that the association institutions include a mixed parliamentary Commission, and because of internment measures taken by the Greeks against a large number of deputies, this institution can no longer function, and will not be able to do so until parliamentary life is re-established in Greece. Although this is purely an advisory institution, whose role is not defined by the Treaty, but by a legally irrevocable decision of the Council of Ministers of the Association, there is little likelihood of the Six remaining unmoved by the feeling aroused in European parliamentary circles by the events which have taken place in Greece.

Rupture? The European Parliament's political commission and commission for the Association with Greece have just expressed their great anxiety at these events and about the fate of their Greek colleagues. An oral question, with a debate, will be raised at the Parliamentary session opening this week in Strasbourg at the EEC Commission. This question, like the resolutions approved hitherto by the European Parliament, asks if, under the circumstances caused by the Greek coup d'etat, the association agreement can continue to apply, and likewise the secondary codicils, especially the one covering aid from the European Investment Bank. Here, at any rate, the members of the European Parliament were quite clear: the answer is a definite "No".

Freeze: Even though cancellation of the agreement seems unlikely, it is quite possible that, on the EEC side at least, some member States - which is the same thing - will try to block the effects of association as far as possible. This move seems even more likely as some claims made by the old Greek regime had already run into a marked lack of support from the Six, for economic reasons. It is therefore probable that the allocation of new credits by the Investment Bank will be temporarily checked, if not stopped altogether, and that the inclusion of Greek agricultural production in the Community system will be put off until times are better for democracy.

* * *

ECSC

Executives' Merger May Save the Treaty of Paris

"The High Authority will continue indefatigably to seek original solutions to the problems facing the industrial sectors under its jurisdiction, so as to leave the ECSC files to the single Commission, formed by the merger of the European Executives, in such a form that the sectors covered by the Treaty of Paris may be assured of continuity of Community action." This statement was made by Vice-President Coppe at the end of his speech on May 8 in Strasbourg, when he presented the 15th General Report of the High Authority to the European Parliament: with the merger now so close, this is likely to be its last. M. Coppe went on to say that the High Authority hopes it can achieve this, and thus see an end to the period of considerable economic difficulty which has been caused in the coal and steel sectors by the uncertainty over such profound changes in the institutional structure.

Hope for Steel but not for Coal: On the problems of the steel market, M. Coppe showed a certain degree of optimism, because unlike the coal industry, with its shrinking outlets, there is no reason to doubt that the Six will maintain Europe's steel producing function. A slight recovery may take place in the coming months, but no-one is more than cautiously hopeful. The coal industry, however, is still in serious trouble. Current prospects are scarcely better than the most gloomy forecasts for last year, and it is now a question of fixing acceptable social and regional limits to a decline which has become inevitable. Besides, the difficulties in the coal-mines and the reorganisation of the steel industry make it even more vital to pursue Community action in the sphere of industrial reconversion and retraining of workers.

The High Authority's 15th General Report will be debated during the June meeting of the European Parliament, and Mlle. Lulling (Luxembourg Socialist) will present the Parliamentary report on which the discussion will be based.

* * *

Retraining Grants

The High Authority has decided to grant retraining aid totalling \$2,828,000 (an equal sum will be paid by the Governments of the member-countries concerned) to 8,359 workers affected by the closures. These are mainly German coal-miners, but also Belgian miners and steelworkers, and French and Italian steelworkers.

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AEROSPACE

** The Friedrichshafen firm DORNIER WERKE GmbH (see No 273) - capital recently increased from DM 10 to DM 15 million - has made the latest proposal aimed at resolving the difficulties faced by the West German aircraft industry. This is the formation of a joint company to co-ordinate the sector's activities and act as sole negotiator in deals with the State. Called DEUTSCHE FLUGZEUGUNION GmbH, it will have an initial capital of DM 50 million.

The latest merger within this sector in West Germany mainly affected the space industry: Erno Raumfahrttechnik GmbH (see No 404) was formed as a joint 60-40 subsidiary of V.F.W.-Vereingte Flugtechnische Werke GmbH, Bremen, and Hamburger Flugzeugbau GmbH, Hamburg.

AUTOMOBILES

** The first-ever "European" car is to be developed by a newly-formed Luxembourg company called CIE EUROPEENNE DE CONSTRUCTION DE MOTEURS D'AUTOMOBILES-COMOTOR SA (see No 256). This firm (capital Lux F 100 million) has been set up by the French and German manufacturers SA ANDRE CITROEN, Paris (see No 405), and NSU (in which Citroen is a shareholder), under an agreement covering the "Wankel" rotary engine, the rights to which are owned 40% and 60% respectively by NSU and Wankel GmbH, Lindau (see No 305). In 1965 the two companies formed a joint research company in Geneva called Comobil (see No 299): under the current move, the French partner will take a share in the development, construction and sale of the NSU-Wankel engine, while the German partner will be engaged in helping to develop the non-mechanical part of the future vehicle.

The board of the new company is drawn from the management of both parent companies: the French side is represented by the president, M. Pierre Bercot (president of Citroen and Comobil, and also a shareholder in the Basle holding company Cie Financiere Michelin of the Clermont-Ferrand rubber group Michelin, which is a 66% majority shareholder in Citroen), and MM. Andre Noel and Geoffroy; and the German by Messrs Gerd Stieler von Heydekampf (president of NSU), Banmann and Bunford (the British importer of NSU vehicles).

BUILDING & CIVIL ENGINEERING

** The family-owned concern DAL VERA SpA, Conegliano, Veneto, which specialises in wood-work for interior decoration as well as for use in the building industry, has appointed DAL VERA-NICE Sarl, Nice, Alpes-Maritimes (capital Ff 20,000) as its exclusive agent for several departments in southern France. The latter is headed by Madame F. Calmes-Festa.

With Sig. Pietro Dal Vera as president, the Italian concern has factories at Conegliano, Susegana, and Barbisano, whilst its subsidiary Dal Vera Meridionale SpA (capital Lire 250 million) has factories at Avezzano and Bari.

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** The Paris company STE DES MARBRES DU CONDANDO (FRANCE) Sarl (capital Ff 50,000) which will carry out all types of work using marble, has been formed as the result of a move by a Portuguese company IMMOBILIARE DO ULTRAMAR Sarl, Luanda, Angola (capital Esc. 10 million) which is linked with its Lisbon parent company MARMORES DO CONDADO Sarl (capital Esc 60 million) and has formed a new company, whose manager is M. A.L. Archambaud, Paris.

** SABEGO (BELGIQUE) SA (formed 1962 - capital unchanged at Bf 20 million) a property development company, has been wound up. This has its offices at Schaeerbek - Brussels and the president was Mme G. Ferdmann Hollander.

It was linked with the Geneva concern Sabego SA and the London financial establishment Singer & Friedlander (see No 318) and its other shareholders (20% each) included two investment companies: Pessel Trust, Vaduz, Liechtenstein and Ticiol, Geneva. Three years ago it acquired control of Immobiliere de Uccle, Brussels. Since 1964 Sabego SA, Geneva, has shared control with three Luxembourg holding companies (NOROP SA, TUCOFIX SA and OLUX SA) of the prefabricated building materials concern Les Procèdes Y.C. Benelux SA, Brussels.

COSMETICS

** The Dutch cosmetics and toiletry products manufacturer L'ORCHARD NV, Beekbergen has formed a Belgian subsidiary COSMETICS GEN NV, Wilrijk, Antwerp (capital Bf 1 million). The Dutch company (president M. W. J. Howwink) has appointed Messrs J. van der Meer, E. van Seventer and L. F. Verheijdt as heads of the new concern.

** The New York chemicals and pharmaceuticals group BRISTOL-MYERS CO (see No 385), has extended its French interests - through its subsidiary Bristol Myers International Corp, New York - by the acquisition of a shareholding in the toilet products firm PARFUMS FORVIL & DENTIFRICES DU DOCTEUR PIERRE REUNIS SA, Nanterre, Hauts-de-Seine (capital Ff 1.8 million).

At the same time the New York group has gained absolute control of the Madrid company Laboratorios Profiden SA (capital Pts. 20 million) which specialises in dental products.

** The New York cosmetics group AVON PRODUCTS INC, (see No 398) has increased the capital of its Belgian subsidiary AVON COSMETICS SA, Brussels (formed end of 1962) to Bf 25 million, and thus enabled it to overcome its existing financial difficulties.

The Belgian subsidiary had debts at the end of 1966 of Bf 187 million, and accumulated losses of Bf 111.7 million, of which the last financial year accounted for Bf 4.3 million.

ELECTRICAL ENGINEERING

** An agreement has been made in Belgium covering industrial electrical heating (low, medium and high frequencies) between the Belgian group A.C.E.C. Ateliers de Constructions Electriques de Charleroi SA (member of the Empain group - see No 401), and the Dutch group NV PHILIPS GLOEILAMPENFABRIEKEN, Eindhoven. As a result a new joint subsidiary has been formed in Brussels called d'Elphiac SA. This will have its first plant at Herstal, but the aim of the parent companies being to co-ordinate their work in this sector throughout the world, factories will subsequently be constructed in other countries.

** The proposal made in 1965 (see No 329) by the French radio manufacturer OCEANIC RADIO SA, Paris, to link with the New York group I.T.T. - International Telephone & Telegraph Corp (which has a controlling 66% interest) to set up a West German sales subsidiary, has now resulted in the formal establishment of Oceanic Radio Vertriebs GmbH (capital DM 20,000), with Herren R. Küberle, G. Hifken and S. Zander as managers. This new concern will be responsible for marketing in Germany products made by the French company in its new factory at Chartres.

ELECTRONICS

** TELETTRA-LABORATORI DI TELEFONIA ELETTRONICA & RADIO SpA, Vimercate, Milano (see No 396), has formed a Madrid engineering and sales company TELETTRA ESPANOLA SA (capital Pts 5 million), which will handle all types of electronic telecommunication equipment. The president is Signor A. Peduzzi, Concorezzo, Milano.

For the past few months the founder has owned a Luxembourg investment company, Telettra International SA, and is itself controlled by Fairchild Camera & Instrument Corp., Syosset, New Jersey, S.G.S.-Sta Generale SemiConduttori SpA, Agrate Brianze and Ing. C. Olivetti & Co SpA, Ivrea. It recently won a large export order to Mexico - worth some \$1.5 million - for hertzian line telecommunication equipment, from the Secretaria de Comunicaciones Transportes, Mexico.

ENGINEERING & METAL

** The RHEEM MANUFACTURING CO, New York, group (see No 402), which, at the end of 1964 (see No 285), acquired the foreign sales interests of the laundry equipment manufacturer HOFFMAN INTERNATIONAL CORP, New York, at a cost of \$3.73 million, has changed the name of its subsidiary Tarlhoffco SA to Rheem Machines (Belgium) SA. With M. A. F. de Drakeli as president, and headed by M. J. Tarlton, the latter has a capital of Bf 1.1 million, which today is controlled by Rheem International Inc.

** Swiss capital represented by PYROS AG, Stansstad, Nidwalden, (74%) and GERBER & CIE AG, Lyss, Berne (20%) have backed the formal establishment in Paris of Gerber SA (capital Ff 200,000 - see No 397), which specialises in the manufacture of heat-resistant materials for air control equipment. With M. Alfred Waydelich, Paris as President, the Board of the new company includes the Berne firm (President Dr. Erwin Gerber) and Herr Erhard Knöflter Kirchrode who also heads PYROS GmbH, Hanover (see No 342).

** The French manufacturer of mining and civil engineering equipment, KOEHRING SA, Paris (see No 394), has sold its interest in the Frankfurt subsidiary it formed in August 1963, Koehring Brissonneau GmbH to Swiss interests headed by MM Samuel Barbey, Vevey and Charles Derivaz, La Tour de Peilz. The firm has now raised its capital from DM 20,000 to DM 120,000, transferred its head-office to Neu Isenburg and changed its name to SCHALTEX SCHNELLSCHALUNG.

The French company is also about to close down its Milan subsidiary Koehring-Brissonneau Italiana, formed in September 1963. It is itself a wholly-owned subsidiary of the Koehring Co group of Milwaukee, Wisconsin which took 55% in it when it was formed in 1962 and later bought up the 45% share held by Ets Brissonneau & Lotz, Paris.

The American group has an annual turnover of some \$185 million. In Germany, it is retaining control of the civil engineering equipment company (excavators, levelling equipment, pile-drivers), Menck & Hambrock of Hamburg (see No 255) in which DEMAG, Duisburg has a minority shareholding.

** E.B.V.-ESCHWEILER BERGWERKS - VEREIN, Kohlscheid, Aachen, (see No 361) has made a bid for the remainder of the capital (totalling DM 31.2 million) of BERGBAU AG LOTHRINGEN, Bochum-Gerthe in which it already has a 76% controlling interest. E.B.V. is the 95.8% West German subsidiary of the Luxembourg group ARBED - Acieries Reunies de Burbach-Eich-Dudelange SA (see No 405).

Bergbau Lothringen employs some 7,000 persons in coal mining and heavy engineering plants at Bochum and Zorge, Sudharz. In 1965 its consolidated turnover reached DM 254 million. In West Germany its main shareholdings are: Gewerkschaft Lothringen IV, Bochum (100%), Eisen-AG Lothringen, Hanover (100%), Hellinghausen & Co KG, Bochum, Kalkwerke Rheine GmbH, Rheine, Westphalia (100%), Balo Motorenbau GmbH, Castrop-Rauxel (100%) and G. Longhof KG, Dortmund (50%).

** As the result of an agreement reached between SOCALTRA-Soc. Alsacienne d'Etudes & de Travaux SA, Neuilly-sur-Seine and Graffenstaden, Bas-Rhin (see No 400) and the engineering division of VICKERS LTD, Millbank, London (see No 393), the French concern will set up a centre carrying out research into the application of accelerated freeze-drying in the food industries.

Socaltra has been granted rights to manufacture and market Vickers' accelerated freeze-drying equipment, and will also have technical assistance from the British firm. Another recent move by the French firm was the signing of co-operation agreements with two East German firms Transport Anlagen Projekt Veb, Leipzig and Maschinen Export, East Berlin covering materials-handling equipment.

** The merger of two leading steel producers in Luxembourg ARBED SA (see No 400) and its 75% subsidiary HADIR SA (see No 390), has now taken place. Arbed SA has taken over Hadir SA, and increased its capital to Lux. F. 6,480 million. Hadir can produce 1.5 million tons of crude steel p.a., and has a plant at Differange, with ten blast furnaces and five converters making beams, sheets, and piping. Its plant at St-Ingberg, Saar, makes sections, rolled steel and hoops. Its foreign interests include Mines de Bazailles in France, Ubell SA, in Belgium, and Ets Santa Rosa in the Argentine.

** A licencing and representation agreement has been signed in Italy between FMI MECFOND-AZIENDE MECCANICHE RIUNITE SpA, Naples (see No 384) and the Chicago manufacturer of presses for the car industry DANLY MACHINE CORP (see No 371) giving the former the distribution rights for Danly presses throughout Continental Europe, Eastern Europe and the Mediterranean countries. As a reciprocal move "Mecfond" presses will be distributed in the USA by the Chicago group.

The latter is already well represented in Europe, and in 1966, it opened a Brussels branch - headed by Mr. T. L. Colesman - to its subsidiary Danly Machines Specialities Inc. The Italian company (capital Lire 450 million) belongs to the Finmeccanica SpA group (itself a subsidiary of IRI) and holds several American licences: from Aetna Standard (a division of the Blaw Knox Co, Pittsburgh - see No 404) and Cantop Inc., Bala Cynwyd, Pennsylvania.

** The American manufacturer of grinding machinery for lacquers and varnishes NORDSON CORP., Amherst, Ohio, has now formally established a West German sales subsidiary (see No 378). The new company NORDSON GmbH (capital DM 100,000) has Mr. James Edward Taylor as manager.

Since February 1966 the American company has controlled the Belgian firm Nordson SA, Saint-Josse-ten-Noode, Brussels in association with its sister companies U.S. Automatic Corp., Nordson Midwestern Inc., Nordson Michigan Inc., Nordson Eastern Inc., Nordson Central Inc., and Nordson Southern Inc, (all at Amherst).

** The American specialist firm T. D. WILLIAMS, Tulsa, Oklahoma, (pipeline building and maintenance - see No 346) has formed a wholly-owned Brussels construction subsidiary T. D. WILLIAMSON SA. The president of the new company (capital Bf 10 million) is Mr Truman D. Williamson (chief shareholder and chairman of the founder) and the managing director is Mr Abram B. Steen, Farnham Royal, Berkshire, Britain.

Since 1964, T. D. Williamson has controlled T. D. Williamson (U.K.) Ltd which specialises in equipment for building and cleaning pipelines, and in sealing joints in pipelines. In France the American concern is represented by Petrochemie SA, Paris, and it has granted its patents and representation rights to Premaberg Export SA, St-Josse-ten-Noode, Brussels, Premaberg Italiana SpA, Milan and American Premaberg Inc., New York.

** Under a recent link-up decision (see No 389) covering the processing of non-ferrous metals, and involving TREFIMETAUX and PECHINEY, the latter is to streamline its organisation so as to ensure more efficient handling of operations on a European scale. The first move will be to change CEGEDUR Cie Generale du Duralumin & du Cuivre, Paris (see No 392) into an investment company. Krieg & Zivy Emballage SA (see No 388) will also be involved, but the group's metallurgical interests outside the Market will not. As the centre of the new organisation, Pechiney will retain its function as the leading French producer of aluminium, with 429,130 tons in 1966 from its factories in France, Greece, Spain, USA and the Cameroon Republic.

CEGEDUR is controlled by Pechiney (through the holding company Seichimie) and C.G.E. -Cie Generale d'Electricite (through Cie Generale d'Electrometallurgie - see No 377). Its aluminium-processing activities will be regrouped with those of Trefimetaux under a new company called CEGEDUR G.P. which will also incorporate the holdings of these two companies in Rhenalu SA (see No 365) and various first and second-stage processing firms in Europe.

The group's other activities will be taken over by the companies, SCAL G.P. - Ste de Conditionnement en Aluminium Groupe Pechiney SA and Trefimetaux G.P. In addition to its second-stage aluminium-processing activities (for packaging), the first of these will integrate the manufacture of tubes and seals carried out by various firms including Ste Francaise des Tubes d'Etain SA, Courbevoie, Hauts-de-Seine and Ets Charles Coquillard, Froges, Isere (see No 376) within Krieg & Zivy Emballage SA (now SCAP G.P.), excluding however the aluminium packaging handled by CEBAL-Ste Centrale d'Emballages en Aluminium SA, Paris (see No 340). Trefimetaux G.P. will specialise in copper and copper-alloy processing and in non-ferrous metal conductors; apart from Trefimetaux's and Cegedur's activities in this field, it will take over the interests and shareholdings held by these companies and the Pechiney group in foreign firms with similar activities.

** The Paris group USINES & FONDERIES ARTHUR MARTIN SA, (see No 389) which specialises in heating, air conditioning, sanitary and household appliances, has decided to wind up its Milan sales subsidiary ARTHUR MARTIN ITALIA Srl, and Dr Vittorio Salvi will be responsible for carrying out this move. This decision was taken following agreements made last year in Italy with the Milan company Sodaci SpA (subsidiary of the French group Antargax SA, Paris - see No 362) which also specialises in gas heaters, and has a distribution network covering the whole of Italy.

** A joint Franco-Swiss association has resulted in the formation of EREM-FRANCE Sarl, Paris (capital Ff 50,000), which will market tooling and mechanical and precision equipment for the electronics industry. The two partners in the new concern are Mme M. Jochault, Paris who is the manager, and M. Roland Marchand, Versoix, Geneve.

The latter heads the Geneva company Erem SA (capital Sf 100,000) which specialises in the manufacture and sale of measuring instruments, and has its registered office on the premises of R. Marchand & Cie SA (Sf 100,000).

** The American and leading world manufacturer of wrist watches TIMEX US TIME CORP, Waterburg, Connecticut (see No 404), has opened a West German branch at Pforzheim. In the same town, the American company already has interests in the wrist watch manufacturer Lacher & Co AG, which it acquired in 1959, and which employs around 450 persons.

In 1965, the American firm sold to the Swiss Ebauches SA, Neuchâtel, its interests in the clock manufacturing Duroxe Deutsche Uhren-Rohwerke AG (see No 301).

** The Dutch group V.M.F.-Verenigde Machinefabriek NV, The Hague, has regrouped two of its Belgian affiliates: STE IMMOBILIERE DE LA CHAUSSEE D'ANVERS SA, Brussels, and its parent company J. KAMPS & CO NV, also in Brussels. A similar move recently strengthened the position of Ateliers de Constructions Stork Freres & Cie NV, Brussels, a direct subsidiary of the machinery manufacturer Gebr. Stork NV, Hengelo (see No 397).

Kamps has taken over La Chaussee d'Anvers and has increased its own capital to Bf 2.4 million. With M. J. Duyster as president, its control is shared between V.M.F. and three other Dutch groups represented in Belgium by Kamps: 1) NV Hollandasche Draad- & Kabelfabriek NV (Draka), Amsterdam (see No 392), which is controlled by N.K.F.-Nederlandse Kabelfabrieken NV, Delft; 2) Smit Nijmegen Electrotechnische Fabrieken NV (formerly Willem Smit & Co's Transformatoren NV, Nijmegen (see No 386); 3) Heemaf NV, Hengelo.

** The Italian firm FILOTECNICA SALMOIRAGHI SpA, Milan (president Sig. A. Pagni, president of the European Optical and Precision Engineering Committee), has obtained a manufacturing licence for gyroscope seatings for the G. 91 Y. fighter aircraft (built by FIAT, Turin) from the SPERRY GYROSCOPE Division of the American group SPERRY RAND CORP (see No 406). The Italian Air Ministry has placed an order for 25 of these systems with the Milan firm.

Salmoiraghi (capital Lire 2,000 million) specialises in optical and precision engineering and is part of the IRI-Finmeccanica group, through Nuova San Giorgio of Genoa-Sestri (see No 384).

** The West German manufacturer of "Schildkrodt" lifting equipment and "Ewar" metal vessels ERNST WAGNER APPARATEBAU KG, Reutlingen, has formed a Milan sales subsidiary EWAR ITALIANA Srl (capital Lire 500,000) headed by Signor Romano F. Pancia, who also holds an 8% interest.

The founder company is headed by Herren Ernst Wagner and Ernst Winter, and it already has a Reutlingen sister company, Gustav Wagner Maschinenfabrik KG, which specialises in sharpening and setting machinery for saws. Since 1962, the latter has controlled Wagner France Sarl, Courbevoie, Hauts-de-Seine.

FINANCE

** STE FINANCIERE EUROPEENNE-S.F.E. LUXEMBOURG SA has been formed in Luxembourg as the first of two joint financial subsidiaries of six banking

groups, from Italy, France, the Netherlands, Germany, Britain and the USA. It has the director general of BANCA NAZIONALE DEL LAVORO SpA, Rome, Sig. Alberto Ferrari, as president.

The new company's Ff 25.2 million capital has been subscribed equally by the parent companies, or their subsidiaries: Lavoro Bank AG, Zurich (subsidiary of Banca Nazionale del Lavoro), BANQUE NATIONALE DE PARIS - B.N.P. SA, Paris, ALGEMENE BANK NEDERLAND NV, Amsterdam, DRESDNER BANK AG, Frankfurt, BARCLAYS BANK LTD, London, and Bamerical International Financial Corp, New York (subsidiary of BANK OF AMERICA NATIONAL TRUST, San Francisco, California).

FOOD & DRINK

** The French interests of the Dutch group UNILEVER NV, Rotterdam (see No 406), in the animal feeds sector, will be strengthened through its subsidiary CIE FRANCAISE DE NUTRITION ANIMALE (C.O.F.N.A.) SA, Tours, Indre & Loire, taking a shareholding in a similar firm in eastern France, ETS GERARD, Ambacourt, Vosges. With M. Michel Descarte as president, COFNA (formerly S.T.A.R.) controls nine factories producing compound feeds under the "Totaliment" and "Star" brand names, and 1966 sales were worth Ff 120 million.

** West Germany's largest beer group (annual capacity of over 65 million gallons), DORTMUNDER UNION BRAUEREI AG, Dortmund (see No 289), has extended its production potential by gaining control of two breweries: MUENCHBRAEU, GmbH, Feldkirchen, Obb., and BERGISCHE LOEWEN-BRAUEREI GmbH & Co KG, Cologne. The first is a family concern with DM 880,000 capital and a capacity of around 1 million gallons a year (1965 turnover DM 3 million), and the second (DM 35 million paid-up capital) has 150 on the payroll and an annual output of around 4 million gallons.

D.U.B. thus raises its own capital to DM 45 from DM 43 million. Its main shareholders are the Brüggemann group (almost 40%), Westfalenbank AG, Bochum (see No 381) and the Holtmann and Hollermann families. In 1966 its consolidated turnover reached DM 275 million.

** After prolonged negotiations, the French RAFFINERIES & SUCRERIES SAY SA, Paris, has decided on an important financial and trading link-up with two other French sugar concerns: this has nothing to do with the public offer for SAY shares currently being pursued by the international group headed by BEGHIN (see No 406 and this issue). The other two companies involved are SUCRERIES & RAFFINERIES BOUCHON & PAJOT SA, Nassandre, Eure, (see No 370) and STE DES RAFFINERIES DE SUCRE DE SAINT-LOUIS SA, Marseilles (see No 392). Together with SAY, these firms comprise a European-scale combine, with annual output of 800,000 tons, and the agreement is for crossed shareholdings and the pooling of all trading activities, for the home and foreign markets (over Ff 1,000 million involved), within a single joint sales subsidiary.

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** The rationalisation decided on at the end of 1966 in the Italian sugar industry (see No 385) by the Genoa group ERIDANIA ZUCCHERIFICI NAZIONALI SpA (see No 405) has now taken place and involves a partial reduction of the chemical interests of its 50% subsidiary DISTILLERIE ITALIANA, Milan (capital Lire 10, 600 million). The latter (president Dr. S. Marsaglia) will concentrate its yeast (factory at Sesto S. Giovanni) butylic alcohol (factory at Limoto) solvent and plasticiser interests within its Milan subsidiary ACETATI & DERIVATI SpA (capital Lire 40 million) which will be called DISTILLERIE ITALIANE SpA.

The first Distillerie Italiane will make over its other assets to Eridania (capital increased to Lire 30 million) which at the same time will take over Saccarifera Lombarda SpA (an 87.3% subsidiary of Distillerie Italiane - capital Lire 7, 500 million), Saccarifera Sarda SpA, Oristano, Sardinia (Lire 2, 000 million) and Emiliana Zuccheri SpA, Genoa (Lire 451 million).

The Genoa group is controlled by Industria Agricole Ligure Lombarda SpA (see No 385 - capital recently increased to Lire 15.3 million) headed by the financier Signor Attilio Monti (see No 378) owner of two newspapers "Il Resto del Carlino", Bologna and "La Nazione", Florence.

The reorganisation will make it easier for a major European sugar group to be formed if the present takeover bid (OPA: offre public d'achat) by the French sugar and paper concern, Ste F. Beghin, heading an international group for, Raffineries & Suceries Say (see No 406) is accepted. Beghin's bid is backed by Eridania, the German Sud-Zucker and Belgian-British grouping, Tate & Lyle Ltd, London and Raffinerie Tirlemontoise SA, Woluwe-St-Pierre. Since June 1966 the latter have been linked in European Sugars SA, Brussels (see No 355), and they are now forming European Sugars (France), an investment company in which Raffinerie Tirlemontoise will be the majority shareholder. European Sugars (France) will hold a 51% interest in C.E.I.S. -Cie Europeene de l'Industrie Sucriere, a consortium which will be responsible for the shares of Raffineries & Suceries Say acquired as part of the takeover bid.

** The Swiss group NESTLE ALIMENTANA SA, Vervey (see No 400), has increased its already numerous Italian interests (see especially No . . . by forming NESTLE SUD SpA, Cisterna, Latina. With Dr. V. Forte as president, the new concern (initial capital Lire 5 million) will specialise in dietetic and homogenised products; the directors are Sig. M. Benedetti and J. Rivollet.

Apart from Nestle SpA, Milan (which took over several food companies belonging to the group: Prealpina SpA, Prodotti Alimentari Maggi SpA and La Gragnanese SpA) the Swiss group controls the frozen food producer Findus SpA, Cisterna and it has interests in Findus Commerciale SpA, Milan, Aminova SpA, Locatelli SpA.

** With the aim of co-ordinating its European sales of aromatic products for animal feeding stuffs THE FLAVOR CORP OF AMERICA Northbrook, Illinois has formed a Zurich subsidiary Flavor Corp of America, European Division AG, (capital Sf 50, 000) with M. Talmadge B. Tribble as President.

The American company is represented in Britain by Mc Kesson & Robbins Ltd, London the subsidiary of Mc Kesson & Robbins Inc., (New York).

GLASS

** Last year CIE DE SAINT-GOBAIN SA, Neuilly, Hauts-de-Seine (see No 404) and BOUSSOIS-SOUCHON-NEUVESEL SA, Paris (see No 407) began to regroup (see No 364) their insulating and soundproofing manufacturing and marketing interests. This will lead to ISOLFEU-STE FRANCAISE DES CONSTRUCTIONS INDUSTRIELLES & D'ISOLATION SA, Paris being taken over by its parent company WANNER-ISOFI-ISOLATION SA, Paris. The latter was formed by the recent merger of Ste des Ets Wanner SA (see No 401) and I.S.O.F.I.-Ste d'Isolation & de Fournitures Industrielles SA, Charenton, Val-de-Marne (an affiliate of Boussois-Souchon-Neuvesel) and it has a capital of Ff 3,008 million (60% controlled by Saint-Gobain). After the proposed merger it is not intended to raise its capital immediately, so that the new firm will be an 80% interest of the two groups (with 1/5th being held by Boussois).

Isolfeu (see No 298) is a 46.58% affiliate of Saint-Gobain and controls Anc. Ets. Mazurier-Reynaud Freres & Cie SA, Paris, which makes insulating materials.

INSURANCE

** Two GENERALE DE BELGIQUE group members, CIE BELGE D'ASSURANCES GENERALES SUR LA VIE & CONTRE LES ACCIDENTS SA (see No 386) and CIE BELGE D'ASSURANCES GENERALES CONTRE LES RISQUES D'INCENDIE SA (see No 369) have jointly taken a 60% interest in the formation in Brussels of a Belgian/German sickness insurance and reinsurance concern called A.G. Maladie-Invalidite SA. This has Bf 30 million initial capital, and has MM Charles de Jonghe d'Ardoye and Bruno Pauwels as president and director respectively. 40% of the capital has been put up by the mutual assurance concern, VOLKSWOHL-KRANKENWERSICHERUNG AG, Dortmund (see No 369).

The latter has a Dortmund subsidiary called Continentale Volkswohl Versicherungs AG, and it shares control of this with Cie Belge d'Assurances Generales contre les Risques d'Incendie and Cie d'Assurances Genrales contre l'Incendie & les Explosions SA, Paris (which is under state control, and has just merged with Cie d'Assurances Generales Accidents).

OIL, GAS & PETROCHEMICALS

** SNAM PROGETTI SpA, Milan (see No 396), an engineering subsidiary of the State oil group ENI of Rome (see No 402) has signed an agreement with the Yugoslav national oil company INA-INDUSTRIA NAFTE, Zagreb to build and supply petroleum and petrochemical installations, mainly for the East and developing countries. They are to form a joint subsidiary for the project called SNAM-INA PROJEKT.

Snam Progetti is very active abroad, especially in Eastern Europe. It played a large part in building two major refineries in Yugoslavia (Rijeka and Bosanski Brod) and in developing this country's petrochemical industry. One of its recent operations was to establish an engineering company in Milan, Snam Progetti-C.I.M.I. (in association with Cia Italiana Montaggi Industriali SpA) - capital Lire 10 million - to handle the engineering works for the complex being built at Marsa El Brega, Libya for the ESSO group.

PAPER & PACKAGING

** Two West German companies, J. A. SCHMALBACH AG, Brunswick (see No 376), and LUBECAWERKE GmbH, Lülbeck, have decided to merge within a new company called SCHMALBACH-LUBECA-WERKE AG VERPACKUNGS-UNION, Brunswick (capital DM 85 million).

J. A. Schmalbach is the leading packaging concern in West Germany and its 1966 turnover amounted to DM 478 million (75% from metal packages). Its DM 50 million capital is shared as follows: the Schmalbach family 43%, the New York Continental Can Co Inc 32%, Deutsche Bank AG, Frankfurt 15% (see No 406), and the Hanover group Günther Wagner Hannover Pelikan-Werke KG 10% (see No 395). It is a licensee of the Pittsburg, Aluminium Co of America-ALCOA, and employs nearly 11,000 people. Abroad it has a manufacturing subsidiary in Vienna, J. A. Schmalbach GmbH (capital Sch 25 million) as well as shareholdings in Euroemballages SA, Paris, and Ste Belge d'Emballages Industriels-SOBEMI SA, Brussels (see No 343). Within West Germany, its most recent move was to gain control of the plastics manufacturer Niedersächsische Kunststoff GmbH, Celle, during 1966.

The main shareholders in Lubecawerke (capital DM 25 million) are Commerzbank AG, Düsseldorf (see No 401), and the Groos-Matthes group. With over 3,500 people on its payroll, it has factories at Lülbeck, Wedel, Essen, Düsseldorf, Bremerhaven, Cuxhaven, Heidelberg, and Nuremberg. It also has interests in Keim Plastik & Verpackings GmbH, Nuremberg, and in the Swiss Emballages Techniques SA, Geneva (formed in April 1962).

** I.C.N. SA, which was formed in Brussels in 1966, as the result of a three-way link-up between French, Belgian and American interests (see Nos. 363 and 403), has completed its foreign sales network by opening branches in Amsterdam, Cologne and Paris (it has had a London branch for two months).

I.C.N. is for sales in Europe, Africa and the Middle East of paper products from its three parent companies: INTERMILLS SA, Malmedy; PAPETERIES NAVARRE SA, Paris, and U.S. PLYWOOD - CHAMPION PAPERS INC, New York and Hamilton, Ohio (its president, Mr. Karl Bendetoen, also heads ICN).

** PAPETERIES DE BELGIQUE SA, Brussels (see No 406), has sold its 50% shareholding in SCOTT CONTINENTAL SA, Brussels (see No 362), to its associate SCOTT PAPER CO, Philadelphia (see No 390). Scott Continental is now completely under American control. It produces cotton-wool and household paper products at a factory recently built at Duffel and costing Bf 240 million.

Papeteries de Belgique is a member of the Ste Generale de Belgique group, and is also owned 25% by the German paper group Feldmühle AG, Dortmund.

PLASTICS

** The manufacturing subsidiary, whose formation the German chemical group BASF-Badische Anilin & Soda-Fabrik AG, Ludwigshafen, and the Austrian group

OESTERREICHISCHE STICKSTOFFWERKE AG, Linz, have been considering since 1966 (see No 376), has now been formally registered in Vienna as DANUBIA OLEFIN WERKE GmbH (capital Sch 10 million). A factory costing Sch 400 million, with a capacity of 66,000 tons p.a. of high-pressure polyethelene will be built at Schwechat to come into service during the spring of 1969.

** The chemical group DIAMOND ALKALI CO, Cleveland, Ohio (see No 389), has extended and diversified its European interests by gaining control in Italy of TRAMAT SpA, Turin, which specialises in the manufacture of PVC tubing for irrigation.

** The French group SALPA SA, Paris (see No 373), one of Europe's leading manufacturers of plastic foam and synthetic leather, has increased its Italian interests by forming a subsidiary called SELFA-Soc. Europea Lavorazioni Elastomeri & Affini SpA, Vigevano, Pavia. This has a capital of Lire 10 million, and specialises in processing elastomers, plastics, synthetic rubber and resins. Its president is M. Andre Bernard, head of the French company and president of its other Italian subsidiary, Peuge Gomma SpA, Vigevano (see No 280).

** The British company ANSELM HOLDINGS (LONDON) LTD, which, on behalf of the IMPERIAL TOBACCO CO group (see No 392), heads several companies involved in plastics production in Britain, Canada, Belgium and West Germany, has consolidated its debts within its Belgian subsidiary, Creators Continental NV, Rhode-St-Genese, and increased its capital to Bf 13 million.

PRINTING & PUBLISHING

** POLYDOR NEDERLAND NV, The Hague (see No 327), has signed an agreement with the Amsterdam music publishers MUZIEKUITGEVERIJ. DE INTERNATIONALE UITGAVEN BASART NV covering the printing, publishing and issue of music and records. A jointly managed subsidiary, EDITIONS ARENA HOLLAND NV (capital Fl 100,000) has been formed in Amsterdam. Polydor is the subsidiary of Deutsche Grammophon GmbH, Hamburg (itself a subsidiary of the German group Siemens AG and Philips NV).

The new company is an extension of S.A. Editions Musicales Belges Arena NV, St-Gilles-Brussels, headed by M. Walter Holzaphel, which was formed a few months back (see No 390) by Polydor NV, St-Gilles-Brussels (formed in October 1964 by Deutsche Grammophon - see No 276).

RUBBER

** STE DES PROCEDES FIT SA, Paris (rubber and plastics for the footwear industry - capital Ff 11.3 million - group turnover Ff 55 million) has made a technical co-operation agreement with the British AVON RUBBER CO, Melksham, Wilts. One of the main provisions is that a subsidiary, Avon Footwear Ltd, Bridgend, Glamorgan, will introduce the French company's styles and know-how in soles and heels to the British market.

SERVICES

** The American management and organisation consultancy concern SPENCER STUART & ASSOCIATES INC, New York and Chicago, through its London subsidiary Spencer Stuart & Associates Ltd in association with private French backers, is forming a company in Paris called Spencer Stuart & Associates SA (capital Ff 100,000). The new company is mainly for market research and economic and trade intelligence, and it has M. Jean-Michel Beijbeder of Neuilly-sur-Seine as president: he, and M. Philippe Bouvard have both taken shares, and the directors include Mr Spencer R. Stuart, Darien, Connecticut, and Peter L. Brooke of London. The latter also heads the British parent company, while Mr Stuart himself heads Spencer Stuart International SA, Caracas, Venezuela, and its Zurich branch.

** The Paris concern CABINET BERNARD KRIEF CONSULTANTS FOR EUROPE, which like BERNARD KRIEF SELECTION SA, is headed by M. Bernard Krief, has opened a Barcelona branch to its Madrid representative, in association with Sig. B. Rabassa, who is the manager. This move gives the French concern its third European office, after Brussels and Madrid, and it also has representatives in Geneva, London and New York. The Paris concern covers all types of sales promotion, marketing, public relations and industrial psychology.

TEXTILES

** The British COURTAULDS LTD group, London (see No 403) has opened a marketing and promotional agency in Milan (without any sales responsibility) to its French subsidiary Courtaulds SA, Coquelles, Pas-de-Calais (capital Ff 59 million - president Mr C. W. Sheldon). The new concern is headed by Sig. Samuele Colombo, Milan and Charles von Uxkull, Lausanne. The French subsidiary is affiliated to Filatures Prouvost-Masurel & Cie (see No 403) which recently reduced its own shareholding from 18% to 4% thus enabling the British group to increase its interest.

Courtaulds has an important majority holding in Italian artificial and synthetic textiles in Snia Viscosa SpA, Milan (see No 402) and with the latter, it shares control of the rayon acetate producer Novaceta SpA, Milan (capital Lire 2,000 million) formed in 1952.

** The French company SOIERIES F. DUCHARNE SA, Paris and Lyons (see No 407) has merged with another French silk group ETS BENMUSSA Sarl, St-Priest and Roybon, Isere and their respective sales organisations in France and abroad have been reorganised. As a result F. Ducharne has wound up its marketing subsidiary at Säckingen, Germany and its sales subsidiary in Brussels, Ducharne Belgique SA.

Soieries F. Ducharne controls Ducharne SA, Paris (capital Ff 750,000). It recently transferred its industrial and commercial assets to LES HERITIERS DE JACQUES BENMUSSA SA for Ff 2.9 million and became HOLDING TEXTILES SA. Its merger with Ets Benmussa has resulted in a new company, Ste de Fabrications Industrielles Textiles SA (turnover Ff 22 million) which has a staff of over 400 at four

factories. The new group will retain the sales networks in Europe and merge those outside it. It is linked with Ste Parisienne de Participations SA (itself linked with the banking group Vernes & Cie - see No 349) which will absorb the investment company SA de Soieries under the same scheme.

TOURISM

** The New York group HILTON INTERNATIONAL Co, has consolidated all the debts of two of its Common Market subsidiaries STE HILTON (FRANCE) SA, Paris (see No 396) and CIE HOTELIERE de BELGIQUE SA, Brussels. The former recently benefitted from the re-shaping of the group's French interests, and has increased its capital to Ff 21.3 million, whilst the capital of Cie Hoteliere de Belgique SA, which has remained unchanged since it was formed in July 1963, has been increased five-fold to Bf 100 million.

TRANSPORT

** The links formed some months ago between the Dutch and French international transport concerns VAREKAMP INTERNATIONALE EXPEDITEURS NV, Amsterdam and TAILLEUR FILS & CIE SA, Paris have been extended to Belgium with a new joint subsidiary TAILLEUR VAREKAMP (BELGIUM) Sprl, Mons (capital Bf 100,000). The managers of the new concern are Messrs Axel P. Varekamp, Blaricum and G. Leconte, Paris.

The group's first joint subsidiary Varekamp Tailleur NV, Amsterdam was formed in December 1966 with a capital of Fl 200,000. Its purpose is to transport military equipment for NATO, and the bulk movement to Libya - on behalf of Esso - of 200,000 tons of petroleum equipment. This contract is estimated to be worth some Fl 11 million with 70,000 tons of equipment coming from Britain, the Netherlands, West Germany and Italy.

VARIOUS

** ANTON ARNSTEINER BLIZZARD-SKIFABRIK, Mittersill, Salzburg, one of the leading Austrian manufacturers of skies and sports equipment intends to open a factory in West Germany, whose output will be destined for Common Market countries, and France in particular. The Austrian firm recently opened a Munich sales agency called Blizzard Ski, Anton Arnsteiner, and has a turnover of around Sch 100 million. In 1967 it expects to produce 100,000 pairs of skies, of which 60% will be in plastic.

** The Italian concern FRATELLI SCARPELLINI SpA, Alzano Lombardo has begun to use its Dutch subsidiary SCARPELLINI NEDERLAND NV, Lisse. The latter specialises in choosing and growing bulbs for flowers, and can stock 10,000 bulbs for export. Headed by MM Van Leeuwen and P. Vervatt, the Lisse firm was formed a few months ago with a capital of Fl 100,000.

** The American company MILLIPORE CORP., Bedford, Massachusetts (formerly Millipore Filter Corp) which specialises in industrial filters, membranes for measuring and control equipment has strengthened its European interests with the formation of MILLIPORE FILTER GmbH, Neu Isenberg (capital DM 200,000).

The founder had a 1966 turnover of \$5 million and since last year has had a London subsidiary Millipore (U.K.) Ltd (capital £15,000). In France it controls Millipore SA, Malakoff, Seine (see No 273) and in Canada Millipore Ltd.

** The London costume jewellery concern COROCRAFT LTD has set up in West Germany by forming a subsidiary in Pforzheim called Corocraft GmbH (capital DM 220,000), with Messrs Alfred Plato and Charles Argue as managers.

The British company is a subsidiary of the New York Coro Inc (president Mr Gerald Rosenberger), and it has five British subsidiaries of its own: Corocraft (Manufacturers) Ltd, Corocraft (Overseas) Ltd, High Style Ltd, Jewelscraft Ltd and Vendome Jewels Ltd.

LATE FLASH

OIL, GAS & PETROCHEMICALS: STANDARD OIL CO OF NEW JERSEY's already considerable interests in the Netherlands (see No 378) have been extended by the formation of a new subsidiary in The Hague called Esso Aardgas NV. This stems from the upgrading of the branch the group's subsidiary Esso Europe Inc set up in the city last September: it has Fl 100,000 capital, and the director is Mr. F. G. Van Duivenbooden.

Standard Oil of New Jersey has been established in the Netherlands for 75 years, and its Rotterdam refinery is currently being extended in two phases, to raise its capacity to 16 million tons p.a. in 1975. The group controls one major industrial concern in the country: Esso Nederland NV, The Hague, and also the investment concern Esso Beleggingsmij NV; the chemicals firm of Esso Chimie NV (see No 350); a property company called Esgemij NV, The Hague (see No 357); a transport and storage concern, Esso Trankvaart NV, and the rubber company Latexfalt NV, Zoeterwoude. It also has an interest in the rapidly-expanding Dutch natural gas industry, by virtue of its direct shareholding in N.A.M.-Nederlandse Aardolie Mij NV (see No 344), and its indirect stake in Internationale Gas Transport NV (see No 334) and Nederlandse Gas Unie NV (see No 343).

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