

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

THE WEEK IN THE COMMUNITY

February 3 - February 9, 1969

THE COMMON MARKET	Page 1
WEU: No Prizes for Suggestions	
TRANSPORT: EEC Air Traffic	Page 3
INDUSTRY	Page 4
Thyssenhütte-Mannesmann Concentration	
ENERGY: EEC Electricity in 1968	Page 5
AGRICULTURE	Page 6
The Commission Plays it Wrong - Farmers' Freedom of Establishment - Improvement Grants	
EURATOM	Page 8
Exchanging Information with IAEA	
Enriched Uranium - UK/Euratom Agreement	
E.C.S.C.	Page 11
UK-ECSC Council of Association	
-Italian Measures - Over-Investment problem	
COMPETITION	Page 13
France Seeks Limitation of Rules	
-Fertilizer Sales Cartels	
CUSTOMS & TARIFFS	Page 14
Italy before Court of Justice	
ASSOCIATION: Africa and Turkey	Page 15
EIB: 1968 Activities - Latest Loans	Page 18
SPAIN: Debre's Visit	Page 19

EUROFLASH: Business penetration across Europe

Headlines	Page A
Index	Page P
February 13, 1969	No 499

Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED

EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT TEL. 25202/4 TELEX 95114

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e

TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER .. PAUL WINKLER

EXECUTIVE EDITOR .. CHARLES RONSAC

MANAGING EDITOR.... ANDRE GIRAUD

SWITZERLAND

54 Rue Vermont GENEVA
TEL: 33 7693

ITALY

72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX

4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

SUBSCRIPTION RATES

U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS

U.S.A. AND CANADA \$250 ONE YEAR \$135 SIX MONTHS INCLUDING AIRMAIL

OTHER COUNTRIES AT LOCAL EQUIVALENT OF U.K. RATES

© EUROPEAN INTELLIGENCE LTD.

Printed and Published by EUROPEAN INTELLIGENCE LIMITED
at Europa House, Royal Tunbridge Wells, Kent, England

THE WEEK IN THE COMMUNITY

February 3 - February 9 1969

THE COMMON MARKET

W.E.U: No Prizes for Suggestions

The Luxembourg meeting of the Western European Union, which comprises Britain and the six countries of the Common Market, held on Thursday and Friday of last week produced little change in known attitudes. With the exception of West Germany (Herr Brandt was recovering from an illness) and France (M. Debre in Spain), all the member countries were represented by their Foreign Ministers. The topic dominating the proceedings was the one which has bedevilled the further integration of the Common Market and other European organisations for a good many months now: the enlargement of the EEC to take in Britain and the other candidate countries.

The Italian Foreign Minister and veteran Socialist leader, Signor Pietro Nenni put forward his proposals for "obligatory consultations" between the members in a number of defined spheres. These were based on the Harmel Plan, set out last October during a previous WEU meeting, which had been somewhat toned down following strong opposition from France. In particular the Nenni proposals included "obligatory consultations between the WEU states before taking foreign policy decisions in a number of defined cases". Mr. Stewart, British Foreign and Commonwealth Secretary said he backed the Italian proposals completely, and thought that the Middle East crisis would be a suitable case for consultations. His suggestion that a meeting of the ambassadors of the WEU in London should be held on February 14th was welcomed - for this would enable Britain and France to represent the views of their European partners at the Four Power talks. But France, almost certainly, will not attend, for since the meeting, Paris has made it clear that in its view the problem is one for the Great Powers - and the French government is also afraid that any political discussions specifically within the framework of the WEU might lead on to discussions of British membership of the EEC. A more cautious welcome to Signor Nenni's proposals was given by Herr Jahn for West Germany, who was willing to accept consultations provided they were "free" and not obligatory. As a result of West German unwillingness to clash with France several major aspects of Signor Nenni's proposals (technology and defence) were dropped. For France, M. Jean de Lipkowski considered that the Italian Foreign Minister was putting forward "utopian proposals" and suggested instead two proposals for emergency meetings of the WEU Council in times of international crisis, possibly in secret or at least in closed session. The London ambassadors of the WEU countries will prepare a report on how this can be achieved in time for the next meeting in The Hague.

The Benelux countries supported the Italian proposals, although M. Harmel did consider that they were somewhat overambitious. However the three countries announced that before taking national decisions in the foreign policy sphere, they would in future consult

their WEU partners first. This was supported by Britain, Italy and West Germany although Herr Jahn said he would have to consult Bonn before confirming this decision. The French delegate said he could do no more than take note and reserve his position since this appeared to mean procedural changes as well as a modification to the WEU Treaty. His government would inform the other members of its considered view during the next WEU meeting at The Hague in three months time.

The importance of the agreement amongst the Five (possibly the Four) and Britain to consult in foreign policy matters as a move along the road towards European integration has perhaps been overplayed by British observers. In France the impression has been that Britain is trying to use the WEU to force its way into the Community - a view not fostered by London - and M. Lipkowski's proposals received much fuller coverage than those of Mr. Stewart. But the view of the British move as a further ploy is so strong, that the WEU meeting may stiffen French opposition. The suggestion has been made that the French might well stop coming to the WEU meetings altogether.

The possibility of Britain making some new move, a second "Messina" conference has been raised, and although unlikely in the immediate future is still on the cards. A decision along these lines was not ruled out last week by Mr. Wilson's statement in the Commons when he said "we did not and do not support any federal or supranational structure for our relations with Europe".

The present week sees Mr. Wilson's visit to West Germany. The role played by Bonn in West European affairs is today more important than ever. Chancellor Kiesinger seems intent on maintaining a close and effective relationship with General de Gaulle, despite the differences of opinion that exist between the two governments over foreign and economic policy. The visit by the Prime Minister is only the first in this series of visits which include President Nixon's trip to all the major European capitals, and the West German Chancellor's visit to Paris for the first of the 1969 series of meetings under the Franco-German Treaty of Friendship. This concentration of the Western powers will result in the leaders discussing many problems in which all of them have a common interest, and it is possible that new approaches may be evolved during the coming months.

The present state of Anglo-German relations, while less dismal than Franco-British relations, seem to be little more than lukewarm. Both sides seem to be finding fault with each other. There is no doubt that Britain, along with France and the United States, would have liked to see the Federal Republic revalue the DM last November. The various projects for joint European technological efforts such as the Airbus, the multi-role fighter for the seventies, space cooperation and the centrifuge process for enriched uranium will all be discussed, and recently-expressed German doubts about British technological assets should make this more stimulating. Other matters on the agenda will include the latest Berlin crisis, East-West policy, NATO and of course the proposals for commercial agreements between the EEC and Britain as a transitional move. Mr. Wilson is also likely to come away with a clearer picture of the German attitude towards the proposals for foreign policy consultations between WEU Countries. Few observers expect any dramatic results from the meeting, but the scope for future moves by both sides may be more readily defined.

INDUSTRY

Thyssenhütte and Mannesmann to Merge Tube Interests

Mannesmann AG, Düsseldorf and August Thyssen Hütte AG, Duisberg, the two biggest producers of tubes in West Germany, have decided to merge their tube interests by setting up a joint affiliate company which will be controlled two-thirds by Mannesmann and one third by the Thyssen group. Mannesmann, the Continent's biggest manufacturer of steel tubes, will direct the tubes division and will make over to Thyssen, the Community's largest iron and steel group, the whole of the rolling-mill side of its business except for semi-manufactured tube material.

The new group will produce something in excess of two million tubes per annum, and thus will be head and shoulders above all other firms in the Community. In fact the total figure for Italian steel tube production is only 1.652 million metric tons (1968), and in France, the third largest producer of steel tubes after West Germany and Italy, the biggest company, Vallourec only managed to produce fractionally over half the production capacity of the new German grouping in 1968, i.e. 1,071 tons. It is worthwhile noting at this juncture that the total Community production of steel tubes rose in 1967 to 6.632 million tons, of which West Germany accounted for 3.076 million, France for 1.410 million, Italy for 1.642 million, the Netherlands for 146,000, Belgium for 250,000 and Luxembourg for 108,000 tons.

The new German group will thus represent about a third of the total Community production of steel tubes, a fact which the Community authorities will have to take note of especially as regards competitiveness. To do this they will have to have recourse to Article 85 of the Rome Treaty since tubes do not come under the heading of steel products under the ECSC Treaty. As yet the actual details of the envisaged cooperation are unknown, but according to both companies they fully intend to remain independent for all their non-tube activities; it is thus difficult at this time to predict quite what the reaction of the Commission will be. There has in fact of late been quite a trend in the Community towards amalgamation in the tube sector and this has been particularly strong in France - in fact it has been much more extreme there than it will ever be in Germany after the Thyssenhütte-Mannesmann deal.

Since these two groups are considered "undertakings" within the terms of the ECSC Treaty, the deal will have to be examined and given the go-ahead by the Commission on the basis of Article 66 of the Treaty since cooperation in this sector could have the same effect as the formation of a group, thus influencing the attitudes of the two firms in question on steel policy. The Commission authorities cannot make any pronouncements as yet on this matter; they will have to wait until the full details of the merger are made known by the companies themselves. It seems however that if the agreement does not go any further than the agreement in principle as already made public, there should be no reason for authorisation to be withheld.

*

*

*

ENERGY

EEC Electricity in 1968

Recently released figures indicate that during 1968 there was a considerable increase in the consumption of electricity within the Common Market countries. This was some 8% higher than in 1967, although France, and to some extent Italy, recorded a somewhat lower rate of growth.

NET CONSUMPTION OF ELECTRIC ENERGY (LOSSES INCLUDED)

	(ooo m. kwh)		1968	Growth 1968-67(%)
	1958	1967		
Community	228.7	439	474.2	+ 8 %
West Germany	95.1	177.7	195	+ 9.7%
France	62	114	119.2	+ 4.5%
Italy	44.5	94.6	101.2	+ 7 %
Netherlands	13.3	28.1	31.6	+12.3%
Belgium	12.6	22.6	25	+10.5%
Luxembourg	1.2	2.2	2.2	+ 8.7%

During 1968 climatic conditions boosted hydro-electric power production by 5 billion kWh, but given the sustained pressure of demand, conventional power stations had to raise production by around 10%. The output generated by nuclear power plants totalled 7,300 million kWh, an increase of 7.7%; progress was affected by several operational difficulties.

NET TOTAL PRODUCTION (ooo m. kwh)

BY COUNTRY	1967		1968		Change 1967-68 (%)		
Community	430.4	466.6	430.4	466.6	+ 8.4%		
West Germany	172.2	189.6	172.2	189.6	+10.1%		
France	111.6	117.9	111.6	117.9	+ 5.6%		
Italy	93.5	100.2	93.5	100.2	+ 7.1%		
Netherlands	28.5	31.9	28.5	31.9	+12 %		
Belgium	22.4	25	22.4	25	+11.8%		
Luxembourg	2.1	2	2.1	2	+ 8.4%		
BY SOURCE	1967		1968		Change 1967-68 (%)	Share (%)	
						1967	1968
Total	430.4	466.6	430.4	466.6	+ 8.4%	100	100
Hydro-electric	105.3	111	105.3	111	+ 5.3%	24.4	23.8
Geothermal	2.4	2.5	2.4	2.5	+ 2.9%	0.6	0.5
Nuclear	6.8	7.3	6.8	7.3	+ 7.7%	1.6	1.6
Conventional	315.8	345.8	315.8	345.8	+ 9.5%	73.4	74.1

TRANSPORT

EEC Air Traffic

The problem of developing air traffic within the Community was broached by a European Parliamentarian in a recent question to the Commission. Comparing the situation in Europe with that in the United States, M. Couste pointed out that although the actual network of routes in Europe was dense, the level of traffic remained low. The aeroplane had still to surpass the train and the motor car as a means of long distance travel; for the 210 million trips of over 200 kilometres made in Western Europe in 1965 (the last year for which figures are available), only 17 million were made by aeroplane, that is to say 8% of the total. When trips of over 300 kilometres are considered this proportion goes up to 12.5% and up to 16% for trips of over 500 kilometres. Air transport plays a far greater part in the case of business trips because of the greater importance of the time factor. Business journeys in fact accounted for a sixth of all journeys undertaken that year and 16% of these were by aeroplane, whilst a mere 2% of non-business journeys were undertaken by aeroplane, compared with a figure of 21% by train and 77% by motor car.

Under these conditions M. Couste felt the Commission ought to take steps to develop air traffic in Europe, and to make air transport competitive with the other forms of international transport. This, he felt, should not be left to the airline companies themselves; the Commission ought to take the initiative itself and promote new agreements and links between the airline companies.

The representative of the Commission replied that it was quite aware of the problem, but pointed out that it was an error to make sweeping comparisons between Europe and the United States. In the United States not only is the geographical, economic and social situation quite different, but also flights are domestic whereas European ones are international, which itself means that the organisation of European air transport is much more hampered by controls and regulations.

The Commission has moreover always sought the formulation of a Community policy on air transport as laid out in Article 84, Paragraph II. On November 12, 1960, it took its first step towards the formulation of a joint policy for sea and air transport when it passed to the Council a memorandum covering the application of the general rules of the Rome Treaty to air transport. We still await the Council's response to this.

The Commission declared itself in agreement with much of what M. Couste had said. It deplored the situation whereby the negotiations for the constitution of the Air-Union had been made outside the EEC system and had said so in front of the Council on October 20, 1964. It felt there was certainly a place for cooperation between the various European airline companies. First of all however, it would be necessary for the Council to make its views known on the general questions as outlined in the above mentioned memorandum, and then put forward its recommendations in accordance with Article 84 of the Treaty.

AGRICULTURE

The Commission Plays It Wrong

Despite the concerted efforts the EEC Commission has been making in recent months - especially since the completion of its reorganisation and unification - to establish itself as a greater driving force in the Community, it last week made what might well prove to be a blunder in its handling of the vital issue of agricultural reform. Quite simply, the Commission at large has gone back on a commitment made by its appointed spokesman in this sector, Dr. Mansholt, at the major agricultural Council meeting on January 28, when he proposed that present prices should be frozen for a year, so that there would be that much time in hand to get down to the joint discussion of structures and pricing policy. He would, however, put forward suggestions for prices in the 1970-71 season around June or July of this year.

This suggestion was taken back by Mansholt to his fellow commissioners on February 5, and they have subsequently rejected it, deciding to maintain the proposals as put forward in their plan in December, i.e. that the prices of cereals, colza, sugar (also to be reduced in production volume) and various other items should be reduced, and that there should be a reversal in the price relativity of butter and milk powder, with that of the former dropping by 30%, and that of the latter rising by 80% (i.e. support prices). In taking this step, the Commission is probably having a care to the effect on the farming population, and trying to avoid early changes in its proposals, lest confidence should be undermined, but in fact it has committed the grave error of inconsistency, not only in its recommendations, but within its ranks. Mansholt, albeit perhaps as a mere matter of form, has been seen as losing the support of his colleagues, and this is certainly one issue on which lack of solidarity within the Commission ought not to be observed. Whether it was Mansholt's error to suggest a freeze, or the Commission's to throw out the idea is now beside the point: either exercise was futile, to the extent that the Council itself is at liberty to make whatever price alterations it sees fit, and it will not proceed to the structural debate, even if the Commission offers a way round the matter of prices, until it feels as a body inclined to do so.

The matter will not remain in suspense for long, however, as the next agricultural ministers' meeting is scheduled for next week (February 17 and 18), and all the appearances at the moment are that the pricing debate will get under way at that time. It will however, now be interesting to see whether the Commission sits back and leaves its suggestions as they stood in December, or whether, despite this slight undermining of its initiative in the matter, it will respond to any opportunity for bringing in compromise proposals in order to achieve some progress towards agreement on prices for the next season, which for some commodities begins in April.

*

*

*

EEC farmers' freedom to farm anywhere in the Six .

Community farmers will be free to settle in any member country they like under proposals prepared by the European Commission .

The Commission has submitted two proposals to the Council for directives laying down details for the introduction of freedom of establishment for self-employed persons in agriculture . The first of these covers agriculture proper and the second deals with agricultural services . The proposals are based on Articles 52 and 54 of the Rome Treaty and on the general programme for the removal of restrictions on freedom of establishment adopted by the Council on December 18, 1961 .

The aim of the first proposal is the full liberalization of establishment for farmers who are Community nationals . Once the directive has been approved by the Council, the Community's farmers will be free to settle in whatever member country they choose . The provisions of earlier directives on rural leases, the freedom of farmers to transfer from one holding to another, and access to cooperatives, credit facilities and various forms of aid, which have hitherto been confined to specified groups, will now apply to all farmers . Once the directive comes into force, then, each Community country will treat farmers from other member states just as it treats its own nationals .

The directive will apply to all agricultural activities, including general farming, vine and fruit growing, seed production, the growing of vegetables, flowers and ornamental plants, raising of livestock, poultry, rabbits, fur-bearing animals and bees, and the production of milk, wool, hides, furs, eggs and honey .

The proposal on agricultural services will introduce freedom of establishment for all individuals exercising the activities listed in Annex V to the general programme . These include technical assistance, weed and pest control, spraying of crops and land, rental of farm machinery and so on . Activities exercised by agricultural graduates, veterinarians and the staff of animal hospitals and care centres have been excluded from the proposal . The removal of restrictions on freedom of establishment in these occupations and the simultaneous recognition of degrees or diplomas, are to be dealt with in later proposals .

The proposed directive on agricultural services includes, as does the one on farming, provisions dealing with access to credit, grants and subsidies . It also contains provisions on tax benefits .

It should be mentioned here that efforts were made by various member states to bring in this side of the Community's freedom of establishment legislation as long ago as 1963, but this met with French opposition . 1970 is the deadline prescribed in the Treaty, and there seems little likelihood of any member now trying to delay the matter further . France's concern in this sphere is well understood when certain facts are borne in mind .

In France, firstly, agricultural land is cheaper than anywhere else in the EEC, and there has been a very real fear of a major inflow of farmers from elsewhere in the Community, especially as in the country there are some 5 million acres of fallow land that could with very little difficulty be brought under cultivation again. Again, in 1967, when the ruling was that freedom of establishment in farming could be extended only to those who had been working on the land in France for at least two years, or those who set up on fallow land, there were no less than 30,000 French farms or holdings under foreign control. When the current legislation is ratified, therefore, great care will have to be taken to avoid any major drift of the Community's farming population towards the West, and to guard against imbalances in production that could result from any such tendency.

*

Further farm improvement grants

The European Commission has voted another \$3.43 million to help finance eight agricultural development projects in the Six. These projects complement the 161 projects towards which the Commission decided last December to contribute \$34.11 million from the European Agricultural Guidance and Guarantee Fund. The total of \$37.54 million represents part of the 1968 budget for agricultural improvements, from which further grants will be made later this year.

*

*

*

EURATOM

Information Exchange with the I.A.E.A.

The Commission has proposed to the Council that the Community make a contract with the International Atomic Energy Authority in Vienna (IAEA) covering cooperation between the Euratom Information and Documentation Service and IAEA's International Nuclear Information System (INIS).

The EIDS was formed by Euratom so that the scientists from the Community research institutes could keep abreast of all the new information published on nuclear subjects in scientific and technological journals, the volume of which is becoming ever greater. In fact, in the field of nuclear science and techniques alone, there are more than 100,000 new publications per annum, that is to say almost 500 every day of the year, which is in addition to the 600,000 or so documents on these subjects which were already in existence by the end of 1967.

An automated nuclear data service, which has been given the name Thesaurus Euratom, now draws on some forty secondary sources of information, the primary source being the American bi-monthly journal, "Nuclear Science Abstracts" which alone covers some 50% of all nuclear information published in the world. All this permits the EIDS to cover more than 100 scientific journals and publications, most of the nuclear reports published both in the Western and the Eastern bloc countries, new nuclear patents, reports of papers on nuclear subjects delivered at conferences and congresses as well as theses.

Euratom's automated nuclear information system covers all possible fields connected with the nuclear sector or atomic research, that is to say biology, medicine, chemistry, engineering and instrumentation techniques, geology, mineralogy, meteorology, health hazards, isotope technology, metallurgy, ceramics, physics, reactor technology, mathematics and computers. All these subjects are covered to the extent that they touch upon and affect nuclear research and technology.

Using a system of key-words, the essentials of all documents published on nuclear subjects are stored in memory banks where they can be retrieved automatically and instantaneously by interested parties, that is to say the Euratom Joint Research Centre in the first instance and subsequently researchers, research institutes and industry.

An important breakthrough in this field has recently been achieved by the Centre for Processing of Scientific Information at the Ispra Joint Research Establishment, where they are now well advanced on development work on the hardware of a computerised scientific text translation system for Russian into English. Verification tests on this system are now 80% complete.

Cooperation between the Euratom Information and Documentation Service and the International Nuclear Information System was in fact instigated by the IAEA in Vienna, which made extensive use of the experienced Euratom specialists for the development of its own information system.

* * *

Europe's Need of a Source of Enriched Uranium.

By 1980 the annual needs of the Community in enriched uranium will be between 5 and 8 million kilo units of separation, those of the United States 22-25 million U.O.S., and since those of the rest of the Western world (including Community requirements) will be around 17-18 million at that time, the total needs of the Free World will be in the region of 39-43 million by 1980. The United States' present production capacity for isotopic separation stands at only 17 million kg. U.O.S. per annum, which will hardly be sufficient in the years to come, as she is the sole source of enriched uranium in the Western World.

Thus between now and 1980 it is essential for new sources of enriched uranium to be created and the question now arises whether it is worthwhile Europe's setting up its own enriched uranium production facilities (see No 497, p. 13). Two different organisations have already given their verdict to this question, and both are in favour of an independent source of enriched uranium in Europe. FORATOM, which combines the various nuclear "forums" of the fifteen European countries, as well as the Community's ad hoc study group on the "Long term supply of Enriched Uranium", have both just finished their respective reports on the matter and have both come up with the same conclusions. They both find that, given the needs for enriched uranium which have been forecast for Europe and the Free World, it is essential that a new enriched uranium capability be constructed in Europe, for by 1980 production capacity in the United States and Britain (which works only for the home market) will not be sufficient to cover current demand. At present three different methods of isotopic separation are known, of which one alone - the gaseous diffusion method developed in the United States, and used in Britain and at Pierrelatte in France - has proved to be satisfactory in operation and cheap enough to be worthwhile. The ultra-fast gas centrifuge process developed in the Netherlands has been the subject of an agreement between the Netherlands, Britain and West Germany, whilst the third process, known as the injection process, is still in the development stage in Germany.

Each of the three processes has its own special advantages: gas diffusion has been proven on the industrial level over a number of years, whilst the two others - apart from the fact that they require far less electric power than the first one - are much better suited to small-scale and therefore low capital cost applications. Thus the Community and the other European countries have not only to decide on whether or not to construct an isotope separation plant, but have also to make a decision on which of the three processes is the most suited to their needs. The two reports have come down in favour of a decision by 1972, so between now and 1972 feasibility studies will have to be carried out on each of the three processes, and on as wide a base as possible - that is, a Community basis.

The ad hoc study group's report is to be passed on to the Commission which will then distil the salient points and give its recommendations to the Council of Ministers.

*

UK - Euratom agreement extended

The cooperation agreement between the UK Government and Euratom, signed for ten years on February 4, 1959, is to be extended for another two years.

The President of the Commission of the European Communities, Jean Rey, and the Head of the British Delegation to the Communities, Sir James Majoribanks, on February 3 exchanged letters extending the agreement.

The agreement aims at developing cooperation between the UK and Euratom on the peaceful uses of atomic energy. The extension of the agreement will enable this valuable cooperation to continue.

* * *

ECSC.

Annual Meeting of the ECSC-UK Council of Association in Brussels.

The annual meeting of the ECSC-UK Council of Association has just been held in Brussels. This is a body which exists on a permanent basis to provide information and act as a consultant on coal and steel matters for the two parties, and should the need arise, provide the means for coordinating their activities in the two sectors. Formed in 1954, the Council of Association could quite easily be a useful instrument for cooperation between the ECSC and Britain, but up to the present time it has merely served as a channel for the exchange of information: when it comes to coordination, its successes have been meagre. Both parties have however stressed the importance which they attach to the maintenance and pursuit of the Council of Association's work and they have agreed that, in addition to the normal work carried out by the steel, coal and sales committees (provision of information in the three sectors concerned), particular attention should be paid to developments in the world steel market as a whole. To this end the Council of Association has decided to set up a study group which will look into future trends in the world supply of coke to the iron and steel industry. The work of the coal committee will consist in a study of the position and the outlook for coal on the coke market and a comparison of the various methods used for ascertaining the break-even price for coal products, and investment policy in the coal sector.

The Council of Association meeting, which was chaired by Sig. Martino, a member of the Commission, was attended by Mr. Roy Mason, Minister of Power, Lord Brown, Secretary of State at the Board of Trade, and the Chairmen of the British nationalised coal and steel industries, Lord Robens and Lord Melchett.

One of the problems discussed at the meetings was the recent agreement made by the Community and by Japan to limit their exports of steel to the United States. The Treaty of Paris of course only covers the control of coal and steel within the Community, so the Commission is in principle unable to deal with questions of trade in steel on the world market; it can only study trends in world markets with a view to controlling possible repercussions inside the Community. Thus the joint decision to set quota limits on steel exports to the United States, which in itself is quite legitimate since it only concerns the market of a third country, has been regarded with a certain amount of suspicion by the Commission authorities on account of the consequences it could have on the application of the Community's rules of competition. Both the Commission and the British have chosen to reserve their

judgement on the agreement in question because they feel that it might one day serve as a useful pattern for similar agreements in other manufacturing sectors .

*

Italian Protection Accepted .

The Commission has informed the Italian government that the decision to raise import levies and export rebates for a wide range of steel products can be construed as a "fiscal measure", and is thereby legally permissible . A more flexible approach to such questions has recently been adopted by the Commission in order to facilitate the switch-over by member states to a Community VAT system .

Nevertheless it has been pointed out to Rome that the inclusion of taxes in the figures used to justify the Italian case cannot continue, and sales prices should now be expressed "before tax", a move which should bring about a considerable lowering of prices . The Commission in its reply points out that the figures dealing with import taxes and export rebates put forward by the Italian government are exact, but at the same time their affect on the country's steel industry varies .

It would seem that the import tax hits mainly the producers of Siemens-Martin steel, using imported cast iron . These are mostly non-integrated producers accounting for some 1.5 million tons of crude steel in 1966 out of a total of 13.5 million . The effect of the import levy is to raise the break-even price of the steel producers in question, despite their existing difficulties . In fact this action has led to a considerable exchange of correspondance between non-integrated producers and the Commission . Furthermore, since both the new taxes and rebates affect special groups of products, it is possible that competition may become distorted, and if this happens, Brussels will enter into further contacts with other member states .

*

Over-Investment in Cold Sheet

During 1968 the Community's steel industry announced new projects totalling some \$669 million, a decrease of some \$30 on 1967 . This figure conceals however a startling rise in the sums devoted to the construction of new rolling mills: \$454 m. in 1968, \$252 in 1967, under \$300 m for 1966 and 1965 and under \$100 for 1964, 1963 and 1962 . In the second half of 1968 projects announced included four wide-strip rolling mills, and the likely effect of this increase in production is causing some anxiety in responsible Community circles . It is being suggested that a detailed study of effects of the rapid increase in production capacity for flat products should be undertaken .

The Commission has expressed its "reasoned opinion" under Article 54 of the Paris Treaty with regard to the various projects it has had submitted to it. It is through this Article that Brussels should be able to establish some form of control with regard to the investment policies of the Community's steel firms. But unfortunately the problem is not as simple as it might seem at first sight. If for example two particular plants are sufficient to cope with all Common Market requirements and three firms want to build plants it might be difficult for the Commission to prevent them going ahead.

* * *

COMPETITION

France Wants Limitation of EEC Rules

Last week the French government submitted a request to the Commission which contained a demand for an easing of the competition rules of the Rome Treaty as governed by Articles 85 and 86. It asked the Commission to prepare and submit to the Council a number of modifications. These include:

- 1) the exclusion from Article 85 of agreements between firms with only a negligible influence on the market
- 2) the elimination of the obligation for firms signing specialisation agreements to inform Brussels
- 3) the right to exempt from notification certain types of cooperation agreements, where the effect of agreements would still maintain a reasonable amount of competition.

Although the case for these suggestions can be supported on the grounds that it would reduce administrative formalities and harmful publicity for company moves, it might well be argued that the suggestions fall within the scope of French efforts - strengthened since M. Debre has been at the Quai d'Orsay - to reduce the scope and power of the Commission. It would mean returning the power to deal with such agreements to the national governments, and thus give the French government further grounds for arguing - as in the Citroen-Fiat affair - that the Commission should not concern itself with national matters.

*

Another Fertilizer Success

After a certain amount of prodding from the Commission, the Italian nitrate fertilizer sales cartel SEIFA, Milan which represents the major Italian producers (Montedison, Rumianca, Snia Viscosa) on both the home and domestic markets has been persuaded

to change its sales methods so as to fall in line with Article 85 of the Rome Treaty. This follows similar successful efforts by the Commission against nitrate fertilizer sales cartels in France and Belgium.

In March 1968 the Commission stated that SEIFA's existing rules appeared to conflict with the Treaty. When the formal grounds for complaint were set out, the companies involved decided to abolish the rules under criticism.

The present situation is that the firms who back SEIFA continue to sell their output in Italy and non-EEC member countries through the organisation. In Italy sales are actually made through the "Federconsorzi" or independent cooperatives and wholesalers, whilst prices are fixed in accordance with the levels set by the interministerial Council. The SEIFA is unable to prevent re-exports. With regard to other EEC states SEIFA can no longer prevent any producer or purchaser from making direct sales. The Nitrex Convention or freely negotiated prices apply in the case of sales to third countries.

* * *

CUSTOMS & TARIFFS

Commission takes Italy before European Court

Following the opening of proceedings against the French Government over the preferential interest rate granted to exporters, the European Commission is now taking the Italian Government before the Court of Justice of the European Communities for continuing to impose a higher turnover tax on some forms of wool imported from other Community countries than on similar Italian products

On July 2, 1966 the Commission began action under Article 169 of the Rome Treaty against the Italian Republic for many violations of Articles 95 and 96 of the Treaty. The Italian Government subsequently agreed to end the practices concerned. However, Article 95 of the Treaty is still being violated in two respects. In the first place, imports from other Community countries of pulled or skin wool are taxed at a basic rate, a supplementary rate and a special supplementary rate, whereas local wool is subjected only to the special supplementary rate of tax.

Secondly, carded or combed wool imported from other Community countries is taxed on the basis of its actual value at the time of importation, whereas local wool is taxed, once and for all, at an earlier stage of manufacture and consequently at a lower value.

The Commission on July 17, 1968 submitted a reasoned opinion to the Italian Government requesting it to end these practices within a fixed period. No action having been taken by the Italian Government, the Commission on February 4, 1969, opened the proceedings with the Court of Justice.

* * *

AFRICAN ASSOCIATION

The Eighteen in Loose Formation for Talks

On January 29, there ended in Kinshasa the Fourth summit conference of O.C.A.M. - the Organisation Commune Africaine & Malgache, which provides a forum on political and economic affairs for the eighteen French-speaking states of Africa and Madagascar. Despite a great deal of strife and contention over internal relations between members of this group, which occupied most of the three-day meeting, there seems to be a good chance that the Community's African Associates will come to the negotiating table for the renewal of the Yaounde Convention of Association as a fairly coherent single front. The renewal talks are due to commence on March 26, and the African delegates are bent on achieving sufficient solidarity to get their claims accepted and also to ensure that the negotiations are complete by the deadline of May 31, when the original convention expires. Even if this is done, however, there will still have to be faced the whole process of ratification of the new Treaty by the national governments concerned, and there is now no hope of avoiding a transitional period between the expiry of the first convention and the coming into force of the next.

Despite this, however, the African associates have by and large agreed on the major points of their demands. These hinge mainly on the need for larger disbursements from the European Development Fund, increasing trade between themselves and the Community, and the adoption of measures to secure price levels on the African commodities markets, plus guarantees securing markets for OCAM countries in preference to other African and European states. Further to this, and indeed beyond it, the Senegalese premier, Mr. Senghor, always the champion of moderation and reason on these occasions, renewed a plea he has made in the past that squabbles between OCAM members should be settled, and that the wider interest be assured by the creation of an African common market as such. The greater bargaining power of such a body might, for instance, be useful when the associates come to tackling such matters as the EEC's own common agricultural policy. They are at present much concerned about the Mansholt Plan in particular, which makes provision for levies on fats of tropical origin.

In Brussels, meanwhile, there will be a flurry of activity amongst the Commission's experts on African affairs, in preparation for March 26. One of the first things that has to be settled is the matter of the now inevitable transitional period. Although little difficulty is likely to be caused by the extension of current trading arrangements

beyond May 31 to the inception of the renewed convention, problems are likely to arise in connection with financial and technical aid. By the end of May the E.D.F. exchequer will be all but dried up, and it will then be impossible to get any new projects under way. By way of avoiding any obvious lapse in aid activities therefore, the Commission has it in mind to press on during the transitional period with feasibility studies on future projects, in which representatives of the associated states will take part, thus ensuring some degree of continuity in this field.

At all events, the Commission can hardly do otherwise than concentrate on the really vital issues, for the sake of expediency - and indeed probably at least half of the provisions in the present Convention will be retained in the next. But what in fact are the vital issues now?

1) Trade: this is probably covered less satisfactorily in the Yaounde Convention than any other field, not least because in the original negotiations two diametrically opposed objectives were formulated. The aim was, at one and the same time, to increase trade between Africa and Europe, and to extend the African States' independence from their former European capitals. The recent history of trade between the Six and the Eighteen is nothing to shout about, although in Brussels the cry always goes up that the internal affairs of the associates are the problem here. Indeed, if we leave aside Congo-Kinshasa, the rate of trade expansion between the European Community and the remaining seventeen associates has increased more rapidly than that of trade with developing countries elsewhere, in addition to which the Eighteen have been successful in their attempts to diversify their trade patterns.

Again, while in general EEC members are all for maintaining the preferences offered to the Eighteen, there is a growing feeling that such benefits should be extended to other developing countries, for certain specific commodities. What the Commission envisages is at some date the diminution of preferences to the Eighteen, combined with the conclusion of viable world commodity agreements, for instance on cocoa and coffee.

Price support also comes into the picture here. Most of the countries in question being in the franc zone, France previously offered them guaranteed prices and markets, and price support was therefore brought in at the time of the Convention. However, the chances of the EEC at large retaining this system under the new convention are virtually nil, and we can therefore expect there to be some sort of phasing-out operation during the transitional period, especially for certain countries still largely dependent upon specific and sensitive products, working on some sort of trade regulation system (for fats, cotton, and possibly sugar and bananas).

2) Financial and technical cooperation: few complaints have been made about this, and the associates have on the whole been content with the way the system has worked. The E.D.F. has proved both flexible and practical as a vehicle for aid.

As yet, the Commission has not suggested any specific sum to be earmarked as the total for the next (the third) E.D.F., but it feels that increases are indicated, following Opera Mundi - Europe No 499

certain criteria (rising costs of industrial products, the increasing GNP of the Community etc).

Again, the Commission is of the opinion that changes in the fields of application of EDF appropriations should be minimal, although good note has been taken of the associates' own emphasis on greater efforts to industrialise their economies. Against this, the Commission's experts maintain that investment in African industry is not a viable proposition if production is limited to any one country. Here, it comes close to the thinking of Mr. Senghor: once African common markets come into being, then there is automatically a realistic and viable pole of attraction for funds from Europe, for investment in industrialisation.

During the talks, other topics of course are bound to arise. One most certainly will be the position of the other associated African states (Nigeria, and the East African "Three"). The political situation in Nigeria, of course, means that any work on the Lagos agreement is quite out of the question for the time being. As far as the Arusha Agreement with Tanzania, Uganda and Kenya is concerned, the situation at the moment is that the Commission is awaiting word from the three countries as to what their requirements are, and it has several times written to remind them of the urgency of the matter.

Hanging over the whole issue, moreover, is this shadow of doubt: how can the granting of generalised preferences to developing countries, on finished, semi-finished and processed agricultural products be reconciled with the desire to offer any appreciable benefits specifically to the Eighteen? In Brussels, no-one has failed to note that the African Associates ratified the UNCTAD agreement in New Delhi last year, and that by doing so they implicitly recognise that their preferential trading position was bound to decline in relative terms. As a corollary to this, however, the EEC has stated its readiness to open its market duty-free to industrial products from developing countries, imposing only quota restrictions as its safety valve. Here, the sop of discrimination may still be offered, as the Six will not in fact impose such quotas on manufactures from the Eighteen. As far as preferences on processed agricultural produce are concerned, the customs benefits the EEC is prepared to offer to developing countries in general, are really no more than a token gesture.

*

*

*

ASSOCIATION

Phase Two for Turkey

Negotiations opened in Brussels last week between the European Community and Turkey, on the move into the transitional stage of the EEC-Turkey Association Agreement.

Turkey's Association with the Community began in December 1964 with a preparatory period due to last five years and followed by a transitional stage, which would include the establishment of a customs union between the Six and Turkey. The negotiations are to be conducted by the Association Committee which will report progress to the Council

of Association by mid-April.

Turkey should also be the recipient of the first allocation of food aid under the agreement drawn up at the time of the Kennedy Round negotiations. On Friday, February 7, Turkish and Community representatives opened negotiations on agreement for the supply to Turkey of 50,000 metric tons of soft wheat from Community stocks.

*

*

*

E.I.B.

Activities in 1968

In terms of cash, the European Investment Bank has, since it was instituted in 1959, now made total loans of \$993.9 million. The figure in 1968 was \$172.56, representing 28 loan contracts with Community enterprises, 21 of them in Italy. In addition, \$12.41 million was disbursed from the Bank to the Associated African States and Madagascar. The body especially responsible for EEC investment in the latter area, of course is the European Development Fund, and through the EIB's "special section" in 1968 was channelled \$10.51 million EDF appropriations. Most EDF resources, of course, come direct from member states, though some \$18.6 million went through the special section for use in Turkey (see below). In all, the amount of money passing through the special section since 1959 now comes to \$140.06 million.

The EIB works generally on the "Robin Hood" principle, raising funds by floating loans in the more solvent member states to direct these towards projects in others suffering financial difficulties. This being so, as we have seen, it was Italy that got by far the largest slice of the cake in 1968, although in 1969 France is likely to enjoy more benefits, in the aftermath of the events of 1968. The EIB in fact can be delegated to implementing the "mutual aid" measures, as brought in by the Community to assist France with her recovery from the crisis. An example of this has already occurred, with the Bank's loan to Potasses d'Alsace of F 75 million at the end of the year. Further loan contracts are also scheduled for projects in Brittany and the South-West (see below), now designated as under-developed areas.

Another trend that should be watched for in the workings of the EIB in the future is its increased role in the staving off of the "American Challenge": more of its funds and activities in future are likely to be directed towards promoting developments in key technological sectors, and to improving transport and communications

*

\$ 16 Million for French Natural Gas

On February 4, the EIB concluded a \$ 16.2 million loan contract with S.N.G.S.O., the Ste Nationale des Gaz du Sud-Ouest SA, towards the financing of its \$ 46.6 million project for improving the distribution network for natural gas from the Saint-Marcet, (Haute-Garonne) and Lacq "profond" (Basses-Pyrenees) deposits in South West France.

The loan has a maturity of 20 years, and bears interest at 6.875% per annum. The project in question is the first stage (1968-73) of the ten year scheme for natural gas in this area.

*

\$ 18 Million for Power Station in Brittany

On February 6, the EIB agreed to loan the E.D.F. - Electricite de France, national electricity generating authority, some \$ 18 million (F 90 million) as part of the investment cost of the first of four generating sets at a new power station to be built at Cordemais (Loire-Atlantique). The plan is to install four 600 MWe sets at this site by late in 1970, and the total cost of the project will amount to about \$ 100 million.

In this instance, the loan contract extends over 12 years, and the interest rate is 6.5% per annum.

*

*

*

SPAIN

Debre in Spain

The visit of M. Michel Debre, the French Foreign Minister, to Spain last week was cut from four days to two as a reflection of France's disapproval of the current "state of exception" in Spain. There had been widespread protests in France that the visit should take place at all as at this time it would appear as an open condonation of current Spanish policy, and in deference to this opinion the visit was curtailed, a scheduled press conference cancelled and the signing of a cultural agreement between the two countries postponed.

The visit was originally planned last year long before the present difficulties in Spain began to arise, and so the French government has found itself somewhat embarrassed by the turn of events. There were three major topics for discussion and it appears that there is a large measure of coincidence in the policy goals of both countries. First of all Spain wants some sort of link, preferably association leading to eventual membership, with the Community, and this would also be a useful thing for France. The trade balance between the two countries is about equal, and over the last ten years French exports to Spain have risen from F 296 million to F 2,000 million. France is Spain's third largest trading partner after the United States and West Germany and also joint third with the latter country (after the US and Switzerland) as regards investments in Spain. A solidly-based trading link between France and Spain would be especially advantageous to France as she stands to benefit enormously from Spain's heady growth rate of 7% per annum and 9.4 % in industry. Moreover, as the bottom of the market barrel is still a very long way off, the industries of the South-West, especially those centred on Toulouse, would be bound to benefit greatly.

Given the heat of the political situation in Spain at the present time, it was the commercial importance of the visit which was stressed most. There was however some discussion between M. Debre and his Spanish counterpart, Sr. Fernando Castiello, on the future of the American bases in Spain. The American lease on the Spanish bases which includes the strategically-important Polaris nuclear submarine base at Rota in Southern Spain runs out in six weeks' time and if it is not renewed by March 26 the Americans will have to move out within the year. The Spanish have made it known that they do not want to let themselves in for any new agreement which will entail the permanent or semi-permanent presence of American bases on Spanish soil, yet on the other hand neither do they really want to lose the added safety factor that American presence affords them. They would prefer some sort of entente cordiale with the Americans covering mutual defence without committing themselves to keeping the US bases.

The French of course would be very glad to lend their support to the policy of getting the Americans out of Spain, as this would be a reflection of their general de-Americanisation plan for Europe - with France at the head. In addition the central theme of Spanish foreign policy is to wrest Gibraltar from British control and some observers have concluded that France might go as far as to lend support to this movement in the hope of winning Spanish allegiance. By this action it would stand to gain increased ascendancy at the cost of the Americans, increased and more profitable trade with Spain as well as the possibility of selling French SECAM colour television to Spain and then on to Morocco, Mauritania and Equatorial Guinea, via the Spanish bridgehead. M. Debre is however understood to have told Sr. Castiello that the Spanish emergency measures are tantamount to martial law and as such France would find it difficult to support the Spanish application for associate membership of the Community unless the measures were exercised with the greatest restraint. Thus although Sr. Castiello is said to have asked for French sympathy and to have pointed out somewhat significantly that the measures had only been implemented to prevent an uprising such as that which occurred in France in May, France is unlikely to make any moves in the political sphere until the dust of the emergency measures has settled. Thus in a few months' time we can expect the signing of the postponed cultural agreement, followed by moves by the French to bring Spain closer to the Common Market.

Opera Mundi - Europe No 499

February 13, 1969.

A

EUROFLASH - HEADLINES

AFRICA	RENAULT-PEUGEOT association: assembly lines rationalised	B
BELGIUM	LITTON buys HOESCH and JUCHO out of COPPEE-RUST	G
	Insurance: Japanese DOWA agency to HUNTER, BOWRING	J
BRITAIN	ROUSSELOT-KUHLMANN acquires £ 15, 000 affiliate	C
FRANCE	SIMCA to build F 300 million plant near Valenciennes	C
	WESTINGHOUSE marketing pact with AIRFLAM air conditioning	E
	C.G.E. concentrates wire and cable making around CLICHY	E
	OPPENHEIM seeks AEG-TELEFUNKEN bid for RHEYDT cables	F
GERMANY	V.F.W. seeks cooperation, possible merger with FOKKER	B
	DEMAG to link with KABUSHIKI on blast furnace design	F
	CONTINENTAL CAN takes over SCHMALBACH LUBECA packaging	K
	BAYER pharmaceuticals: takes over TROPONWERKE, Cologne	K
	MANAGEMENT SCIENCES AMERICA forms Düsseldorf subsidiary	L
ITALY	ANIC and SARAS groups link in 300, 000 t.p.a. aromatics complex	K
LUXEMBOURG	B.U.E. and FINIMSA back JAPANESE PACIFIC FUND investments	I
NETHERLANDS	PHILIPS expands EDP equipment network, buys SIEMAG subsidiary	E
	HIGHLAND LEASING forms farm machines rent/consultancy firm	I
	FURNESS and THYSSEN-BORNEMISZA groups:SWARTTOUW reshuffle	N
U.S.A.	MONTECATINI-EDISON's I.M.E. subsidiary to sell computers	E
	DEUTSCHE GRAMMOPHON (Philips-Siemens) forms POLYDOR NC L	L

CONTENTS

Aerospace	B	Paper & Packaging	K
Automobiles	B	Pharmaceuticals	K
Building & Civil Engineering	C	Plastics	L
Chemicals	D	Printing & Publishing	L
Electrical Engineering	E	Services	L
Electronics	E	Textiles	M
Engineering & Metal	F	Tourism	M
Finance	H	Trade	M
Food & Drink	I	Transport	N
Insurance	J	Various	O
Oil, Gas & Petrochemicals	J	Index to Main Companies Named	P

AEROSPACE

** The German aircraft and aeronautics concern V.F.W. - VEREINIGTE FLUGTECHNISCHE WERKE GmbH, Bremen (see Nos 492, 498), which has been much involved in the moves to concentrate the German aircraft industry, plans now to pursue more closely the principle of cross-frontier links in its sector, and is negotiating with the Dutch KON NED VLIEGTUIGENFABRIEK FOKKER NV, Amsterdam, to this end. The latter itself was recently engaged in a similar move with the French DASSAULT group (see No 493).

The aim of this move, it is suggested, may eventually be a complete merger, though this would probably not occur before the full machinery of European company legislation is brought in under the auspices of the EEC. Affected indirectly by the plan are the respective parent companies of the groups to which either concern is affiliated: NORTHROP CORP, Beverly Hills, California (see No 432), in the case of FOKKER, and the FRIED KRUPP GmbH, Essen group (about 30% of the Dm 45.5 m. capital) in the case of V.F.W.

AUTOMOBILES

** The links in France and abroad between the AUTOMOBILES PEUGEOT SA, Paris and the REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see Nos 470, 496) will be strengthened as the result of two new moves. Peugeot is to acquire a stake in the Ste Malgache de Construction Automobile - SOMACOA, which since 1962 has assembled Renault's vehicles, and which following the extension of its plant at a cost of F Cfa 100 million will also assemble Peugeot cars. In South Africa, Peugeot is to switch assembly of its cars from STANLEY MOTORS (PTY) LTD, Natalspruit to ROSSLYN MOTOR ASSEMBLERS (PTY) LTD. This is a 26% affiliate of Renault through its local subsidiary RENAULT AFRICA (PTY) LTD, in which the Japanese car firm NISSAN JIDOSHA KOGYO-NISSAN MOTOR CO, Yokohama (see No 473), has an interest.

** DAIMLER-BENZ AG, Stuttgart-Untertürkheim (see No 497) has taken an initial stake of 51% in the formation at Hanover of HANOMAG - HENSCHEL FAHRLEUGWERKE GmbH, (capital Dm 400,000), which is to implement its cooperation in the heavy vehicles sector with the Essen group RHEINISCHE STAHLWERKE.

The Stuttgart builder recently (see No 496) terminated its negotiations in France with SOFIDEL - Ste Financiere des Ets Ch. Delecroix SA, Paris, which gave it control of its Paris subsidiary Royal-Elysees SA. This already held the agency for the group on the French market, and in 1968 sold there about 10,000 cars and 4,500 heavy trucks.

** The STE DES AUTOMOBILES SIMCA, Paris (see No 436 - a member of the Detroit-based automobile group CHRYSLER CORP - see No 443) has taken a decision to build a new assembly plant costing some F 300 million south-west of Valenciennes in northern France. This is expected to begin production towards the end of 1970, and will create some 4,000 jobs. Simca already has a plant at Vieux-Conde near Valenciennes, which employs 1,000 persons and this was taken into consideration when choosing the site for the new plant, which may be extended at a later date. The work force will be drawn from the Valenciennes-Denain, Maubeuge and Cambrai areas, and it is hoped to get financial backing for the project from the Coal and Steel section of the Common Market Commission, as a considerable part of the work-force is expected to be former employees of the coal mines.

Earlier this year, Simca announced that it was extend its production facilities at La Rochelle in the Charente-Maritime.

BUILDING & CIVIL ENGINEERING

** SA DES MINERAIS, Luxembourg subsidiary of the new metal and minerals trading concern CONTINENTAL ORE CORP (see No 457), has itself formed a wholly-owned subsidiary in Luxembourg under the name of GRANITE INTERNATIONAL SA (capital Lux f 150,000). This is to trade in raw materials and building supplies, specialising in quarry and finished granite, natural and simulated stone etc.

The New York group has widespread European interests, in particular its agencies in London, Paris and Düsseldorf. A few months ago it came under the control of the Skokie, Illinois group INTERNATIONAL MINERALS & CHEMICALS CORP (see No 481).

** STE FRANCAISE DES CHAUX HYDRAULIQUES & CIMENTS DU VERMANDOIS SA, Paris (a member since 1968 of the Paris group CIMENTS D'ORIGNY SA - see No 451) has acquired a 40% stake in the Belgian, CARRIERES, CHAUX & CIMENTS DES PRES & DE LA ROQUETTE SA, Gaurain-Rame-Croix to which it has also made over its quarrying interests at Antoing, Tournai and Vaulx-lez-Tournai.

The Belgian concern (capital increased to Bf 30 m) is already affiliated to the French companies La Desvroise SA Des Ciments Portland, St-Omer, Pas-de-Calais (see No 325) Lens Beton SA and Ciments de Pont-a-Vendin, both at Pont-a-Vendin, as well as to the Ciments du Nord SA group, Haubourdin, Nord.

** The Luxembourg investment company XENOPHON TRUST SA (see No 467) has made over its shares in the Spanish property concern RENTEQUIPO SA, Barcelona to a newly-formed holding company named RENTEQUIPO LUXEMBOURG SA (capital Lux f 1.5 m), under the chairmanship of Mr. D.E. Hillman-Eady (see No 425).

Xenophon Trust, formed early in 1967 by an international group headed by the BANQUE COMMERCIALE SA, Luxembourg, is linked with the London Centrovincial Estates Ltd group (see No 497) in Centrophon SA, Luxembourg (formerly Centrophon Green SA - see No 423), which in its turn has since last year controlled the Paris firm, Centrophon Engineering SA - formerly Centrophon Green France SA.

** The Dutch company HANDELS- & EXPLOITATIE MIJ. MARCEL MUIJRES NV, Sittard, has strengthened its interests in the Benelux countries with the formation at Antwerp of an almost wholly-owned subsidiary ALGEMENE BOUWONDERNEMINGEN MARCEL MUIJRES NV. With a capital of Bf 50 million, this will deal in all types of building and civil engineering.

CHEMICALS

** The CARBOLINE CO, St Louis, Missouri (chemical products and anti-corrosive coatings) has issued a licence for the manufacture of its products in Italy to APPLICAZIONI INDUSTRIALI APSACOAT SpA, Milan (see No 486), which with its name changed to APSACOAT-CARBOLINE SpA (capital raised to Lire 100 m) will nevertheless remain under the outright control of its president, Sig Mario Tenca.

Carboline, which is headed by Mr. Stanley L. Lopata, now has representation on the board of Apsacoat, as well as its existing interests in two other EEC concerns: Carboline Europe Sarl, Neuilly-sur-Seine, and Carboline Holland NV, Uithoorn.

** The French group ROUSSELOT KUHLMANN SA, Paris (formerly COFRANOS SA - CIE FRANCAISE DES OS - see No 471) has acquired a new British affiliate ROUSSELOT CHEMICALS LTD, London (capital £ 15,000) run by Messrs. N.A.J. Snason and M.A. Thomas.

The French group was formed during 1968 by the concentration of the manufacturing activities of Rousselot SA, Paris (see No 489) and Ugine Kuhlmann SA (see No 497) in the gelatine, glues and organic materials processing sectors. From Rousselot SA, it acquired its stake in Rousselot Gelatine Ltd, Northampton.

** The Schiedam concern NV SCHIEDAMSCHE MELKZUURFABRIEK is to be the vehicle of cooperation in sugar chemistry launched late last year (see No 485) between the Amsterdam groups VERENIGDE H.V.A. - MIJ NV and NV CENTRALE ZUIKER MIJ. Until now a subsidiary of the first of these, the Schiedam concern on January 1 took over both partners' production, sales and R & D activities in the lactic acid field. Now employing some 150 people, it will eventually change its name to CHEMIE COMBINATIE AMSTERDAM (C.C.A.) NV.

** A member of the Hanover group SALZGITTER AG, Berlin and Salzgitter (see No 497), SALZGITTER CHEMIE GmbH, which produces ammonia, nitrogenous fertilizers and methanol, has started negotiations in a bid to enlist the aid of SCHOLVEN-CHEMIE AG, Gelsenkirchem-Buer (see No 490), a member of the group VEBA-VEREINIGTE ELEKTRIZITÄTS- & BERGWERKS AG, Bonn and Berlin (see No 496). Salzgitter Chemie (capital Dm 10 m), whose losses in 1967/68 were calculated at Dm 10 million, employs 1,500 persons.

ELECTRICAL ENGINEERING

** WESTINGHOUSE ELECTRIC CORP; New York (see No 498), which is currently seeking a major expansion of its links with similar European groups (see "Community"), in particular with the Belgian concern A.C.E.C. - ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI, has made a technical and marketing co-operation agreement with the French AIRFLAM - LE CHAUFFAGE DOMESTIQUE MODERNE SA, Paris (turnover F 93 m - see No 342), one of the largest heating firms in France, ranking 52nd in the engineering sector overall, and having interests on the European scale, with a subsidiary joint with the Belgian Ets J. Moreau-Jimo SA in Brussels (manufacturing), and two other sales subsidiaries: Airflam Italia Srl, Milan, and Airflam Moderne Oelheizungen GmbH, Frankfurt.

The Westinghouse group's last significant move in the air conditioning sector in Europe was early last year, when its Geneva subsidiary Westinghouse Electric International SA took over the Italian Delchi SpA (capital Lire 1,000 m.), which has interests ranging from air conditioning and refrigeration to purification and heat-exchanger installations.

** C.G.E. - CIE GENERALE D'ELECTRICITE SA, Paris (see No 498), in completion of its reorganisation and conversion into an investment company (see No 494) has made over its wire and cables (power and communications) division to its Clichy, Seine-St-Denis subsidiary CABLERIE DE CLICHY (S.A.C.M.) SA (see No 468). This concern, changing its name to CABLES DE LYON ALSACIENNE SA (capital raised to F 120 m.), will transfer its offices to Lyons, Rhone: under the move, it will acquire C.G.E.'s plant in this sector at Lyons, Calais, Bezons and Bourg-en-Bresse.

In addition, C.G.E. has made over an F 29.2 million portfolio to its Paris subsidiary CIE GENERALE D'ELECTRONIQUE SA, which will thus raise its capital to F59.2 million.

ELECTRONICS

** PHILIPS GLOEILAMPENFABRIEKEN NV, Eindhoven (see No 497), which is currently building up a European sales network for its EDP equipment and electronic calculators; by buying up various specialised subsidiaries and affiliates (Siemag, Katzinger - see No 495), and allying with others (Lease Plan Nederland etc - see No 494), has, through its sales subsidiary PHILIPS NEDERLAND NV, approached the shareholders of NV PROCENTO, Amsterdam, with a view to buying up the company. This in fact is the Dutch sales offshoot of SIEMAG - SIEGENER MASCHINENBAU GmbH, Dahlbusch, with which Philips was linked 40-60 in a joint sales subsidiary bearing the name of the German firm until the latter was bought out of the venture (see No 497) by Philips Hamburg holding company Alldelphi.

** SOC. INDUSTRIA MACCHINE ELETTRONICHE - I.M.E. (a member of the MONTECATINI-EDISON SpA group Milan - see No 498) has formed an American sales company to market its small-scale computers made in Italy throughout North America.

** The BELL TELEPHONE MANUFACTURING CO SA, Antwerp (wholly-owned subsidiary of the New York group I.T.T. - INTERNATIONAL TELEPHONE & TELEGRAPH CORP - see No 459) has sold to KIVAR (formerly P.C.C. INTERNATIONAL) its limited facilities at Bornem making printed circuits. This move has been carried out because the expected increase in demand for printed circuits during the coming years will exceed the capacity of the Bornem factory, whose production has been switched to the company's factory at Ghent. The assembly of printed circuits will now take place in Antwerp and probably at Geel, while the facilities at Saint-Nicolas will be moved - at the earliest in late 1969 - to Bell's new factory at Geel which is now nearing completion.

ENGINEERING AND METAL

** THOMAS COLLATOR EUROPE SA, Ottignies, a 20 % Belgian affiliate of the American concern THOMAS COLLATORS INC, Linden, New York (a member of the American postal machinery group - sorting, opening and franking, etc - PITNEY-BOWES INC, Stamford, Connecticut - see No 414) has changed its name to C.P. BOURG SA (capital Bf 2.5 m), after its majority shareholder (61%), M.Christian P. Bourg, Hevillers. A 10% stake is also held by M. Daniel E. Pfister, Rüschlikon, Zurich.

The latter is president of the Zurich paper and office machinery concern Pfister-Leuthold AG, and vice-president of Luvinka AG, Zurich. President of the latter is M.C.P. Bourg, and it handles all operations connected with licensing rights.

** A group of majority shareholders in the cables firm KABELWERKE RHEYDT AG, Rheydt (capital Dm 26.4 m) headed by the BANKHAUS SAL. OPPENHEIM JR. & CO, Cologne (see No 469) has suggested to the AEG-TELEFUNKEN group, Berlin (see No 498) that it should make a takeover bid for the cable firm.

For several years now (see No 355) AEG-Telefunken has been trying to acquire control of the Rheydt concern. This has over 2,000 employees and makes, high-tension cables, telephone cables, dynamo wires, as well as plated wires. In 1968 it had a turnover of Dm 158 million and controls a wholly-owned subsidiary, Deutsche Kabelwerke GmbH, Rheydt.

** An agreement covering exchange of information on blast furnace construction has been signed between the West German group DEMAG AG, Duisburg (see No 495) and the Japanese group NIPPON KOKAN KABUSHIKI KAISHA, Tokyo (see No 451). The Tokyo company has a London branch, and is linked through technical and know-how agreements with several European concerns, including Arbed -Acieries Reunies de Burhach-Eich-Dudelange SA, Luxemburg (see No 496) and the Rotterdam shipyard R.D.M. -De Rotterdamsche Droogdok Mij. NV (see No 451).

** The newly-formed Hamburg company AIMANTE MAGNETEN VERTRIEBS GmbH (capital Dm 20,000 - managers MM. Karl Schütze and Kurt Denhart) will distribute in West Germany electrical and magnetic equipment for the Japanese company AIMANTE TRADING CO LTD, Tokyo.

** LITTON INTERNATIONAL SA, Zurich, of the Beverley Hills, California group LITTON INDUSTRIES INC (see No 498) has bought up the shares held by HOESCH AG, Dortmund (see No 497) and DORTMUNDER BRUECKENBAU C.H. JUCHO (see No 374) - 8.5% and 5.5% respectively - in the Belgian ETUDES & CONSTRUCTION EVENCE COPPEE-RUST ENGINEERING & BOUWBEDRIJF NV (see No 466).

This has now changed its name to COPPEE-RUST SA. Its main fields are engineering for the steel, chemicals, gas, paper and mining industries, and it is under the 50.4% control of the Brussels group EVENCE COPPEE & CIE SCS, Brussels (see No 493), being also a 35.1% affiliate of the Pittsburgh group THE RUST ENGINEERING CO.

** The German mechanical, pneumatic and electronic measuring and control instrumentation concern (chiefly tank level indicators) AFRISO-EURO-INDEX, GÜGLINGEN, Württemberg (see No 307) has expanded its Common Market interests by setting up a subsidiary at Schaerbeek, Brussels named EURO-INDEX SA. This is under the direct control of the Dutch subsidiary EURO-INDEX NV, Bunde (which in Belgium already had a branch at Lanaken), and is to make and trade in all types of measuring instruments, heating equipment and accessories etc.

The parent company is owned by Herr Georg Fritz, and employs almost 400 people for a consolidated annual turnover of around Dm 30 million. It already has interests in France, Italy, Switzerland, Austria, Britain etc.

** INTERNATIONAL MATERIALS TRADING (AMERICAS) LTD, Nassau, Bahamas, has formed an almost wholly-owned Belgian subsidiary, INTERNATIONAL MATERIALS TRADING SA, Watermael-Boitsfort. With a capital of Bf 1 million, it has as managers Messrs R. Shell, Th. Williams and C. Maurel, and is to plan and carry out base and applications engineering projects, mainly in the chemical and petrochemical industries.

** A programme of cooperation, especially for the production of machines and service station equipment, has been established between the aeronautical firm MESSERSCHMITT WERKE-FLUGZEUG UNION SUD GmbH, Munich, and DEUTSCHE GERATEBAU GmbH, Salzkotten, Westphalia (see No 364). A member of the GEBR. STUMM GmbH, Neunkirchen group (see No 446), and with a capital of Dm 7.62 million, this employs some 1 million persons in the construction of steel tanks, metal warehousing fittings and aeronautical equipment. The first company (capital Dm 10 m) belongs to the aircraft group MESSERSCHMITT-BOLKOW GmbH, Ottobrunn (see No 495).

** The West German group LINDE AG, Wiesbaden (see No 494), which recently acquired a 33% stake in CIE INDUSTRIELLE DES PROCÉDES RAOUL PICTET SA, has now resulted in the latter being renamed PICTET-LINDE SA. With a capital of F 2.68 million, the French company makes air conditioning equipment in its Paris and Beaumont, Oise workshops. It is still under the control of the Paris group GAZ & EAUX SA.

** A cooperation agreement covering R & D and marketing of automated door and shutter closure systems, using linear motors, has been signed in France between MERLIN-GERIN SA, Grenoble (affiliated to the Belgian group EMPAIN - see No 491) and TUBEST SA, Paris (see No 206). With a capital of F 6 million, the latter (factories at Fere-en-Tardenois, Aisne) has a "Remote Control" Department which specialises in automatic doors, and it also produces flexible or semi-flexible tubes and pipes, various accessories for cars, aircraft and ships. Its European affiliates or licensees are Ateliers de Forest SA, Drogenbos, Belgium (with a branch at Neuf-Mesnil, Nord), Abboflex Ltd, Guildford, Surrey (of the Abbot Birks (Holdings) Ltd, London, group).

** A further rationalisation move by the French civil engineering group RICHIER SA, Paris (see No 489) in the castings and metal founding sector, will strengthen the position of the newly-formed company STE ARDENNAISE DE LA FONDERIE NOUVELLE SA, Charleville-Mezieres, Ardennes (capital F 17.14 m). This has taken over three associated companies: FONDERIE NOUVELLE SA, Charleville (gross assets F 24.4 m), which has M. R. Tayot as president, as well as two sales companies, Sodemetal Sarl, Paris, and Ets. Baudson & Cie SA, Charleville-Mezieres.

The Richier group recently carried out a similar move with regard to Fonderies Acieries Electriques de Feurs SA, Feurs, Loire. This resulted in the merger of three other associated companies, Acieries de Feurs SA, Feurs, Constructions Mecaniques Noralpe SA, Paris, and Ste Nouvelle des Ets Mecaest SA, Charleville.

** The Italian engineering group NUOVO PIGNONE SpA, Florence (see No 497 - a member of the E.N.I. - ENTE NAZIONALE IDROCARBURI SpA, Rome group - see No 498) has linked with SOC. TERMOMECCANICA ITALIANA (a member of the FINMECCANICA - SOC. FINANZIARIA MECCANICA SpA group, itself a member of the State group I.R.I. - Istituto Per La Ricostruzione Industriale SpA, Rome - see No 498) in a cooperation agreement covering the production and sale of specialised equipment. This includes gas compressors and process pumps used in the oil, petrochemical and chemical industries. The aim of the move to rationalise each company's production activities is so that they do not compete with each other.

FINANCE

** The Canadian investment company BRAZILIAN LIGHT & POWER CO LTD, Toronto, has formed a Luxembourg investment subsidiary BRASCAN INTERNATIONAL FINANCE CORP SA (capital \$ 1 m) with M. R.H. Winters as president. The founder runs a number of public utility concerns in Brazil, distributing both electricity and gas. It is controlled by Canadian, American, British, French, West German, Belgian and Swiss interests. In 1966 it sold for \$ 96.3 million its telephone network to an agency of the Brazilian Federal Government on condition that 75% of this sum was re-invested in Brazil.

February 13, 1969.

I

** The BANQUE DE L'UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA, Paris - a 20% affiliate of the MARINE MIDLAND OVERSEAS CORP, New York (see No 495) and a 10% affiliate of seven European banking establishments (see No 490) - has backed the formation in Luxembourg of an investment concern dealing in Japanese securities, JAPAN PACIFIC FUND SA (authorised capital \$ 10 m), which also has a management subsidiary JAPAN PACIFIC FUND HOLDING SA (capital \$ 20 m). The directors of the Japan Pacific Fund are FINIMSA SA, Luxembourg on whose premises it is based (a member of the Kredietbank NV, Antwerp and Brussels - see No 496) and M. Michel Pequin, the director of the founder.

The French bank is itself represented on the board of the new concern by M. J. Desazars de Montgaillard, who is also president of another Paris investment firm concerned with Japanese securities, Japon Investissements SA (see No 250). The latter's shareholders apart from the Banque de L'Union Europeenne include the Dresdner Bank AG, Frankfurt, the Ste Generale SA, Paris, The Industrial Bank of Japan Ltd, Tokyo, the Ste de Banque Suisse SA, Basle.

** The British equipment leasing concern HIGHLAND LEASING LTD, London, has formed a Dutch subsidiary HIGHLAND LEASING (HOLLAND) NV, Baarn (authorised capital Fl 650,000 - 20% issued). This will trade in and lease vehicles, tools, machinery and equipment, as well as supplying personnel and offering consultancy in the agricultural and horticultural sectors.

** Following the take over bid made by UNITAS NV, Rotterdam, for the investment company INTERNATIONALE BELEGGINGS UNIE "INTERUNIE" NV, The Hague (see No 498), a counter bid has already been launched by ROTTERDAMSCHER BELEGGINGS-CONSORTIUM NV - ROBECO, and Unitas has now withdrawn.

FOOD & DRINK

** The Dutch poultry firm E.P.U. - EUROPESE PLUIMVEE UNIE NV, Hamersveld-Leuseen (see No 420) has closed down its West German subsidiary HAMERSVELD-DEUTSCHLAND EIER- & GEFLÜGEL GmbH, Söxtheln (capital Dm 200,000). This was formed at Wildeshausen during December 1964 (see No 292).

The Dutch company is linked to the American group THE COBB BREEDING CORP, Littleton, Massachusetts (see No 419) and has interests in France, Italy, Spain and Switzerland.

** The French food firm LESAFFRE & CIE, Paris, has reorganised its assets and thereby strengthened the company belonging to the group. 1) STE INDUSTRIELLE LESAFFRE Sarl (capital F 4.16 m) will take over responsibility for the manufacture of yeasts, alcohol and derived products at Marcq-en-Baroeul, Nord (branches at Wattrelos, Nord; Compiègne, Oise and Janulzy); 2) LESAFFRE-NORMANDIE Sarl (capital F 1.73 m) will make powdered milk and apple juice concentrate at Cerences, Manche.

** The Dutch dairy co-operative VERENIGDE COOPERATIEVE ZUIVEL-BEDRIJVEN VECOLAC G.A. intends to acquire control of another company in the same sector NEDERLANDSCHE GRUYERE-BLOKMELKFABRIEK NV, Zwolle. The majority shareholding in the latter - since its capital was increased to Fl 7 million - is a group of dairy companies cooperating under the name of ISALACTA.

** The Dutch spirits firm AMSTERDAMSCH E LIKEURSTOKERIJ "T LOOTSJE" DER ERVEN LUCAS BOLLS NV, Amsterdam (see No 478) has appointed as from the beginning of January 1969, the Turin concern G.B. CARPANO C.B. ANTICA FABRICA DI VERMOUTH Sas (Punt e Mes vermouth - see No 454) as the Italian distributor for its products. At the same time, the West German subsidiary of the group ERVEN LUCAS BOLLS GmbH, Neuss, Rhineland, will market Carpano's products in the Federal Republic, as the latter closed its Munich sales subsidiary in early 1968.

INSURANCE

** The Japanese insurance company DOWA FIRE & MARINE INSURANCE CO LTD, Osaka, has appointed HUNTER, BOWRING & CO LTD SA, Antwerp, as its Belgian representative (see No 458). One of the latter's parent companies, C.T. BOWRING & CO (INSURANCE) LTD (a member of the London group C.T. Bowring & Co Ltd, London) is its representative in Britain. The other parent company of Hunter, Bowring is Kennedy, Hunter & Co Ltd SA, Antwerp, which acts as an insurance broker and is a Belgian representative for a number of British concerns in this sector.

** The Brussels company ETUGES, STE D'ETUDES & DE GESTION SA (see No 386) has made over to S.A. D'ETUDES & DE COURTAGE D'ASSURANCES GOLDSCHMID & CO SA (capital Bf 300,000) its subsidiary PIERRE GOLDSCHMID & CO SCS, Brussels (see No 328). Partners in this company, which specialises in insurance broking, are MM M.L. Goldschmid, its main founder, William Hautain and Pierre Hautain, who will be its managers.

A subsidiary of the GOLBI SA, Brussels concern, Etuges dissolved in September 1968 its 75% subsidiary REFAMI-REPRESENTATION & FABRICATION DE MATERIAL INDUSTRIEL SA, Brussels, where it had as a sales company FIREL SA, Lausanne, Vaud, whose president is M. Pierre Goldschmid.

OIL, GAS AND PETROCHEMICALS

** The Antwerp finance company INVESTCO - INVESTERINGSMIJ VOOR ONAFHANKELIJKE ONDERNEMINGEN NV (member of the Antwerp and Brussels group KREDIETBANK NV through its Brussels holding company ALMANIJ - ALG MIJ VOOR NIJVERHEIDSKREDIET NV - see No 490) has taken about 28% in the formation at Mechelen of a petroleum products and fuel import, export, storage, packing and transport concern

named COMETANE NV. This has Bf 35 million capital, and is controlled by the Mechelen concern COMET NV (see No 396), being headed by the chief director of the same, Mr. Pieter Descamps. A token stake is also held by Pierre Weghsteen, Geneva director of the BANQUE D'INVESTISSEMENTS PRIVES SA.

The latter already has a 25% holding at Mechelen in the finance company, Locassur NV, where it is associated chiefly (30%) with Comet.

** Negotiations are taking place between ANIC SpA, Milan and Rome (see No 478) the subsidiary of the E.N.I. group (see No 498) and SARAS CHIMICA SpA, Cagliari with aim of cooperating closely in the joint construction of an aromatic products complex (300,000 t.p.a.) at Sarroch, Cagliari.

Formed in April 1967, Saras Chimica (headed by Signor C.M. Moratti) belongs to the Saras SpA-Raffinerie Sarde, Cagliari (capital Lire 4,000 m - president Signor A. Moratti) which operates a refinery at Sarroch (8 million t.p.a. capacity) supplying the petrochemical complex at Macchiaredu (20 kms away) belonging to the Rumianca SpA group of Turin, the power station at Porto Verme run by E.N.E.L. SpA, Rome and the paper works of Cartiere di Arbatax SpA. In 1968 Saras formed a Sardinian distribution network run by Sarda Petrol SpA. For its part Anic has just brought on stream at Gela in Sicily a steam-cracking plant able to make some 40,000 t.p.a. of polypropylene under a licensing agreement with the AVISON CORP, (a former subsidiary of Sun Oil, acquired in late 1967 by Amoco Chemicals Corp, Chicago, the subsidiary of Standard Oil Co of Indiana - see No 444).

** Two wholly-owned Belgian subsidiaries of the SINCLAIR OIL CORP., New York (see No 374) have been taken over and absorbed by SINCLAIR OIL BELGIUM SA (capital raised from Bf 12.5 million to Bf 12.635 million. The two companies involved are the CENTRALE ECONOMIQUE DES CHARBONNIERS and I.O.C. Import Oil Company.

PAPER AND PACKAGING

** The New York group CONTINENTAL CAN CO INC (see No 413) has acquired a 53% majority shareholding in the leading Common Market packaging concern SCHMALBACH LUBECA WERKE AG, Brunswick (annual sales Dm 650 m - 13,000 employees) which was formed in 1967 when J.A. Schmalbach AG merged with Lubecawerke GmbH, Lülbeck. At that stage a 28% stake was held by the Schmalbach family, 25% by Continental Can Co Inc, 10% by the Deutsche Bank AG, Frankfurt, 8% (now 10%) by the Commerzbank AG, Düsseldorf and 7% each by Gunther Wagner Hannover Pelikan-Werke, Hanover and the Groos-Matthes group.

PHARMACEUTICALS

** The FARBENFABRIKEN BAYER AG, Leverkusen group (see No 498) has strengthened its West German pharmaceutical interests by gaining complete control of the TROPFONWERKE KG, Cologne-Mülheim concern.

This is a family business, specialising in neurological pharmaceuticals and preparations for respiratory disorders. It has some 600 employees with an annual turnover of around Dm 40 million.

** The first phase of the two-stage re-organisation of the pharmaceutical processing concern ETS FEVRIER, DECOISY, CHAMPION SA, Paris (see No 489) has strengthened the position of LABORATOIRES MILLOT SA, Paris, whose head office has been moved to Amiens, Somme.

As a result, Laboratoires Millot (capital increased three-fold to F 5 m) has taken over four other companies in the group A.D.M. Sarl, LABORATOIRE CORBIERE Sarl, all in Paris, and DIATHERA SA, Amiens.

PLASTICS

** The British company PLASTIC CONSTRUCTIONS LTD, Birmingham (see No 418) has begun talks with a German company aimed at a manufacturing link-up.

The Birmingham company, which is run by Mr. H. Avron (1968 turnover £ 1 m) specialises in industrial plastic products, especially anti-corrosive materials. It is the British representative for the West German plastic building materials concern, CARL SIMON SOHNE GmbH, Kirn.

PRINTING AND PUBLISHING

** With the aim of strengthening its position on the American market, the West German record concern DEUTSCHE GRAMMOPHON GmbH, Hamburg ("Grammophon", "Archiv", "United Artists", "Polydor" - see No 497) has formed a New York sales company called POLYDOR INC which will be run by Mr. Jerry Schönbaum.

The founder is owned jointly by the Siemens AG group, Berlin (see No 497) and NV Philip's Gloeilampenfabrieken, Eindhoven (see No 498). In 1968 it acquired a stake in the Austrian concern, Amadeo Oesterreiche Schallplatten AG, Vienna (see No 480). It also has interests in companies in Belgium, Britain, Finland, France, the Netherlands and Sweden.

SERVICES

** The data-processing consultant engineers concern MANAGEMENT SCIENCE AMERICA INC, Atlanta, Georgia, has formed a Düsseldorf subsidiary, INTERNATIONAL SOFTWARE & COMPUTING DEUTSCHLAND GmbH. In November 1968, (see No 494), it formed in Ixelles-Brussels the company; International Software & Computing SA (capital Bf 1 m.).

February 13, 1969.

M

TEXTILES

** The recently-decided merger (see No 481) between two West German combed wool concerns KAMMGARN-SPINNEREI DÜSSELDORF AG, Düsseldorf and NORDDEUTSCHE WOLLKÄMMEREI & KAMMGARNSPINNEREI AG, Bremen will result in the latter making over its assets to the Düsseldorf firm. This will be renamed VEREINIGTE KAMMGARN-SPINNEREIEIEN AG, with its head office moved to Bremen, and capital doubled to Dm 10 million.

** The Italian mens, womens and childrens "haute couture" making-up concern MONTI CONFEZIONI DI LUSSO SpA, Pescara and Roseto degli Aburzzi, Teramo, is to invest some Lire 1,800 million in building a new mill at Montesilvano.

This will give employment to 650 people, and will be run by a new sister company to be formed for the purpose, MONTI MEC SpA, Pescara, which in particular will receive a Lire 750 million loan from the E.I.B. - EUROPEAN INVESTMENT BANK of Brussels.

** The West German interests represented by Herr and Frau Max Hellenthal, Wuppertal-Ronsdorf have backed the formation in Belgium of the textiles manufacturing and sales company ORION Pvba, Deerlijk (capital Bf 2 m).

** The French group TEXTILE DELCER SA, St-Quentin, Aisne (knitwear production - see No 462) has backed the formation in Paris of NYSAM SA (capital F 2 m). This has M. G.P. Reige as president and the main shareholder is M. Rudolphe Ritter, the president of the founder. It will manufacture and wholesale or retail all forms of textiles and textile products.

TOURISM

** The Luxembourg company ITA - EUROPE Sarl (formed in July 1966 - see No 377) as a joint subsidiary of the travel agencies ITA-LIBAN, Beirut and ITA-IRAN, Teheran, has been dissolved, with M. Charles Montbrun appointed as liquidator. This was involved in running a travel agency and its capital was increased in March 1967 from \$20,000 to 30,000, an increase underwritten entirely by M. and Mme Gemayel, Beirut.

TRADE

** M. Constantin Tavridakis, Athens, is the sole director of the newly-formed CONTINENTAL MART ITALIA SpA (authorised capital Lire 100 m). Based in Milan, this will sell by mail-order, or through retail outlets, a wide range of consumer goods. The two founders are Messrs. R. Rosenfeld and F. Schmidt, both of Milan.

TRANSPORT

** Dutch and Belgian interests represented respectively by Mr. Johannes Fuchs, Schiedam and M. Willem Renes, Antwerp, have formed the new Antwerp company SOLLEVELD & VAN DER MEER BELGIUM NV (capital Bf 1 m) to charter and fit out ships.

** The agreement signed in Antwerp between STE D'ARRIMAGE ATLAS SA and STE BELGE DE TRAVAUX & INDUSTRIES MARITIMES - STIM SA has resulted in the formation of a joint subsidiary ALLIED STEVEDORES (ANTWERP) NV (capital Bf 200, 000). This will load, discharge, handle and carry all types of goods.

STIM is a subsidiary of the Paris group, Ste de Travaux & Industries Maritimes SA, (see No 336) whose partners are the Comptoir Mobilier & Financier SA, Brussels, the Ste Marseillaise de Trafic Maritime SA, Marseilles and the Ste Auxiliaire de Manutention & de Transports SA, Paris.

** The Paris firm TRANS FRET INTERNATIONAL TFI SA, (formed in 1967 - capital F 100, 000 - president M. Marcel Le Roy), which is involved in the transport, storage and packaging of goods, has opened a branch in Geneva under Melle Anne Courvoisier.

** Following an agreement made in the Netherlands between BATAAFSCHE AANEMINGSMIJ. v/h FIRMA J. VAN DER WAL & ZOON, The Hague (see No 497) and NABEK-NEDERLANDSE ALGEMEEN BEVRACHTINGS- & EXPEDITIE - KANTOOR, Rotterdam (see No 467), a transport company (especially containers) has been formed in Rotterdam called NEDERLANDSE TRANSPORT- & CONTAINERVERVOER MIJ. "TRACON" NV. With an authorised capital of Fl 300, 000 (66.6% issued), this is directed by its second founder, which a few months ago formed a subsidiary of its own at Antwerp, NV NABEK BELGIE (capital Bf 7 m).

** The harbour transshipment firm CORNELIS SWARTTOUW'S STUWADOORSMIJ. NV, Rotterdam (see No 479) has made over to the Rotterdam company FRANS SWARTTOUW'S HAVENBEDRIJF NV, (which not long ago came under the joint control of the BANK VOOR HANDEL & SCHEEPVAART NV, of the Dutch-Swiss group THYSEN-BORNEMISZA, and Wm. H. MÜLLER & CO NV - see No 494) its bulk-handling interests in the port of Rotterdam. Cornelis (capital Fl 7 m) was a 35% affiliate of NEDERLANDSCHE ELEVATOR MIJ. before coming under the absolute control of FURNESS SCHEEPVAART & AGENTUREN MIJ. NV, Rotterdam (see No 481).

In this sector, the latter already controls ROTTERDAMSE STUWADOOR MIJ. (R.S.M.) NV - closely linked with the company INTERNATIONALE STUWADOORSMIJ. T. & G. GIBB NV - and a few months ago it acquired NV GEBR NIJMAN, Rotterdam.

** The newly-formed Antwerp company DENNING FREIGHT FORWARDERS NV (president Herr Heinrich Szeuter, Hamburg - capital Bf 250,000) will carry out all commercial and financial operations, as well as the despatch and carriage of goods. It is the subsidiary of HATRANS ANSTALT, Vaduz, Liechtenstein, and minority interests are held by Herren H. Imholz, Hamburg, J. Struckmann, E. Gross, Bremen and Herr and Frau H. Lammers, Düsseldorf.

VARIOUS

** As a result of the agreement signed in March 1968 (see No 455) between eight Dutch companies in the furnishing industry, now joined by NV MEUBEL - & HOUT-WARENFABRIEK C.B. DRIEZE & ZONEN, Enschede, VEHOMEX NV has been formed at Arnhem. Under the direction of M. E. J. Kroes and with a capital of Fl 150,000, this will specialise in the sale and export of goods made by its founders.

These are: STOEL- & MEUBELFABRIEK H.A. VAN BERKESTEIJN NV, Waddinxveen; ZWIJNENBURG'S MEUBEL FABRIEK NV, Schoonhoven; HILVERSUMSCHE MEUBELFABRIEKEN NV, Tiel; NV MEUBELFABRIEK RAANHUIS & ZONEN, Oosterbeek; EIJLSTRA'S MEUBELFABRIEK NV, Jouree; JAN HUTTEN MEUBELFABRIEK NV, Loon-op-Zand; NEEUWIS KARAKTERMEUBELN NV, Oirschot and MEUBELINDUSTRIE MADOCA NV, Oosterbeek.

** The Danish company making educational assembly and construction toys in wood and plastic, BILO v/G.K. KRISTIANSEN, Kolding (see No 353) has decided to let the American company REVELL INC, Venice, California take over its foreign sales interests.

Revell Inc, which specialises in plastic scale models, already has a number of wholly-owned sales subsidiaries: Revell Plastics GmbH, Blünde, West Germany; Plastic Mold Development Co AG, Glarus and Revell (Great Britain) Ltd, Potters Bar, Herts. For its part the Danish company controls Bilofix Srl, Milan and Bilofix-Spielwaren GmbH & Co KG Kolz-Plastikspielwaren, Flensburg, West Germany.

*

*

*

LATE FLASH

** GLANZSTOFF (see No 498, p. Zb): the Dutch group A.K.U. - ALGEMENE KUNSTZIJDEN UNIE NV and its German subsidiary Glanzstoff have now jointly announced that the former is not in fact seeking to gain control of the entire capital of the other.

February 13, 1969.

INDEX TO MAIN COMPANIES NAMED

AEG-Telefunken	F	Deutsche Gerätebau	G
Afriso-Euro-Index	G	Deutsche Grammophon	L
Aimante Trading	F	Dowa Fire & Marine Insurance	J
Airflam	E	Drieze & Zonen	O
Allied Stevedores	N		
Almanij	J	E.I.B.	M
Anic	K	E.N.I.	H, K
Apsacoat	D	Eijlstra's Meubel	O
Ardennaise de la Fonderie Nouvelle	H	Empain	H
Atlas, Ste d'Arrimage	N	Etuges	J
		Europese Pluimvee Unie	I
Bank voor Handel & Scheepvaart	N	Evence-Coppee	G
Banque Commerciale	C		
Banque d'Investissements Privés	J	Fevrier, Decoisy, Champion	L
Banque de l'Union Europeenne	I	Finimsa	I
Bayer	K	Finmeccanica	H
Bell Telephone	F	Fokker	B
Bilo	O	Furness Scheepvaart	N
Bols	J		
Bourg, C.P.	F	Golbi	J
Brazilian Light & Power	H	Goldschmid	J
C.G.E.	E	H.V.A. - Mij	D
Cables de Lyon Alsacienne	E	Hamersveld	I
Carboline	D	Hanomag	B
Carpano, G.B.	J	Hatrans Anstalt	O
Carrieres des Pres & de la Roquette	C	Highland Leasing	I
Centrale Zuiker	D	Hilversumsche Meubel	O
Chaux Hydrauliques du Vermandois	C	Hoesch	G
Chrysler	C	Hunter, Bowring & Co	J
Clichy, Cablerie	E	Hutten, Jan, Meubel	O
Cobb Breeding Corp	I		
Cofranos	D	I.M.E.	E
Cometane	J	I.R.I.	H
Continental Can	K	I.T.T.	F
Continental Mart Italia	M	International Materials Trading	G
Continental Ore	C	International Software & Computing	L
Coppee-Rüst	G	Interunie	I
		Investco	J
Daimler-Benz	B	Isalacta	J
Delcer, Textile	M	ITA-Europe	M
Demag	F		
Denning Freight Forwarders	O	Japan Pacific Fund	I
Opera Mundi - Europe No 499			

February 13, 1969.

			Q
Jucho, Dortmunder Brückenbau	G	Renault	B
Kammgarn-Spinnerei	M	Rentequipo	C
Kivar	F	Revell Inc	O
Kredietbank	J	Rheinische Stahlwerke	B
Lesaffre	I	Rheydt, Kabelwerke	F
Linde	G	Richier	H
Litton Industries	G	Robeco	I
Madoca	O	Rosslyn Motor Assemblers	B
Management Science America	L	Rousselot Kuhlmann	D
Marine Midland	I	Salzgitter	D
Meeuwis Karaktermeubelen	O	Saras Chimica	K
Merlin-Gerin	H	Schiedamsche Mehlzaurfabriek	D
Messerschmitt	G	Schmalbach Lubeca Werke	K
Millot, Laboratoires	L	Scholven-Chemie	D
Minerais, SA des	C	Siemag	E
Montecatini-Edison	E	Siemens	L
Monti Confezioni	M	Simca	C
Muijres, Marcel	D	Sinclair Oil	K
Müller, Wm. H.	N	Sofidel	B
Nabek	N	Solleveld & Van Der Meer	N
Nederlandsche Elevator	N	Somacoa	B
Nederlandsche Gruyere Blokmelk	J	Stanley Motors	B
Nippon Kokan Kabushiki	F	Stim	N
Norddeutsche Wollkaemmerei	M	Stumm	G
Nuovo Pignone	H	Swarttouw's	N
Nysam	M	Termomeccanica Italiana	H
Oppenheim, Bankhaus Sal.	F	Thomas Collator	F
Origny, Ciments	C	Thyssen-Bornemisza	N
Orion	M	Tracon	N
Peugeot	B	Trans Fret	N
Philips NV	E, L	Tropponwerke	K
Pictet	G	Tubest	H
Pitney-Bowes	F	Unitas	I
Plastic Constructions	L	V.F.W.	B
Polydor	L	Van Berkesteijn	O
Procento	E	Van de Wal	N
Raanhuis & Zonen	O	Veba	D
		Vecolac	J
		Vehomex	O

February 13, 1969.

R	
Westinghouse	E
Xenophon Trust	C
Zwijenburg's Meubel	O