Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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CONTENTS

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A Letter from Luxembourg

THE SIX BACK WHERE THEY STARTED

The break has been mended but the real problems of the crisis still remain to be solved. That is the upshot of the Luxembourg meeting which ended at 1 o'clock in the morning of January 31, seven months after the fatal night of June 30, 1965 (see No. 315, p. 12). France goes back to Brussels and everybody is pleased that she is taking this step and has decided to re-occupy the chair which has been empty for so long. But the "agreement" which has been reached is equivocal and tends to perpetuate the recent crisis, for M. Couve de Murville has made sure France's partners know that she is not prepared to be out-voted on "very important" questions. The practice, of course, is not likely to be nearly as bad as the principle, always provided that in the next few months the Six manage to agree on specific measures which, while serving the interests of all, make it possible to get the Community moving forward again and to dispel mutual mistrust. It is this mistrust which has made the crisis so acute and deep, and unless it really can be dispelled the Six will not have solved anything; they are picking up the threads again, after seven months of seemingly purposeless paralysis, exactly where they were dropped.

An Imaginary Solution to an Imaginary Problem

The Six have finally agreed on their "New Style" Commission (see No. 341, p.1) but endless time has been spent trying to find a middle-of-the-road answer to the question of majority decisions in the Council of Ministers. Observers have unanimously remarked on the high intellectual standard of the discussions and the subtlety of the cut and thrust between the adversaries, but neither scored a hit or forced the other to give an inch, for all the agility they showed. The Five re-iterated their willingness to accommodate France, as far as that was possible within the letter and the spirit of the Rome Treaty, but M. Couve de Murville was in no way prepared to run even the most unlikely, the slenderest, the most academic risk of France getting into a minority position, so any chance of finding a compromise solution to suit both sides vanished into thin air.

The only way out was for both sides to agree to differ: M. Couve de Murville broached the idea when he said that he would take due note of the Five's insistence that majority rule, however considerately applied, must be the deciding factor in the end. He added, however, that as far as France was concerned, none of the other member-states would ever be placed in a minority position on any question of importance. This meant two things: either that France expected a reciprocal arrangement (which was out of the question, because it meant admitting a right of veto) or else that if she were placed in a minority position she would not answer for the consequences; hence references to the "Sword of Damocles" and an "institutionalized crisis". The alternative caused some outcry at first, but as one observer said: "The Sword of Damocles was only held up by a horse-hair; nowadays that can be replaced by a much stronger nylon thread".

This is the most optimistic interpretation of the French attitude, but what does the agreement amount to? First of all, everyone agreed that in a case where the Commission proposes that a question should be settled by majority voting and where matters "very important" to one or more partners are involved, attempts should be made to find a "unanimous solution" in the common interests of the minority and of the Community as a whole". These efforts would need to be made within a reasonable time, so that the final vote of the Council should not be postponed indefinitely. France, however, felt that in such circumstances discussions should continue "until unanimous agreement is reached". So as to leave nobody in any doubt on the point the third clause of the "Luxembourg Agreement" emphasizes that "there is still some divergence of opinion as to what should be done if a complete settlement is not reached".

For the moment, at any rate, these patchwork sails are moving the Common Market out of the doldrums again, for the statement ends with these words: "At the same time the six delegations consider that this difference of opinion should not prevent the Common Market's business being resumed in the normal way". It is also agreed that France will immediately ratify the Communities' Budgets for 1966, using the written procedure, and that the Council of Ministers will hold its first normal session in the second half of February. This is obviously the cardinal point, but why did it take seven months of crisis to reach it? As M. Spaak said: "Why should so much mental effort, subtlety and ingenuity be devoted to solving a problem which may never arise? There is no doubt that this imaginary problem of the weighted majority (imaginary because this kind of system cannot operate properly unless there is complete confidence within the Community) has been given the solution it deserved: an imaginary solution".

A Package Deal?

The Six are becoming more and more aware that the real problem lies in the practical but delicate steps which must be taken in order to get the Community moving again and dissipate the mistrust existing between them.

During the talks at Luxembourg, ministers were unable to agree on a definite programme of action, but they did at least begin to outline one. M. Couve de Murville has cancelled the timetable he put forward last week and he has agreed to include new problems. The position today is therefore as follows:

(1) There is agreement that the right of veto will continue to apply to the different agricultural arrangements which are in abeyance, including the financial and milk price regulations (the latter specially concerns Germany).

(2) It is agreed that the financial regulation will be dealt with first (officially France has no knowledge of the Commission's memorandum of July 18 (see No. 315, p. 6) but she admits it implicitly, which means that she also accepts that

the Community should develop harmoniously, in the industrial sphere, as well as the agricultural). Discussions on the Kennedy Round and the adjustment of the Common External Tariff will also be given priority.

In short, when the Six meet again at Brussels they will attempt to arrange a "package deal". It remains to be seen whether, in the present atmosphere, such a task is beyond their capacity. It may seem paradoxical at first sight, but it is believed that M. Couve de Murville will not be too inflexible during these negotiations, because the French Government in the near future will not want to risk presenting ultimatums or slamming doors, which would automatically arouse the anger of the Five and of European opinion in general. Besides, the French Government is very worried about the next election and cannot afford the luxury of a new crisis, which would be bound to cause another outbreak of "Lecanuet fever" (see No. 334, p.1). In Luxembourg, at all events, M. Couve de Murville's anxiety not to let the talks break down was quite evident.

The new French attitude may lead some of the negotiators to believe that France is in a weak position, and they may try to exploit it. At the Luxembourg meeting Herr Schroeder, the German Foreign Minister, always spear-headed the opposition, so much so that he sometimes irritated his allies. At the end of the talks, however, the German minister calmed down and remarked how glad he was that there were neither winners nor losers. Still, he is unlikely to turn pacifist all that easily (inside Germany, he likes to be thought of as the man who stands up to De Gaulle) even if Italy and the Benelux countries change sides when the practical problems are discussed. Besides, M. de Murville has surely given him a splendid weapon against the risks of being isolated: the right of veto on agricultural matters.

The Commission: Victim or Referee?

Relations between France and Germany may improve as a result of the forthcoming De Gaulle-Erhard meeting, but illusions about the nature of this improvement would be misplaced. Paradoxically, Paris may have to rely on an unexpected ally - the Common Market Commission - in order to obtain the agricultural financial regulation she wants. The question now is whether the Commission will be able to play as dynamic a part in the future as it has in the past.

Has the agreement reached between the Six weakened the Commission's authority? The truth is that the French "Ten Commandments" of January 17 (see No. 341, pp. 3-6) have been altered and watered down to such an extent that they no longer paralyze the Commission. The seven points contained in the Ministers' agreement lay greater stress on the need for closer cooperation between the Council and the Commission than on the latter playing second fiddle to the former. On the contrary, they emphasize that the recommended measures (which, in theory, have to be discussed with the Commission itself) must not "interfere with the respective responsibilities and prerogatives of the two institutions" nor, in particular, with the right of initiating proposals, which the Treaty stipulates shall lie with the Commission.

"The practical proposals for cooperation" put forward by the Six certainly do not relegate the Commission to an inferior position; the only really delicate point - the members' freedom of speech - is not referred to in the written text, but will be dealt with orally.

The seven points are these:-

(1) Before adopting a proposal of "special importance", it is "desirable" that the Commission should make "suitable contacts" with the member states, "although this procedure should not interefere with its right to initiate". All this is very carefully worded and perfectly acceptable from the practical standpoint.

(2) The Commission is invited to refrain from making public its proposals to the member states and to the Council before it officially lays the proposals before them. This is fairly normal procedure.

(3) The President of the Commission will from now on be accompanied by the President of the Council when ambassadors present their credentials. This is purely and simply a matter of form.

(4) The Commission will inform the Council rapidly and completely about the communications it receives from non-member countries. The same procedure, in reverse, will apply to the Council.

(5) The two institutions will consult each other about the Commission's relations with international organizations. This is a case of preventing abuse.

(6) There will be closer cooperation between the two institutions on press policy; the programme will be laid down and put into effect jointly, but the Commission will retain its independent spokesman's group.

(7) Finally, by general consent, there will be stricter supervision of the Communities' budgets. This does not appear to be an extravagant demand.

Now everything will depend on the spirit in which these measures are implemented. Depending on the way they are interpreted, they may or may not have serious repercussions on both the practical and the constitutional independence of the Commission. However, this, in turn, will depend less on ministerial tempers (the Five also seem inclined to be conciliatory) than on the character of the Commission's members. Since the Commission may have a vital part to play in getting the Common Market under way again in the coming months, the questions arise what will happen when the Executives are merged and how will the new Commission be manned?

Here, too, M. Couve de Murville watered down his original proposals somewhat, at the Luxembourg meeting. He dropped his demand that the Common

Market Commission should relinquish office on April 1. At their meeting in Brussels later this month, the Six will fix a rough date when the Treaty on the Merger of the Executives will take effect. Moreover, the French Foreign Minister agreed that France's partners should not deposit their instruments of ratification before agreement had been reached on the composition of the future Commission. At the worst, therefore, Prof. Hallstein and his colleagues may be considered to have been given six months' grace, either to complete their term of office with dignity, or to reach agreement with Paris. In the last analysis, the Six concluded an armistice on January 30 which should last long enough to make a rescue operation feasible and possibly also allow them to wait for a move from Britain. Of course, an armistice is not peace, and peace will be difficult to make while the partners continue to hold such divergent views on the sort of Europe they want, but at least the war is ended.

VIEWPOINT

COMMERCIAL POLICY IN THE COMMON MARKET

By Dr Ernst Schneider
President of "Deutscher Industrie-und Handelstag', (DIHT), Bonn

I

As the Common Market has moved from stage to stage, it has become fashionable to discuss how firms should adapt themselves to it. There is a strong tendency to over-generalize and to treat the matter as if a single solution were valid for all cases. People continually mention the same three requirements of rationalization, automation and standardization. In so doing they often lose sight of the fact that unless such requirements refer to a particular branch or firm they cannot carry much conviction. Obviously adaptation to the Common Market is an essential task for all firms, whatever their kind or size, but it must be tackled in different ways: there is no generally valid solution. Requirements like rationalization and standardization have always been commercially sound and have not been brought into existence by the Common Market.

The right kind of adaptation differs with the different types of undertaking. First there are those which are wholly engaged in catering for either a national or regional market and which in the foreseeable future will not extend their operations to other member countries. Nevertheless firms of this kind need information on competition within the Common Market as it may affect their own market. No firm should delude itself that it is only concerned with its own region or country: a detailed study of the competition alone can show whether that is really so. I very much doubt whether we in Germany have looked at this question hard enough and I believe that the various associations and Chambers of Trade could find in it fruitful employment.

The next group consists of those firms which could be active in the Common Market but have not yet become so. These must make careful preparations, especially in marketing. There are many agencies ready to help them here. The cheap ones are usually bad, while the good ones demand a lot of time and are fairly dear, but money and time spent with the latter are not wasted because they can prevent losses and disappointment.

For those firms which are already active in the Common Market, the chief concern is to expand and improve on past achievements, but growth apart there is always the question how to modify the sales organization so as to suit the needs of the Common Market, and treat it as an internal market. Should representation abroad be left to an agent or concessionaire, with a pretty free hand, or should the firm set up its own sales network which it can then control more tightly? There is no rule of thumb; the question is often very difficult to decide because there is a conflict between personal loyalties and the need to maintain, and if possible increase, the share of the market.

In short, all firms must adapt to the Common Market, but according to their particular situations the action to be taken may be information, expansion or reconversion.

Insufficient attention has been paid to the fact that the Common Market necessarily raises the problem of locating firms as between the six partners, with protective barriers disappearing. The firms concerned naturally hang on as best they can, but if they do not take advantage of the transitional period, they will eventually be beyond help. It would in any case be wrong to believe that industry can be dealt with in the same way as agriculture. The only realistic attitude is to recognize as soon as possible that the Common Market will soon be an internal market and that survival depends upon a decision, taken in good time, how and where a firm can fit into the new division of work between the six partners.

More than once it has been said that West Germany has applied the principles of the Common Market too quickly and too liberally, and it has undoubtedly taken the lead in industry, but not in agriculture; hence the talk in Brussels of "German schizophrenia" has not been entirely without justification. Germany has fallen into step on grain prices and made disproportionate sacrifices, so that she now has the right to demand that customs union and economic integration should proceed at the same rate.

The Common Market's trading position is undeniable; there is a tendency for imports to grow more rapidly than exports and the area is now the world's biggest importer. Such a state of affairs cannot continue indefinitely, and the firms forming the core of the Common Market must intensify their efforts to export. Their success depends upon several conditions, some of which are mentioned below because they are fundamental to the policy they should adopt.

II

First there is the question of combinations, which are politically more acceptable in Germany than in any other country. It cannot be repeated often enough that welding the six national economies into a Common Market by eliminating all customs barriers and other obstacles to trade is bringing firms wider markets in which to buy and sell than they have ever known. More firms are competing in these markets and the intensified competitive pressure compels firms to adapt themselves continually to new economic conditions by lowering costs and adopting the most up-to-date methods of manufacture and selling. They must constantly examine their buying, manufacturing, selling and financing to see that they meet the needs of the market, and plan ahead so that all divisions of a company may be in the best possible position to grow as the Common Market grows.

Studies in depth have shown that the larger a firm the greater its ability to adapt to new conditions and meet intense competition. Manufacturing capacity which is considered right today will be too small tomorrow, especially if the demand for mass-produced goods keeps on growing. Only firms with larger production capacity will be able to provide the long runs which the Common Market is going to require and which will bring down unit costs and so prices to a level where they stimulate mass consumption.

In Germany, however, the need for larger undertakings runs into a certain amount of ideological resentment (which is not at all the case with the rest of the Six): any form of merger, even to suit the needs of the Common Market, is at once branded as likely to restrict competition. Nobody denies the political necessity for the Common Market to develop smoothly, but there is a refusal to recognise that combination is legitimate, that it answers a definite need and that it is an inevitable result of the political concept.

Should a conscious effort be made to encourage firms to become as large as possible? It is obviously important to create within the Common Market, regardless of national frontiers, firms sufficiently large to compete directly with large American firms. Taking 1963 turnover figures as a basis of comparison, the largest groups in the Common Market (Philips and Volkswagen each with $1,700 million, Siemens $1,500 million and Fiat $1,400 million) are only medium sized in relation to their American competitors (General Motors $16,500 million, Ford $8,700 million, General Electric $4,900 million and Western Electric $2,800 million).

The capital-intensive nature of modern manufacturing processes and the high fixed charges that companies therefore have to pay make cost-reducing and productivity-raising as essential as mergers.

Sales as well as production policy must respond to the Common Market background. In a recent speech which received a great deal of support, Herr Schmücker, the German Minister of Economic Affairs, insisted on the need for French and German firms to cooperate. He specifically mentioned a field which up to now has hardly been touched on, that of tendering for international contracts. This suggestion must be supported and recommended to all Common Market firms which might be interested.

However, cooperation and combination must not be the concern only of a few large undertakings. Cooperation in fact gives especially useful opportunities for small firms to rationalize and adapt to the growing market. Here are a few starting points: exchange of technical and economic information, joint research bodies, complementary production programmes, combined sales organizations, etc. "The ABC of Cooperation" ("Kooperationsfibel"), published by the German Ministry of Economic Affairs, contains valuable information on this score. Personally I should prefer business men to act on their own without official manuals; they should be better at this sort of thing than the men from the ministries.

III

Cartel policy is a very special case. At present, nobody knows to which devil they should hold a candle - the home one or the Brussels one, which has recently become more awkward. It is often forgotten that the cartel regulations also apply to firms in a single member country or even outside the Common Market. Any agreement likely to hinder trade between member countries is forbidden by Article 85, para 1 of the Rome Treaty.

Each agreement must be examined to see whether it conflicts with national laws (which vary considerably) or with the Rome Treaty. German business circles and the DIHT (the German Trade & Industries Congress) have continually drawn attention to this impossible position. In German law, tied sales agreements and exclusive contracts are generally permitted, but Common Market law prohibits them except in special cases. On the other hand, the Rome Treaty takes a more moderate stand on "recommendations"(marketing suggestions made by one or more firms or groups to one or more others, who are free to conform or not as they wish).

Cartel authorizing practice varies between the European authorities and the national, and an agreement which is perfectly in order according to the German cartel regulations may still be prohibited by the terms of the Rome Treaty. Coordination of national and European legislation on cartels is therefore a pressing requirement. The "double barrier theory" ("Zwei-Schranken-Theorie") must be abandoned. In Germany itself one solution would be to declare the cartel law invalid where it conflicts with the Treaty. The German Parliament has done this already with the European Coal and Steel Community Treaty.

The Common Market authorities' attitude towards exclusive sales concerns many firms. Both industry and commerce urgently need this selling "tool" for opening up foreign markets and discovering the most suitable method of distribution. The Commission has already received between 10,000 and 20,000 requests for authorizations of this kind and it is highly controversial whether such market-sharing agreements fall within the limits of article 85 or not. The Common Market Commission believes that they do, but in this it runs counter to economic policy and is opposed by many writers. The European Court of Justice will soon be considering two such cases: Grundig-Consten and the previous judgement of the Dutch regional tribunal at Zutphen (see also No 340 p 8).

Obviously firms need to have the legal position of exclusive dealing agreements cleared up as soon as possible, but it will take years if the Common Market Commission is going to decide each case separately. Fortunately the Council of Ministers has authorized the Common Market Commission to exempt from the prohibition of Article 85 certain exclusive dealing and other discriminatory agreements but not to make decisions covering whole categories of agreement; the result is that many harmless cases can only be exempted individually. The competent European authorities will have to see if it is possible to authorize requests by category, especially rationalization and conditional sales agreements.

Nevertheless, the recently-adopted authorizing regulation is a first step towards giving firms the absolute security they need for many agreements. It is to be hoped that the Commission will make the widest possible use of its new powers and particularly that it will authorize those exclusive dealing agreements which contain so-called "territorial protection" clauses. Such clauses ban exports so as to prevent third parties frustrating the whole arrangement. Only if such agreements are authorized can the vast bulk of the requests already submitted be dealt with and a large number of new requests be avoided, so as to stop swamping the Commission. If the past policy of the Commission (as seen in the decision on the Grundig-Consten case) is anything to go by, there is reason to fear that the Commission's authorizing regulation, which is expected in mid-1966, will disappoint business men and will only permit those exclusive dealing agreements containing no "territorial protection" clause.

In these remarks on mergers and cartels, my sole intention has been to show just how thorny is the path to economic union. These matters are before me daily and I have often had the feeling that the method we have chosen is too perfectionist; perhaps we could make better progress with less constraint. I do not pretend that we are angels, but it would be simpler to prohibit obvious abuses by accepting the evidence which shows that trying to enclose the multiplicity of economic events in a rigid and perfectionist mould is a waste of time. The cost of this waste is borne by the consumers, who in the long run have to pay for it all, in spite of the many declarations that these inflexible rules exist for the sole purpose of protecting them.

Personally, I pin my faith on competition throughout the Common Market rather than on any amount of cartel regulation.

THE WEEK IN THE COMMUNITY
January 24 - 30, 1966
From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

Greece Disgruntled

From the outset, the Association Agreement between Greece and the Common Market (see No 305 p.11) has not had an easy passage. Undoubtedly, the main reason is the disparity of economic progress between the two sides, but the Greeks' disappointment is not only due to mistaken ideas of the benefits of co-operation with the Common Market. On certain points the Six have been over-cautious and over-suspicious, which is all the more regrettable since the association with Greece is an important political test case.

At any rate, the Greeks are not satisfied and as they drive a hard bargain they are not afraid to say so again and again to their partners. Before the last meeting of the Association Committee on January 25, they sent two notes to the Common Market, which were in fact protests. They also successfully requested the Committee to examine the results of the association, which gave them a good chance of setting out, point by point, the reasons for their disappointment. Their main argument was that with imports and exports between the parties growing at more or less the same rate, the adverse Greek balance, which existed from the outset, was only getting worse with every year that passed.

The Six made the point that their agreement with Greece was not only concerned with trade but also provided for substantial financial aid; this was one of the sore points dealt with in the Greek government's note, which stated that against a five-year aid programme of $125 million Greece had only received a total of $36 million in three years. In her opinion, the delay was mainly due to the fact that the Common Market insisted on observing, for each yearly payment, the one-third: two-thirds proportion which had been fixed for (a) loans for infrastructure projects and (b) loans for paying industrial projects. The former qualifies for an interest rebate, which may explain the Six's financial motives. From an economic point of view, their prudence is unfortunate, since it cuts across Greek development policy, which at the present stage rightly seeks to give priority to infrastructural operations. Another brake on Greece's efforts is the European Investment Bank's caution is limiting finance to one third of the projects approved (the Greeks would like aid raised at least to one half). In short, it is hard to dispute that the Common Market's financial aid in its present form seems to be in danger of losing much of its effect. The Six have agreed this in the Association Committee and promised to reconsider the problem.

The Greek government also deplored the standstill in negotiations for harmonizing the common agricultural policies of the two parties. Here the Six are in an awkward spot because the delay is mainly due to their own internal disagreements. Besides, now that the second stage of the Common Market has been completed the Greeks do not necessarily have to be consulted about defining the common agricultural policy. So the rather paradoxical situation arises whereby the Greeks suffer because of the quarrel among the Six. Greece is all the more annoyed because the common policy on tobacco, which is Greece's main agricultural export, is still in its infancy. Will the Six agree to extend the consultation period for her benefit and will they agree to the Greek request, made a few months ago, to cut another 10% off the Community customs duty on tobacco? It looks as if they will have to do one or the other if they are to assuage the wrath of the Greeks.

The Six may be more disposed to make concessions because some of them would like Greece to increase the Common Market's bauxite quota, which has been fixed for 1966 at 450,000 metric tons. The Greek delegation has hinted that the quota might be raised by between 7 and 8%, varying with the needs of the aluminium works which Pechiney is putting up in northern Greece, but this question seems unlikely to be treated in isolation, on its own merits.

* * *

Another Unlawful Agreement

Fifty-three companies in Belgium, Germany and the Netherlands agreed between themselves to control the Netherlands market for cement. They settled quotas for deliveries of cement and clinker and fixed uniform prices and conditions of sale; they also undertook not to set up factories on the territory of any one of the parties concerned without first obtaining his permission.

On the basis of its preliminary enquiry, the Commission considered that this agreement comes under the Rome Treaty's prohibition. It decided that this agreement affects dealings in cement and clinker between the Netherlands on the one hand and Belgium and Germany on the other. At the same time it limits competition on the Netherlands market. The Commission did not think an exemption was justified because "the preliminary enquiry gave no indication that the notified agreement aided the production or distribution of these products or promoted technical or economic progress, while allowing users a fair share of the resulting profits".

Since the firms concerned had notified their agreement at the proper time they were merely "informed" of the Commission's decision. This procedure means that there is no outright condemnation, provided that the agreement is amended or sufficiently modified, but it does not prevent the Commission inflicting fines on the firms concerned if they continue to observe the agreement.

* * *

Electric Power in 1965

According to the figures published by the Common Market Statistical Office, power production and consumption rose last year by 6.2% and 6.8% respectively. The difference between them was made up by supplies from non-member countries, mainly Austria. Large as it is, the increase is lower than that of the three previous years. It is also insufficient (except in the Netherlands) to guarantee production being doubled in ten years, which is the estimate generally used in calculating the common energy policy. The decrease, which is only relative, may only reflect the slowing-down of industrial expansion in some countries last year, due to economic factors.

The situation is as follows in the five main countries:

Production:	Netherlands, 8.8% increase; France, 7.4%; Italy, 7.3%; Germany, 4.8%; Belgium, 4.4%;
Net Consumption:	Netherlands, 9.2%; Germany, 7%; France, 6.5%; Italy and Belgium, 6.4%:

It should be noted that between the two years nuclear power jumped by 44%. Of course, this only covers 1.1% of demand, but if it continues to double itself every two years it should not be long - theoretically at any rate - before it plays a leading part.

* * *

ECSC

Re-Training Aid for Belgium

The High Authority will shortly decide whether or not to comply with a request made by the Belgian Government for a re-training loan of 1,000 million Belgian francs as part of a comprehensive plan for the improvement of the Central and Borinage regions, which are hard hit by pit closures.

The request has been made for setting up an industrial estate at Strepy-Bracqegnies, in the Centre; for improving other districts in the Borinage and Central regions and supplying them with industrial equipment, and for building approach roads, which are essential if full use is to be made of existing stocks of industrial equipment. The High Authority welcomed the re-training programme, which will seek to remedy an economic and social decline in the two areas concerned; in the Borinage region this resulted, during the period 1957-61, in a 15% drop in the volume of employment and an 8.5% decrease in regional income. In this area, future closures of pits will lead to about 5,000 men losing their jobs. In the Centre, during the same period, employment dropped by 13% and regional income by 9.5%. Since 1961 only 100 new jobs have been created, while 4,400 have disappeared.

The High Authority has already supplied financial aid to these areas. At the request of the Belgian Government, it granted financial aid amounting to 125 million Belgian francs in 1961 to enable an aluminium rolling works (Aleurope) to be set up; a year later it granted a re-training loan of 150 million Belgian francs to finance a rubber factory (Pinalli).

For the present programme, the High Authority's officials consider that it should grant the Belgian Government a loan of 750 million Belgian francs. The High Authority will also support the Belgian Government when it applies to the European Investment Bank for a loan to finance the construction of the Brussels-Mons stretch of the Brussels-Paris motorway.

* * *

The American DRESSER INDUSTRIES and ETS DUJARDIN, Lille form subsidiary in Lille controlled by the latter. GIUSEPPE DE MICHELI, Florence (air-conditioning etc) forms French subsidiary. GENERALE INDUSTRIELLE POUR LA FRANCE ETC, Paris increases its control of PROCEDES SEM, Cachan, Val-de-Marne. Germany: The Swiss machinery company GRAPHAG MASCHINEN opens German branch. ATLAS-WERKE, Bremen reorganizes some of its interests. The German foundry equipment makers ULLRICH & ROSER are now controlled jointly by GEORG FISCHER, Schaffhausen and the American firm WHEELABRATOR CORP. Two cutlery firms P.BRUCKMANN, Heilbronn, Germany and GEROFABRIEK, Zeist, Netherlands sign reciprocal representation agreement for the German and Dutch markets. FICHTEL & SACHS, Schweinfurt (engines, gear-boxes etc) buys 77% in ZWEIRAD, Nuremberg (motor-cycles). The American firm VEEDER ROOT and the German one JAKOB FAULSTROH PRESS & STANZWERK join 50-50 to form INFA-KOLO-KROME, Gross-Gerau. WHESSOE, Darlington, Durham (equipment for the chemical industry, etc)takes 75% in STRICO GES, Gummersbach, Cologne. Italy: The holding company PERSEUS, Vaduz, Liechstenstein has 85% in VIBROTECNICA ITALIANA, Milan (building machinery and materials). Netherlands: The Dutch firm VAN VOORDEN (equipment for processing natural and artificial stones) and QUARTZITE, Zug form SATOMA, The Hague. BECKERS NAARDEN, Bergen-op-Zoom and BECKING & BONGERS, Ulft have merged.

M FINANCE

France: FRANCAISE DES DISTILLERIES DE L'INDOCHINE (EMPAIN group) increases capital of FINANCIERE HAUSSMAN. FINACOR, Paris takes over three of its Paris subsidiaries. Luxembourg: ULTO HOLDING is a new Luxembourg company, The German electrical group AEG, Berlin forms finance subsidiary in Luxembourg. Netherlands: PLACER MANAGEMENT, Vancouver forms an almost wholly-owned subsidiary in The Hague.

N FOOD & DRINK

Belgium: NATIONAL DAIRY PRODUCTS, New York gains control of FROMAGERIE FRANCO-SUISSE LE SKI, Forest, Brussels. WATNEY MANN, London has 90% control of the Belgian firm BRASSERIE DELBRUYERE. France: The French brewing group CHAMPIGNEULLES is taking over BRASSERIES DE CHARMES, Charmes, Vosges. FROMAGERIE BEL, Paris forms new Paris property and finance company SOFICO. MOULINS DE STRASBOURG, Paris forms SOFRACAL, Paris through two of its subsidiaries. Italy: Netherlands: OETKER, Bielefeld (brewing and food) forms new Italian brewing subsidiary. Netherlands: UNITED FOOD GROUP, The Hague forms an almost wholly-owned subsidiary MILOKO PRODUCTS in The Hague.

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P	OFFICE EQUIPMENT	Germany: EVERTAUT, Darwen, Lancashire will open Düsseldorf branch in April.
P	OIL, GAS & PETRO-CHEMICALS	Canada: The New York subsidiary of BANQUE DE PARIS ET DES PAYS-BAS takes shareholding in BANFF OIL, Calgary. France: GELSENKIRCHENER BERGWERKS, Essen transfers its holding in PIPELINE SUD-EUROPEEN, Neuilly to its Neuilly subsidiary. Italy: TEXACO, New York forms REGENT OIL, Milan.
P	PHARMACEUTICALS	Belgium: The Swiss holding company LOVIDA strengthens its control of VITAPHARMA, Brussels (biological research). Luxembourg: The French chemical and pharmaceutical firm LABORATOIRE REYGAGNE forms Luxembourg finance subsidiary.
Q	PLASTICS	France: CELLOPHANE, Paris increases its capital after taking over CIPSO, Paris (films and plastic covers). Germany: The German PVC group ALKOR forms Munich management company. Puerto Rico: RHONE-POULENC and The USA group PHILLIPS PETROLEUM set up nylon factory in Puerto Rico. Switzerland: PONT-A-MOUSSON, Paris, takes majority share in SOMO, Carouge, Geneva (plastics).
T	TEXTILES	France: The wool merchants ETS MOCH & ODELIN, Paris splits to form two companies.
T	TOURISM	Belgium: EUROMOTEL, Brussels increases its capital and HIGHWAY INSURANCE, Zug increases its holding in the former.
T	TRADE	France: CFAO, Paris gives up its holding in SODIM-NORD, Paris (supermarkets). The Belgian firm SEYNAEVE, Warcoing (cereals, vegetables etc) opens French subsidiary. Italy: The American solid fuel company FOREST COAL EXPORT appoints CONSUMATORI COMBUSTIBILI & GHISI, Milan as its Italian sales representative.
U	TRANSPORT	Belgium: KATOEN-NATIE, Antwerp is new major shareholder in CORNS. SWARTTOUW'S ANTWERP STEVEDORING, Antwerp (sea-transport). Two members of the Dutch freight group BLAAUWHOED form 50-50 Antwerp company BELGIAN AVIA TRANSPORT. Chad: UTA (CHARGEURS REUNIS, Paris group) takes 33.3% in AIR TCHAD, Fort-Lamy. Germany: Herr Buckle of Stuttgart and the tourist firms SCHARNOW-REISEN, Hanover and TOUROPA, Munich form SUEDFLUG INTERNATIONAL, Stuttgart (air transport).

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V VARIOUS

Belgium: RECLA, Amsterdam (advertising) forms Antwerp company through its Swiss subsidiary RECLA INTERNATIONAL. France: The Danish furniture manufacturer HOKGER NIELSEN forms Paris sales subsidiary. SOCONTRAN, St-Gilles, Brussels (electrical household goods) opens French branch. EUROPE NO I, Paris (broadcasting) takes 33% of FRANCAISE DE TELEVISION, Levallois-Perret, Seine. ETS GARDINIER, Paris takes 46% in PRODUCTIONS CHIMIQUES & PARACHIM-IQUES in which the rest of the capital is held by PROGIL, Paris. Netherlands: NED GRAMOFOONMIJ, Haarlem (sound recordings) forms sales subsidiary.

BUILDING & CIVIL ENGINEERING

** Three Belgian sand quarrying companies have merged: SABLIERES & CARRIERES REUNIES NV, Mol (capital increased from Bf 100 to Bf 180 million) has become SCR-SIBELCO, SABLIERES & CARRIERES & CIE BELGE DES SILICES REUNIES SA, having taken over its wholly-owned subsidiary (and shareholder) ANCIENNES SABLIERES STANISLAS EMSENS NV, Lommel and SIBELCO-CIE BELGE DES SILICES NV, Antwerp in which it shared control with a group of German companies composed of QUARZWERKE GmbH, Cologne, Marienburg (the leading company), RHEINISCHE MINERAL TRANSPORT GmbH, Cologne, GROSSPETER, LINDEMANN & CO KG, Grosskönigsburg and VER. RHEINISCHE WESTFÄLISCHE KRISTALL-SANDWERKE GmbH, Cologne-Marienburg.

SCR has a large number of shareholders, including the Belgian families Collinet and Emsens; the Luxembourg holding company SA MARISA; PENNSYLVANIA GLASS SAND CORP, Lewistown, Pennsylvania; BRITISH INDUSTRIAL SAND LTD, Wray Common, Surrey (see No 330) etc ...

** BRIAN COLQUHOUN AND PARTNERS, London (construction of public buildings, aerodromes, power stations including atomic - see No 182) has bought from CIE EUROPEENE DE MATERIELSCEMA SA, Paris (controlled since a short time ago by the group INTRA BANK SA, Beirut - see No 322) its shareholding in the engineering firm COFER-CIE FRANCAISE D'ETUDES ET DE RECHERCHES, Paris which it now controls completely.

** R. COLLSTROP A/S, Copenhagen has set up a West German subsidiary, R. COLLSTROP GmbH, Dietzenbach (capital Dm 500,000) with Mr H.Brennum of Lyngby, Denmark as manager. The Danish firm specializes in wood for use in the building industry.

** Herr E. Schmitz owns the firm E. SCHMITZ KG, Nettersheim, Eifel, making plastic components for the building industry, and has now formed SCHMITZ-PLASTIC Sprl, Waimes to distribute them on the Belgian market. He holds 80% of the Bf 50,000 capital; the remaining 20% is held by the Belgian industrialist M. P.Hommes.

** The American building and civil engineering firm CUNNINGHAM-LIMP CO, Detroit, Michigan (president Mr E.Cunningham) has given Mr T.L.Coleman the task of setting up a Brussels branch of its foreign subsidiary CUNNINGHAM-LIMP INTERNATIONAL. The new branch will be directed by Mr A.P. Lawrence.

CHEMICALS

** LABORATOIRES LAREPHA Sprl has taken over another pharmaceutical company STE BELGE DE THERAPEUTIQUE EXPERIMENTALE SA, Nivelles, which is managed and controlled by Mr R.B.J. Noben, and which has increased its capital from Bf 1 million to Bf 3.3 million.

** Like STE GENERALE DES MINERAIS SA, Brussels (see No 329), SOFICHIM-STE DE FINANCEMENT, DE GESTION & D'EXPLOITATIONS INDUSTRIELLES CHIMIQUES SA, Brussels has taken 23.8% in the engineering firm GENIE METALLURGIQUE & CHIMIQUE-MECHIM SA, Brussels (see No 306) on whoce board it now has two directors, MM G. Assoignon and P. Dumortier. M. Marcel de Merre is president MECHIM, whose capital has been increased to Bf 42 million. Until now it has been controlled jointly by Ste Generale des Minerais and two other companies in the STE GENERALE DE BELGIQUE group: METALLURGIE HOBOKEN SA (see No 340) and CIE DES METAUX D'OVERPELTLOMMEL & DE CORPHALIE SA, Overpelt (see No 131), whose holdings have now dropped to 26.2% each (33.3% previously).

Sofichim (president M.S. Lambert) is 50% owned by UNION MINIERE DU KATANGA SA, Brussels: its other shareholders include METALLURGIE HOBOKEN (25.7%) CCCI-CIE DU CONGO POUR LE COMMERCE ET L'INDUSTRIE SA, Brussels (10%), MARAIS FINANCE & INVESTMENTS LTD, Montreal (7.25%) and CIE FINANCIERE DU KATANGA SA, Brussels 1.25%. Its capital is Bf 100 million and it has holdings in Belgium in CHIMESPLO, CONGO-CHIM and METALKAT (all three of which derive their income from the Congo), and in the Congo itself in SOGECHIM-STE GENERALE INDUSTRIELLE & CHIMIQUE SA (Jadotville), COMEKAT-CONSTRUCTIONS METALLIQUES DU KATANGA SA and PLASTICONGO-STE CONGOLAISE DE MATIERES PLASTIQUES.

** KALI-CHEMIE AG, Hanover (see No 255) one of the main German producers of potassium and chemical fertilizers, and a member of the SOLVAY & CIE, Brussels group through DEUTSCHE SOLVAY-WERKE GmbH, Solingen-Ohligs, has formed a subsidiary KALI-CHEMIE IBERIA SA, Madrid (capital Pts 100 Million). The new company will also have a branch in Barcelona and a factory making fluorine and chlorine hydro-carbons which is being built at Torrelavega, Santander on a site owned by the Belgian group. This factory will be supplied with carbon tetrachloride from another factory being built by Solvay in the same place. It will operate under licence from ALLIED CHEMICAL CORP, New York by virtue of an agreement which Kali Chemie signed with this company in January 1962, and it will sell its products (intended mainly for the aerosol and refrigeration industry and the production of polyurethane foam) under the trade mark "Kaltron", mainly in Spain and the Mediterranean countries.

In 1965 the German company also increased, from 50 to 75%, its holding in SOC BARIO & DERIVATI SABED SpA, Milan, through its holding company CURATIO GmbH, Basle. The Milan firm makes barium derivatives. Kali also has other foreign interests including a wholly-owned subsidiary in Milan; LA COMMERCIALE CHIMICA Srl (pharmaceuticals) and a 10% holding in the New York company THE ORE & CHEMICAL CORP. In Germany it has an equal association with STAUFFER CHEMICAL CO, New York in KALI-CHEMIE STAUFFER GmbH, Hanover (insoluble "crytex" sulphur and other chemical products) and a 50% holding in KALI-CHEMIEK-ATALYSATOREN GmbH, Hanover (catalysts for precious metals) in which 40% is held by ENGELHARD INDUSTRIES OF CANADA LTD, Toronto (a member of the American group ENGELHARD INDUSTRIES INC. Newark, New Jersey); and 10% in HERAEUS GmbH, Zug (a holding company of HERAEUS GmbH, Hanau, Main).

** SNPA-STE NATIONALE DES PETROLES D'AQUITAINE SA, Paris, which lately set up AQUITAINE FISONS LTD, Loughborough (see No 340), has founded a petro-chemical firm ETILENO SA at Barcelona, which will be responsible for studying the construction of an ethylene factory in the city's industrial zone. Associated in this venture is the local company CATALANA DE GAS Y ELECTRICIDAD SA (see No 277) which will assign to the new company contracts for delivering liquified natural gas coming from Libya which it made in 1964 with the STANDARD OIL CO OF NEW JERSEY (whose liquifying plant at Marsal el Brega will start operating towards the end of 1968).

Last October, the Spanish company took 60% of the shares in the new liquified gas transport company CIA NAVIERA DE PRODUCTOS LICUADOS SA, Barcelona: 30% in the new company was taken by the shipping firm MARITIMA DEL NORTE SA, Madrid.

ELECTRICAL ENGINEERING

** CIE FRANCAISE THOMSON-HOUSTON SA, which is changing its name to THOMSON-HOUSTON-HOTCHKISS-BRANDT SA (see No 341), is continuing to re-organize in electrical household goods. One of its almost wholly-owned trading companies, FRIGECO SA, Courbevoie, Hauts-de-Seine (capital Ff 12 million - see No 63) is being taken over by another, STE DE DIFFUSION DE RADIO & DE TELEVISION SA, Paris whose capital is being increased from Ff 10 to Ff 25 million and which is assuming the new trade name STE DE DISTRIBUTION DE RADIO TELEVISION & DE MATERIEL MENAGER SA. Frigeco will be bringing in assets worth about Ff 60.9 million, including Frigeco brand of refrigerators (manufactured in the group's factory at Lesquin, Nord) and business premises at Courbevoie, Antony, Hauts-de-Seine, Chatou, Yvelines and La Rochelle, Charente Maritime.

** The German industrialist Friedrich von Alten has made over GEBR.VON ALTEN ELEKTROAPPARATE & RELAISBAU, Kronberg, Taunus, of which he was the owner, to ERNST TESCH KG FABRIK FUER ELEKTRO-AUTOMATIK, Wuppertal-Rohwinkel, which makes various types of automation equipment. The former firm, which manufactures relays and electrical control equipment, is to become a Division of the Wuppertal firm.

Herr von Alten will now devote his attention exclusively to another concern at Kronberg, Taunus, FRIEDRICH VON ALTEN DATENVERARBEITENDE MASCHINEN GmbH & CO KG, which makes data-processing machines and in which he has a majority holding. This company sells its products ("Vonamatic" trade-mark) through its 50% subsidiary VONDATEN ORGANISATION SCHMITZ VERTRIEBS GmbH, Frankfurt.

** STE FRANCAISE D'ETUDES POUR LE DEVELOPPEMENT INDUSTRIEL DU NEGUEV SA, formed in Paris in July 1964 (see No 281), which recently raised its capital from Ff 10,000 to Ff 25,000, has taken 2.4% in the Tel-Aviv electrical engineering firm MIFALIM-MEUHADIM B.M. LES CABLES DE ZION (capital £ Isr 2.5 million). This firm is headed by Mr. A. Polonski of Tel-Aviv and it has two factories, at Shderot and Richelon-le-Zion.

** GRINNEL CORP, New York, a company making apparatus for measuring and regulating fluids, has set up its first direct subsidiary in the Common Market, GRINNEL GmbH, Düsseldorf (capital Dm 250,000), managed by Mr. N.C. Stewart.

The American company employs almost 11,000 people in its factories at Cranston and Providence, Rhode Island; Atlanta, Georgia; Columbia and Wrightville, Pennsylvania; Warren, Ohio; Cleveland, North Carolina; Princeton, Kentucky; and Augusta, Arkansas. Until now, it has had only one subsidiary of its own outside the United States, GRINNEL DE MEXICO SA, Mexico City. On the other hand, as a result of its 80% control of AMERICAN DISTRICT TELEGRAPH CO (N.J.) of New Jersey, a company making electrical alarm devices for protection against fire, theft, and other accidents, it has indirect commercial subsidiaries in Britain, France, and the Netherlands (see No. 242), together with a branch in Belgium (see No. 322). Similarly, by gaining complete control in January 1962 of CONOFLOW CORP, Philadelphia, a company making measuring and regulating apparatus, it has acquired interests in the Netherlands (CONOFLOW EUROPA NV at Ede, Gelderland - see No. 187) and in West Germany (CONOFLOW VAF GmbH MESS- & REGELTECHNIK, Düsseldorf - see No. 228).

** ACEC - ATELIERS DE CONSTRUCTIONS ELECTRIQUES DE CHARLEROI SA (see No. 312) has taken a partnership in a new Milan company, ACEC ITALIANA SAS (capital lire 250 million - manager M. R. Hublart) formed to import and sell heavy electrical and electro-nuclear equipment. The other partner is M. P. Goffin. The founding firm already has direct and indirect manufacturing and sales subsidiaries: CLAREL SA, Paris and Roubaix, SAFMAT - STE FRANCAISE DE MATERIEL AUTOMATIQUE & THERMIQUE and SETEL SA; PYROS GmbH, Kirchrode, Hanover, West Germany; EFACEC SA, Oporto, Portugal; ACAC NEDERLAND NV, Apeldoorn, Netherlands; ACEC IRELAND LTD, Waterford, Republic of Ireland; etc.

** PAN ELECTRIC SpA, Novara (capital lire 200 million) has formed a Paris sales subsidiary, PAN ELECTRIC Sarl (capital Ff 100,000, of which 90% is held by the parent company and 10% by the president, Sig. G.M. Capuani). The Italian company, which backed PAN ELECTRIC IBERICA SA, Barcelona, in 1965, makes electrical goods (control equipment and instrumentation, fire protection, control and instrument panels).

ELECTRONICS

** As a result of re-organization in the CFTH - CIE FRANCAISE THOMSON-HOUSTON SA, Paris, group (which, after taking over HOTCHKISS-BRANDT SA will be changing its name to THOMSON-HOUSTON HOTCHKISS-BRANDT SA - see No. 336), the Orleans works (electronic equipment, cable installations) will be made over to SITO - STE INDUSTRIELLE THOMSON-ORLEANS SA in Paris (formerly STE D'IMMEUBLES INDUSTRIELS DE PARIS & DU CENTRE - SIPAC SA), which has thus increased its capital from Ff 2.96 million to Ff 3.75 million.

** CERES - COMPONENTI ELETTRONICI RICERCA & SVILUPPO SpA has been formed at Cornaredo, Milan, to make and sell electronic components and electro-mechanical parts and accessories. The president is Sig. D. Olivetti, New Canaan, Connecticut, who is vice-president and shareholder of ING. C. OLIVETTI & CO SpA, Ivrea (see No. 324). The capital is lire 50 million which the board (consisting of M. M. Aubert of Geneva, Sig. R. Jona and Sig. Sibani, both of Cornaredo, will raise to lire 200 million in the near future). The main shareholders (45% each) are the holding company ETS ONIDA, Vaduz, and a group represented by Sig. D. Olivetti and Sig. Jona (who is also president of ARCO SOC. PER L'INDUSTRIA ELETTROTECNICA SpA, Florence and Bologna).

The Italian group is increasing the output of its Pozzuoli factory (typewriters and calculating machines) by 50% and recently received for this purpose a \$1,440,000 loan from BEI - BANQUE EUROPEENNE D'INVESTISSEMENTS. A short while ago the group also joined FIAT SpA, Turin, and FINMECCANICA SpA, Rome, in equal partnership to form ISTITUTO R.T.M., Ivrea, a technical and scientific research company in the field of automatic machine tools.

** PACKARD INSTRUMENT CO INC, Brookfield, Illinois (see No. 195) which manufactures measuring apparatus and instruments for radio-activity and chromatography at Downers Grove, has formed a sales and representation subsidiary in Brussels. The new company, PACKARD INSTRUMENT SA, is directed by a Dutchman, Mr. K. Krohne, Keerbergen. Its Bf 500,000 capital is almost wholly owned by PACKARD INSTRUMENT INTERNATIONAL SA, Panama, the remainder being held by the parent company, several of its directors and a sales subsidiary, PACKARD INSTRUMENT SALES CORP, Downers Grove.

The American company's "Tri-Carb" instruments for nuclear physics, microbiology, chemistry and the food and pharmaceutical industries are distributed in Switzerland by a Zurich subsidiary of the Panama company, and also in France and Germany, where the group has had two subsidiaries since 1961: PACKARD INSTRUMENT Sarl, Paris, and PACKARD INSTRUMENT GmbH, Frankfurt.

** The investment company COFIPHOS SA (formerly CIE FINANCIERE DES PHOSPHATES & PRODUITS CHIMIQUES CO.FI.PHOS SA), Paris (see No. 307) is negotiating for a holding in SERIM - STE D'ETUDES & DE REALISATIONS D'INSTALLATIONS DE MESURE-TESTUT ELECTRONIQUE SA, Paris (capital Ff 1 million), which was formed in 1957 by Financiere des Phosphates and has since 1964 been 30% owned by MECI - MATERIEL ELECTRIQUE DE CONTROLE INDUSTRIEL SA, Paris.

In 1965 Cofiphos increased its holding in STE DES ETS CHARLES TESTUT SA, Paris (see No. 277) from 13% to 20%. MECI has manufacturing links with LEEDS & NORTHRUP CO, Philadelphia, going back to 1932: it also has several subsidiaries - DEUTSCHE MECI MESS- & REGELAPPARATE GmbH, Düsseldorf, MECI ITALIANA SpA, Milan (see No. 179) and MECI HISPANIA SA, Madrid.

ENGINEERING & METAL

** GRAPHAG MASCHINEN AG, Zofingen, Aargau, a Swiss company making machinery for the printing industry (formed in April 1964; capital Sf 200,000; president Herr H. Müller) has opened a branch at Fahrnau in West Germany under the management of Herr G. Valko and Herr B. Moor.

** ATLAS-WERKE GmbH, Bremen, is reorganizing some of its interests:

(1) Its heavy engineering subsidiaries MaK MASCHINENBAU KIEL GmbH, Kiel-Friedrischart (100%) and M. ACHGELIS SOEHNE GmbH MASCHINENFABRIK, Bremerhaven (93%) are merging to form ATLAS/Mak GmbH. Mak set up a Rotterdam sales subsidiary, MaK NEDERLAND NV (see No. 272) in 1964, and has recently obtained absolute control of SPINNBAU GmbH, Bremen-Farge (factories at Bremen-Farge and Brakwede, Bielefeld) from BREMER GES. FUER WIRTSCHAFT & ARBEIT AG, Bremen (a holding company owned by Bremen Corporation and Land). Spinnbau (textile machinery) will take over Mak's textile interests, and will concentrate on the manufacture of diesel locomotives and engines and "Leopard" tanks for the German army.

(2) Its 100% subsidiary ATLAS MESS- & ANALYSEN-TECHNIK GmbH, Bremen, has been liquidated and its manufacturing activities (electronic measuring equipment) will be transferred to two divisions formed for this purpose by the FRIED. KRUPP group: the divisions are FRIED. KRUPP ATLAS ELEKTRONIK BREMEN and FRIED. KRUPP MESS- & ANALYSEN-TECHNIK BREMEN.

(3) It is selling its 100% subsidiary SUED-ATLAS-WERKE GmbH, Munich (sound recording equipment and "Stenocord" dictaphones sold by the subsidiary, STENOCORD GmbH, Mülheim, Rhein) to STENOCORD CORP, Los Angeles, California, which has been selling up to 75% of the dictaphones made in Munich on the American market.

Atlas-Werke held the majority of the manufacturing interests of the group HUGO STINNES INDUSTRIE & HANDEL GmbH, Mülheim, Ruhr, until the latter's break-up in 1963 (see No. 220): in 1964 it was acquired from a banking consortium led by BfG - BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt (see No. 220) and today is more than 96% owned by the group Fried. Krupp of Essen.

Atlas-Werke has many interests in other industries: in marine and underwater navigation instruments and equipment it has 50% in VARO-ATLAS GmbH, Bremen (the other 50% held by VARO INC, Garland, Texas) and 50% in ATLAS MARIN LABORATORIUM A/B, Stockholm (the other 50% held by ATLAS MARIN A/B); 45% in C. PLATH GmbH NAUTISCH ELEKTRONISCHE TECHNIK, Hamburg, which is 55% controlled by C. PLATH FABRIK NAUTISCHER INSTRUMENTE, itself a 100% subsidiary of LITTON INDUSTRIES INC, Beverly Hills, California (see No. 323) through LITTON INTERNATIONAL AG, Zurich, and JOHANNES BOYSEN KOMPASS GmbH, Hamburg.

** ULLRICH & ROSER GmbH, Stuttgart-Bad Connstatt (foundry equipment) has been taken over by the engineering group GEORG FISCHER AG, Schaffhausen (see No. 332) which is now a majority shareholder jointly with WHEELABRATOR CORP, Mishawaka, Indiana (see No. 259). Until now Ullrich & Roser has been controlled by Herr A.L. Dörfel-Brinkhoff and Herr C.E. Börsch.

Wheelabrator is a subsidiary of BELL INTERCONTINENTAL CORP, New York, and already has various European holdings: 51% in WHEELABRATOR-ALLEVARD SA, Saint-Pierre d'Allevard, Isere (steel abrasive shot-blasting machines, smoke control installations, etc., located at Cheylas, Grenoble), the remaining 49% being held by HAUTS FOURNEAUX & FORGES D'ALLEVARD SA, Saint-Pierre d'Allevard (linked to CIE DES FORGES & ACIERIES DE LA MARINE, DE FIRMINY & DE SAINT-ETIENNE SA, Saint-Chamond, Loire); 40% in the Swiss firm GRABER & WENING AG, Neftenbach, Zurich (furnace-cleaning equipment).

** Two cutlery firms, one of them the German company P. BRUCKMANN & SOEHNE SILBERWARENFABRIK KG, Heilbronn, which makes high-quality silverware and cutlery, and the other the Dutch company NV GEROFABRIEK, Zeist (see No 278), which manufactures steel household goods and cutlery, have strengthened their cooperation of the past two years by making an agreement for mutual representation in Germany and the Netherlands; they are also pooling their distribution in foreign markets and more closely coordinating their production programmes, which are already complementary. The two companies together employ some 2,000 people (1,300 in the Netherlands and 550 in Germany) and have roughly the same annual turnover (about Ff 60 million each).

Gerofabriek will shortly take 33% in the increased capital of the German company, which will become GmbH & Co KG and be managed by BRUCKMANN GmbH, a joint subsidiary of Gerofabriek and the firm's present owners, the BRUCKMANN family.

** FICHTEL & SACHS AG, Schweinfurt (see No 295) one of the main German producers of small engines for two-wheelers, shock-absorbers, gear-boxes, fixed industrial and agricultural engines etc. has acquired about 77% control of the cycle and motor-cycle makers ZWEIRAD-UNION AG, Nuremberg from FAUN-WERKE NUERNBERG KOMMUNALFAHRZEUGE & LASTKRAFTWAGEN KARL SCHMIDT, Schnaittach (see No 105) makers of heavy vechicles. Faun-Werke bought its Zweirad shares in 1961, at a time when it needed further manufacturing capacity in order to cope with a heavy increase in orders, and when Zweirad had large productive capacity lying idle owing to the slump in the cycle market. Since then, Faun-Werke has developed its own capacity and it now has a subsidiary making light machinery only.

Fichtel & Sachs, which recently increased its capital to Dm 45 million, intends to expand in a sector where it already has two subsidiaries: AUGUST RABENEICK GmbH, Brackwede and NUERNBERGER HERCULESWERKE, Nuremberg; it is pursuing a similar policy in its other lines of business. In recent years this has resulted in Fichtel & Sachs gaining control of the agricultural machinery makers FELLA-WERKE GmbH, Fencht: in its buying the electric motor department of BRESGES & CO KG, Rheydt, Rhineland and making it into a subsidiary called BRESGES ELECTROMOTOREN GmbH, Rheydt, Rhineland; in buying a 75% shareholding in STABILUS INDUSTRIE & HANDELS GmbH, Coblenz, Neuendorf (special kinds of shock absorbers for all uses), a former wholly-owned subsidiary of the group CARL SPAETER & WILHELM VON OSWALD GmbH, Düsseldorf-Oberkassel.

Despite its expansion the group has retained its family character. It already had subsidiaries such as DEUTSCHE STAR KUGELHALTER GmbH, Schweinfurt (ball-bearing boxes and cages, ball-bearings etc); SCHROTTVERWERTUNGS GmbH, Schweinfurt (scrap wholesalers); AMORTEX SA, Sao Paolo, Brazil (clutches, shock-absorbers, precision springs etc.) Some months ago a subsidiary was formed to take over its sales organization: FICHTEL & SACHS HANDELSGES KOELN mbH, Cologne (capital Dm 100,000).

** SATOMA NV has been formed in The Hague (capital Fl 100,000), to sell tools and machinery for cutting and polishing natural and artificial stones, as a joint subsidiary of MASCHINENFABRIEK & HANDELMIJ. VAN VOORDEN NV, Etten, which itself makes this type of equipment, and of QUARZITE AG, Zug.

Quarzite (capital Sf 800,000) uses licences and patents for the precious stone industry and takes shares in the industry. Its president is Mr H. de Roos of Utrecht and it is directed by Mr J. Th. de Kok of The Hague. It is linked with QUARZITE TILING CO GmbH, Zug (capital Sf 20,000) is engaged in the same type of business and is almost entirely controlled by the De Kok family.

** ETS GORDINNE & CIE SA, Brussels (formerly STE COMMERCIALE FRANCO-BELGE DE METALLURGIE SA), the managing director of which is M. Jacques Saey, has taken over from PORT EVERGLADES STEEL CORPORATION, Hollywood, Florida its entire holding in the engineering firm PESCO EUROPE SA, Brussels; having thus gained complete control it has put the company into voluntary liquidation. Mr Allen Gordon is president of the company, which was formed in 1960 (capital Bf 1 million, which has remained unchanged).

** For several years now ETS J. MOREAU-JIMO SA, Brussels has had trade links with AIRFLAM-LE CHAUFFAGE DOMESTIQUE MODERNE SA, Paris (see No.277) and the two companies have now carried these further by forming a joint subsidiary in Brussels: AIRFLAM BENELUX SA. The new firm (president M. G. Andre and director M. J. Moreau de Melen) has a capital of Bf 6,200,000 in which the Belgian share is held by JIMO SA and its associate ELIMO SA, Brussels.

The French group, which operates on a European scale since recently taking over STE DES BRULEURS THERMAX SA, Paris, makes domestic and industrial oil-heating equipment (cookers, heaters, stoves) and already has two sales subsidiaries in the Common Market: AIRFLAM ITALIA Srl, Milan and AIRFLAM MODERNE OELHEIZUNGEN GmbH, Frankfurt. The group's new Brussels associate was its Belgian importer and distributor.

** VEEDER ROOT INC, Hartford, Connecticut (through its division "HOLO KROME") and JAKOB FAULSTROH PRESS & STANZWERK OHG, Grosse Gerau have joined 50-50 to set up a West German subsidiary INFA-KOLO-KROME GmbH, Gross-Gerau (capital Dm 952,000, to be raised to Dm 7,884,000 in 1966). The German founding company will transfer its screw department to the new company which will manufacture only screws. Jakob Faulstroh (property of the Faulstroh family) will continue to make presses, punching machines and press tools.

The American parent company manufactures screws, various metal-working tools, indicators, counters and measuring and checking equipment. It already has a German subsidiary, VEEDER ROOT GmbH, Freiburg, Breisgau and controls the British company VEEDER ROOT LTD, New Addington, Surrey (instruments and other equipment) and HOLO KROME LTD, Dundee, Scotland (screws).

** The British companyWHESSOE LTD, Darlington, Durham, which makes various kinds of equipment for the chemical, petroleum, gas and nuclear energy industries, has extended its interests on the Continent, where it had hitherto had only one subsidiary, WHESSOE SA, which was formed in Paris at the beginning of 1961 (with a factory at Calais), by taking 75% in its West German counterpart STRICO GES. FÜR METALLURGIE & WARMETECHNIK, Gummersbach, Cologne. Its main interests are still in Britain, however, where its subsidiaries are EXPRESS TOOLS LTD, Chessington, Surrey, WHESSOE ENGINEERING LTD, and WHESSOE ENGINEERING SERVICE LTD.

** DUJARDIN INTERNATIONAL MACHINERY SA, Lille (capital Ff 34 million) has been formed recently to operate the agreement being negotiated (see No 332) between DRESSER INDUSTRIES CO, Dallas, Texas and ETS DUJARDIN & CIE, Lille (capital Ff 8,250,000). Dujardin will have 88.3% control of the new company in exchange for its industrial assets in Lille (plant for making heavy machinery, compressors, diesel engines etc). The rest of the capital is owned by Dujardin's own parent firm (VALLOUREC SA, Paris - see No 333) which holds 52% in Dujardin.

** GIUSEPPE DE MICHELI & CO SpA, Florence (design and construction of air conditioning, ventilation, heating and refrigerating installations), has set up a manufacturing and research subsidiary MICHELI-FRANCE Sarl, Paris (capital Ff 10,000).

The Italian company is run by Sig D. de Michele who is also the managing director of IDEAL STANDARD SpA, Milan (see No 211 - central heating radiators and household sanitary equipment) which is one of the many European subsidiaries of AMERICAN RADIATOR & STANDARD SANITARY CORP, New York (see No 316).

** CIE GENERALE INDUSTRIELLE POUR LA FRANCE ET L'ETRANGER SA, Paris (see No 338), which is a member of the group called ELECTROBEL-CIE GENERALE D'ENTREPRISES ELECTRIQUES & INDUSTRIELLES SA, Brussels, has consolidated its control of PROCEDES SEM SA, Cachan, Val-de-Marne, by subscribing an increase of capital from Ff 1.5 to Ff 2 million. Linked by agency agreements with GOODYEAR PUMPS LTD (which belongs to the HOLMAN BROTHERS LTD group of London - see No 191), the Paris company has recently set up a property company (capital Ff 1.55 million) STE IMMOBILIERE MATHURIN-REGNIER SA, Paris, the president of which is M. Louis Caillaux.

** As a result of an agreement on representation between NSM APPARATEBAU GmbH Bingen, Rhein (automatic drink and music dispensers) and the group ARBITER AND WESTON LTD, London, the latter has formed ARBITER AND WESTON AUTOMATICS LTD with exclusive British sales rights over the German machines.

** The holding company PERSEUS AG, Vaduz, Liechtenstein, has 85% in VIBROTECNICA ITALIANA SAS, Milan (capital lire 10 million) which will manufacture, represent and sell machinery and materials for public works. The other 15% is held by the Artioli family including Sig A. Artioli (5%) who manages the new firm.

** W.C. HERAEUS GmbH, Hanau, Main (vacuum equipment and treatment of rare metals) has formed a manufacturing and sales subsidiary HERAEUS GmbH, Vienna, (capital Sch 499,000 - managers Herr H. Opl and Herr P. Schiffert). The German firm has greatly increased its Swiss interests recently (see No 340) and has many foreign subsidiaries (see No 316).

** BECKERS NAARDEN FABRIEK NV, Bergen-op-Zoom and BECKING & BONGERS HOLDING NV, Ulft have merged to form VERENIGDE BEDRIJVEN BECKERS, BECKING & BONGERS NV (capital Fl 10 million) so as to improve co-ordination in manufacture and strengthen their market position. The two founding companies make ovens, radiators and other types of cast iron goods. The new firm will employ 1,100 people in three factories at Bergen-op-Zoom, Ulft and Amsterdam; the Amsterdam plant will be run by VELIE GASVERWARMINGSAPPARATEN NV, Amsterdam, a 100% subsidiary of the Ulft firm (see No 165)

FINANCE

** STE FRANCAISE DES DISTILLERIES DE L'INDOCHINE SA (see No 323) which is a member of the Belgian group EMPAIN, has consolidated its control of CIE FINANCIERE HAUSSMAN-ANJOU SA (formerly STE DES DISTILLERIES MAZET SA) by subscribing an increase of capital from Ff 4.9 to 10.3 million.

** ULTO HOLDING SA (capital Sf 5 million) is a new investment company recently formed in Luxembourg. It will be managed by Herr A. Herbez, director of the Geneva branch of CREDIT SUISSE-SCHWEIZERISCHE KREDITANSTALT AG, Zurich and the Geneva bankers M.J. Cottier and M.G. Gervais.

** FINACOR SA, Paris, (see No 323) has taken over three of its Paris subsidiaries, FINANCIERE FLEURUS FF SA (capital Ff 1 million), STE DE GESTIONS, MOBILIERES MARBEL SA (capital Ff 3 million) and SIMAP-STE IMMOBILIERE & MOBILIERE ALPES PROVENCE SA (capital Ff 930,000) and has raised its capital first from Ff 4 million to Ff 4.25 and then to Ff 5 million by capitalizing its reserves.

** The German electrical group AEG-ALLGEMEINE ELEKTRICITAETS-GES AG, Berlin (see No 339) has formed a finance subsidiary in Luxembourg AEG FINANZ HOLDING SA to launch a DM 60 million loan at 6% for investment purposes. The new company has a capital of Lux F 18 million (55% paid-up) which is directly and almost wholly owned by AEG INTERNATIONAL AG, Zurich, the remainder being held by three other Swiss subsidiaries: TELEFUNKEN INTERFINANZ AG (controlled by TELEFUNKEN GmbH, Berlin), OLYMPIA BUEROMASCHINEN AG (a subsidiary of OLYMPIA WERKE AG - see No 336) and ELFINA AG, Zurich, whose capital has just been raised from Sf 50,000 to Sf 2 million.

** The investment company PLACER MANAGEMENT LTD, Vancouver, has formed an almost wholly-owned subsidiary in The Hague; PLACER INTERNATIONAL NV, to extend its business in Europe. This new company (capital Fl 3 million) will be managed by Mr T.H. McClelland, Mr E.A. Scholz and Mr J.R. Crole (all of Vancouver); also Mr S.J. Melihercik (Lisbon).

FOOD & DRINK

** The German food and brewing group OETKER, Bielefeld (see No 296) has made a further addition to its chain of breweries in Italy, at Bitonto in Southern Italy. The new firm will be run by a company called PRINZEN BRAU BARI SpA (capital lire 5 million) in which minority shareholdings will be held among others, by VENCHI-UNICA PRODOTTI DOLCIARI & AFFINI SpA, Turin and MOTTA SpA, Milan in common with whom the German group already has three Italian brewing subsidiaries: PRINZEN BRAU FERENTINO SpA, Ferentino, Frosinone; PRINZEN BRAU CARISIO SpA, Carisio, Vercelli and PRINZEN BRAU CRESPELLANO SpA, Crespellano, Alto Adige.

About a year ago Oetker increased the capital of its Italian subsidiary SpA DOTT A. OETKER, Desenzano del Garda, Brescia to lire 40 million. This company is directly controlled by the holding company BACKAG AG, Zurich.

** The food firm NV GROEP VAN VER. LEVENSMIDDELENBEDRIJVEN "UNITED FOOD GROUP", formed at The Hague a year ago (see No 291) as a subsidiary of The Hague management company NV TER BEHARTIGING VAN HANDELSAGENTSCHAPPEN "UNITED AGENCIES" (66.6%) and the investment company ZENTRAVESTHOLDING AG (33%), Chur, Grisons has itself formed a virtually wholly-owned subsidiary NV MILOKO PRODUCTS (NEDERLAND), The Hague (capital Fl 250,000).

** FROMAGERIE BEL SA, Paris (capital Ff 35.9 million - see No 315) has formed a new Paris real estate and finance company STE FINANCIERE & COMMERCIALE-SOFICO Sarl (capital Ff 9,090,000 - manager M. C. Fievet). Its subsidiary STE DE VENTE & DE DEGUSTATION DE FROMAGES DE QUALITE SA, Paris (capital Ff 410,000) has a token shareholding.

** GRANDS MOULINS DE STRASBOURG SA, Paris (capital Ff 16.7 million) has formed SOFRACAL-STE FRANCAISE FINANCIERE ET COMMERCIALE D'ALIMENTATION SA, Paris (capital Ff 50,000 - president M. B. Leary) through two of its subsidiaries, EUREXPAN STE FRANCAISE D'EXPANSION ECONOMIQUE EUROPEENE SA, Paris (capital Ff 2 million - see No 312) and GRANDS MOULINS DE MARSEILLE SA (capital Ff 2 million).

The founding company is associated with GRANDS MOULINS DE PANTIN-PARIS SA (through STE FRANCAISE DE MEUNERIE Sarl, Paris) and has factories at Port du Rhin, Strasbourg (flour, malt, animal feeding stuffs); Pantin, Seine St Denis (semolina) and Villeurbanne, Rhone (animal feeding stuffs). It has holdings in GRANDS MOULINS DE BRUXELLES SA, Brussels and INTERSTATE GRAIN CORP. Kansas City, USA (see No 170).

** WATNEY MANN LTD, London has obtained 90% control of the Belgian firm BRASSERIE DELBRUYERE SA, Chatelet, Charleroi (see No 297). The latter("Belge Superieure" beers), will bottle beers supplied by Watney Mann: its main shareholder up to now has been BRASSERIE SAINT-LAMBERT SA, Blicquy (group STE GENERALE DE BELGIQUE SA).

Watney Mann until now has had no foreign interests except for the Irish company, JAMES J. MURPHY & CO LTD, but it is closely linked in the technical and sales fields with BASS, RATCLIFFE & GRETTON LTD, Burton-on-Trent, which makes "Bass Blue Triangle" and "Worthington Green Shield" beers and is wholly owned by BASS MITCHELLS & BUTLERS. The London firm recently obtained control of two associated breweries, BULLARD & SONS LTD, Norwich and STEWARD & PATTERSON LTD, Norwich; also of the Scottish brewery DRYBROUGH & CO LTD, Edinburgh and the distributing firm BROWN, GORE & WELCH LTD, London: the latter distributes the wines of BOUCHARD PERE & FILS, Beaune, Cote d'Or and the liqueurs of NV AMSTERDAMSCHE LIKEURSTOKERIJ T'LOOTSGE DER ERVEN LUCAS BOLS, Amsterdam.

** NATIONAL DAIRY PRODUCTS CO, New York (see No 303) has obtained control of FROMAGERIE FRANCO-SUISSE LE SKI SA (Forest, Brussels) which makes cheese products and is directed by M. E. A. Piaget. Since 1962 the Belgian company has had a French associate FROMAGERIE FRANCO-SUISSE SA at Paris (see No 141), directed by M. M. E. Piaget, and since the end of 1961 it has belonged to the association of Swiss, French and Belgian cheese makers who formed UNIGROUP Sarl at Berne (formerly UNIFORM Sarl - see No 138) and which includes BUERGI & CO KG, Berne; FROMAGERIE PETIT-NEGRE SA, Chene-Bourg; and FROMAGERIE GROSJEAN FRERES SA, Lons-le-Saulnier, Jura. The Belgian company and its Paris associate are owned mainly by M. H. Grosjean, Lons-le-Saulnier, and the Swiss families Burgi and Piaget; these are also shareholders in BURGI & CO, Berne, BURGSEE AG, Munchenbuchsee, ALPI AG, Berne, LACTA AG, Murten, L'ARMALLI SA, Geneva and FROMAGERIE PETIT-NEGRE SA.

Through its "Kraft Foods" division the American group already holds control of KRAFT AG, Lindenberg, Allgäu, which a few months ago made a reciprocal representation agreement with SAFR SA, Paris, member of the GENVRAIN SA Group, and the sales companies KRAFT SA, Paris (formed at the end of 1963 - see No 217) and KRAFT SpA, Milan (capital raised in 1964 to lire 30 million). It also has subsidiaries at Baden in Switzerland, at London and Liverpool, at Copenhagen and in Sweden, etc.

** The major Common Market brewing group GRANDES BRASSERIES & MALTERIES DE CHAMPIGNEULLES SA, Champigneulles, Meurthe et Moselle (see No 337) is negotiating the take-over of GRANDES BRASSERIES DE CHARMES Sca, Charmes, Vosges (capital Ff 3,250,000). This company is directed by MM. J. and A. Hanus and is a firm of brewers and malsters with about a dozen depots in Eastern France and the Paris region. Since 1947 the Champigneulles group has made about ten take-overs, the last being GRANDES BRASSERIES FRANCAISES ASSOCIEES SA (see No 247).

OFFICE EQUIPMENT

** EVERTAUT LTD, Darwen, Lancashire, has investigated the German market for two years and will open a branch at Düsseldorf in April 1966. The parent firm makes office furniture and is a member of the group HARRIS & SHELDON (HOLDINGS) LTD, Birmingham, most of whose holdings are in Britain.

OIL, GAS & PETROCHEMICALS

** PARIBAS CORP, the New York subsidiary of BANQUE DE PARIS & DES PAYS-BAS SA (see No. 341) is entering the Canadian oil industry by taking a shareholding in BANFF OIL LTD, Calgary (see No. 290). Banff Oil recently made important finds in the north of Alberta (five wells bored in the Rainbow Lake oil-deposits); since 1965 it has been owned 48% by AQUITAINE CO OF CANADA LTD (wholly owned subsidiary of SNPA - STE NATIONALE DES PETROLES D'AQUITAINE SA) and it operates in conjunction with MOBIL OIL CO, New York (formerly SOCONY MOBIL OIL CO (see No. 338). Banque de Paris has a holding of 0.18% in SNPA, in which the State has 51.02% control.

** Following the example set by WINTERSHALL AG, Celle (see No. 329), DEA - DEUTSCHE ERDOEL AG, Hamburg, and SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer (see No. 332), GELSENKIRCHENER BERGWERKS AG, Essen (see No. 335) has made over its 3.6% holding in STE DU PIPELINE SUD-EUROPEEN SA, Neuilly, Hauts-de-Seine (see No. 334) to its subsidiary, STE DE PARTICIPATIONS DANS L'INDUSTRIE & LE TRANSPORT DU PETROLE, Neuilly, which was formed in December 1964 (see No. 296). The latter's capital has thus been increased from Ff 10,000 to 5,406,000.

** TEXACO INC, New York (see No. 340) has strengthened its position in the Italian market by forming REGENT OIL SpA, Milan (sales, storage and transport of petroleum products in liquid and gas form). The new company's capital is lire 1 million and the managing director is Dr. V. de Biasi.

The American company already has a direct subsidiary, TEXACO SpA, Rome (formed in 1964 - see No. 269). It has a large British subsidiary, REGENT OIL CO LTD, London (with its own subsidiaries) which possesses a new refinery (3.5 million tons a year) at Dulford Haven, Wales (alongside those of the groups GULF OIL and ESSO). Other subsidiaries have recently been formed: REGENT OIL MIJ NV, The Hague (see No. 332), and REGENT OIL GmbH, Frankfurt (see No. 333).

PHARMACEUTICALS

** The holding company LOVIDA AG, Chur, has consolidated its direct control over the biological research company VITAPHARMA SA, Brussels (see No. 88), whose capital has been increased to Bf 4 million to finance its expansion. It has done the same in the case of the latter's sister company PRODUITS DE BEAUTE JUVENA (BELGIQUE) SA, of which it shares control (capital increased to Bf 4 million) with FINACHIM - GES. FUER DIE CHEMISCHE INDUSTRIE AG, Basle (see No. 152).

Lovida is represented in London by LOVIDA (GREAT BRITAIN) LTD (a shareholder in VITAPHARMA) and is the main shareholder of JUVENA HOLDING AG, Zurich, which it formed in July 1961 (capital Sf 1.7 million) to head and develop the pharmaceutical and beauty products companies it controls in Europe, jointly with DIVA HOLDING AG, Zurich (which makes and sells pharmaceutical products for everyday use) and UNI-CHEMIE AG, Zurich (which manufactures pharmaceutical beauty products). The main companies they control are JUVENA, PRODUITS DE BEAUTE JUVENA, Courbevoie, Seine, PRODUITS DE BEAUTE JUVENA, Baden-Baden (of which INAG AG, Zurich, is a direct shareholder - see No. 336), PRODUITS DE BEAUTE JUVENA, Rome, DIVAPHARMA SA, Brussels (formerly LABORATOIRES DIVA BELGIQUE SA, under the direct control of DIVA HOLDING), DIVA LABORATORIUM, Bregenz, Vorarlberg, THERACHIM - CIE INTERNATIONALE DE CHIMIE FINE, Brussels, etc.

** The French chemical, pharmaceutical and hygienic products firm LABORATOIRE REYGAGNE SA, Charenton, Seine (capital Ff 2 million) has formed a finance and investment subsidiary in Luxembourg: PHARMATECHNIC SA HOLDING (capital Lf 900,000). M. P. Reygagne and M. A. Pleinard are respectively president and managing director of the parent firm.

PLASTICS

** The ALKOR group (see No. 330 - managed by Herr D. Lissmann and one of the largest German manufacturers of PVC sheeting) has formed a management company, ALKOR-VERWALTUNGS- & BETEILIGUNGS GmbH, Munich (capital Dm 50,000) which will manage the various firms within the group and will control the chief company ALKOR-WERK KARL LISSMANN AG, Munich-Solln (see No. 330).

Apart from these two companies, the group includes the manufacturing firms ALKOR VULCAN KUNSTSTOFFVERARBEITUNGS GmbH (in which Swedish capital has a minority shareholding) and the sales companies ALKOR GmbH, Munich, and ALKOR ITALIANA Srl, Milan. In addition it has a 34.4% holding in ALKOR-OERLIKON PLASTIC GmbH, Munich, which is controlled by OERLIKON PLASTIK AG, Zurich, a member of the group WERKZEUGMASCHINEN OERLIKON, BUEHRLE & CO, Zurich.

** RHONE-POULENC SA, Paris, (see No 340) and PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 337) have combined to set up a polyamide fibre factory (nylon 66) in Porto Rico, with a capacity of 20,000 tons. This extends their recent co-operation over MANOLENE-MANUFACTURE NORMANDE DE POLYETHYLENES SA, Paris, and the construction of a new low-pressure polyethylene factory in Antwerp (see No 331).

The French group will give the new company the benefit of its technical know-how and will have a minority holding, either directly or through its textiles subsidiaries (which include RHODIACETA SA, Paris - see No 264); it already has wide manufacturing and trading interests in North and South America, including RHODIA INC. and its subsidiary MOROVIS INC. in the United States; POULENC LTD in Canada; Brazil; the Argentine; Uruguay and Mexico.

In France, the group has recently been rationalizing: CHIMIE & ATOMISTIQUE SA, Paris, whose capital has been increased from Ff 750,000 to Ff 11.7 million has taken over the laboratories THERAPLIX-STE NOUVELLE D'APPLICATIONS THERAPEUTIQUES SA, which has a capital of Ff 10 million (see No 333); LA CELLOPHANE SA, Paris, (see No 312) has increased its capital from Ff 82 to Ff 89.6 million as a result of a transfer of assets by the group, which included the trade-marks "Rhodialine", "Rhodo-Ski", "Rhodax", "Rhovilene", "Rhoviflex", "Lumaline", "Cleryl", "Rhodophane ", "Rhodolene" and by taking over CIPSO-CIE INDUSTRIELLE DE PLASTIQUES SEMI-OUVRES SA, Paris (capital Ff 30 million) with a works and research laboratory for films and plastic covers at St. Maurice-de-Benoist, Ain); finally, PROLABO-STE POUR LA FABRICATION & LA VENTE DES PRODUITS & APPAREILS DE LABORATOIRE RHONE-POULENC SA, Paris, has had its capital increased from Ff 750,000 to Ff 20 million as a result of the group's having transferred debts and real estate (factory at Briare, Loiret and a group of factory buildings in Paris).

** CIE DE PONT-A-MOUSSON SA, Paris (now 20% owned by CIE FINANCIERE DE SUEZ - see No 340) has recently strengthened its plastic manufacturing capacity by obtaining a substantial majority holding in SOMO-STE POUR LES METAUX OUVRES & LES PLASTIQUES SA, Carouge, Geneva, Switzerland (capital Sf 720,000). Pont-a-Mousson has 30% directly and most of the remainder through Germany (Herr K. Borries of Wetzlar). Somo (formerly known as SOMO-STE POUR LES METAUX OUVRES) has long been in metal-working, particularly in lead; to this has now been added the manufacture of plastic tubes and components, in which the French group will give technical assistance.

The French group's main interests in plastics are SOFOM-STE POUR LA FABRICATION D'OBJETS MOULES SA, Paris (capital Ff 2 million) which makes PVC pipes and connectors in its factories at Boissy-le-Chatel, Seine-et-Marne and Foug, Meurthe-et-Moselle, and CIA ANONIMA TUBENPLAST SA in Venezuela.

RUBBER

** ANGUS GUINARD SA, St Cloud, Hauts-de-Seine (see No 305) has raised the capital of its subsidiary ANGUS GUINARD BELGIQUE SA, Audergham, Brussels, to Bf 1 million and its own shareholding to 90%. The French firm (fire protection materials, especially flexible tubes) was formed in 1961 by two companies: EAU & FEU SA (a subsidiary of ETS POMPES GUINARD SA which itself has a holding in the Brussels subsidiary company which was formed in April 1965) and GEORGE ANGUS & CO LTD, Newcastle upon Tyne, which in common with two of its subsidiaries, FIRE FIGHTING OVERSEAS LTD and F. REDDAWAY & CO LTD, is also a shareholder in the Brussels firm.

TEXTILES

** The Swedish ready-made clothing group MOELNLYCKE A/B, Gothenburg, Rada, has decided to set up a third subsidiary in Brussels. This will be under the management of Mr Fritz Ahlquist and will sell and manufacture all kinds of textile goods for hospital use, including bandages, dressings and similar products. The Swedish group is also represented in the Benelux countries by two subsidiaries in the Netherlands, the shirt manufacturers MELKA NV, Hoogezand, and MOELNLYNCKE-NEDERLAND NV, a former Amsterdam sales branch - see No 299.

With Mr F.G. Thulin as its president and Mr S.E. Ljungren as managing director, the Mölnlycke group had a turnover of Kr 227 million in 1964 and, in addition to several industrial and sales subsidiaries in Scandinavia (in Denmark, Norway and Sweden), has business interests in Germany (MOELNLYCKE GmbH, formed at the end of 1964 in Dusseldorf - see No 290 and MELKA GmbH), in Switzerland, in Britain, in Portugal, etc.

** The ladies' underwear manufacturer LEJABY, Bellegarde, Ain (see No 331) has formed DONNATEX SA, Milan (capital lire 1 million), directed by M. M. Bugnon of Lyons (president), M. C. Bugnon and M. P. Blanchard, all French. Control of the new firm is shared equally by Lejaby, with Sig C. Manzoni, Milan and Sig A. di Bona, Milan.

Lejaby recently set up two other sales companies, one at Brussels and the other at Cologne, both managed by the founding company's president M. M. Bugnon.

** Several members of the family of French industrialists Facques of Roubaix have formed FABRIQUE DE TISSUS NOUVEAUX LES FILS D'ALBERT FACQUES SA, Dottignies (capital Bf 200,000), which will sell and possibly also manufacture cloth for the clothing industry.

In France the same interests control ALBERT FACQUES & FILS SA of Roubaix, which employs some 200 people to make woollen cloth. The firm has a large number of agents abroad, including LEN ARTEL INC, New York.

** The wool merchants ETS MOCH & ODELIN SA, Paris (capital Ff 14.4 million. president M.M.Kahn-Schreiber) has split up into (1) ETS LAINIERS MOCH & ODELIN SA, set up in Paris (capital Ff 4.81 million) to carry on its business activities, and (2) STE DE GESTION NORD SEINE SA, Paris (capital Ff 160,000) and (3) STE FINANCIERE D'INVESTISSEMENTS & DE GESTION-SOFIG SA, Paris, whose capital has been increased from Ff 9 to Ff 11,119,000.

The last-named company, which controlled the original firm, receives shares in (1) EUROFIL SA, Barcelona (see No 326), the other shareholder being the Franco-Belgian textile group LA VESDRE SA, Anderlecht-Brussels, and (2) FINAMO-STE DE FINANCEMENT IMMOBILIER MOCH & ODELIN SA, Paris (see No 325), the other shareholders being SEFFICO-STE FRANCAISE DE FINANCEMENT DE LA COPROPRIETE SA (see No 141) and L'IMMOBILIERE CONSTRUCTIONS DE PARIS SA (see No 184), which recently took a 90% interest in a new Paris company STE IMMOBILIERE DE LA PLACE DE RIO DE JANEIRO SA (capital Ff 20 million), to which it made over holdings in STE IMMOBILIERE MASSINE MONCEAU SA, Paris and in STE DES GARAGES SOUTERRAINS DU HUITIEME ARRONDISSEMENT SA, Paris.

TOURISM

** EUROMOTEL SA, Brussels has increased its capital to Bf 50 Million and consequently HIGHWAY INSURANCE CO AG, Zug - see No 312 - which is controlled by WESTERN SALES LTD, Nassau, Bahamas (see No 315) - has increased its holding from 13.8% to 16.4%. Euromotel now has ten directors, with the addition to the board of M. A.P.Aubert, Paris and Mr A.Henderson of Rhode St-Genese, Belgium. Its main shareholders are CIE INTERNATIONALE DES WAGONS-LITS & DES GRANDS EXPRESS EUROPEENS, Brussels; BANQUE DE PARIS & DES PAYS-BAS SA (and its subsidiary COBEPA-CIE BELGE DE PARTICIPATIONS PARIBAS SA, Brussels); BRUFINA SA; COFININDUS SA; FINANCIERE LACOURT SA, Brussels; STE NATIONALE D'INVESTISSEMENTS SA, Brussels and a group of Belgian and French insurance companies.

TRADE

** CFAO - CIE FRANCAISE DE L'AFRIQUE OCCIDENTALE SA, Paris (see No 291) has given up its majority holding in SODIM-NORD SA, which it formed in Paris in September 1962 (capital Ff 2 million). The other main shareholders are the wine firm STE MARGNAT FRERES, Marseilles (see No 290) and DOCKS DU NORD - LES ECO SA (which originated in a combine made up of the chain-store groups "LES ECO" - ETS. B.MIELLE SA, Chalons-sur-Marne and STE DES ETS DES DOCKS DU NORD SA, La Madeleine-lez-Lille,Nord (see No 324). The last, which has some 2,300 shops in Northern and Eastern France, thus gains control of three large supermarkets in the Nord Department (Dunkirk, Grande Synthe, La Madeleine-lez-Lille and Lambersart).

** FORESTON COAL EXPORT CO, New York, has appointed CONSUMATORI COMBUSTIBILI & GHISI, Milan, to sell its solid fuels of American origin. The Italian firm (capital recently increased to lire 912 million: president Sig. S. Tronchetti) sells metallurgical products and solid and liquid fuels; it has warehouses in Rho, Milan, Bergamo, Brescia, etc.

** The Belgian firm ETS SEYNAEVE SA, Warcoing (see No. 265) which sells cereals, vegetables, fertilizers, etc., has opened a French subsidiary at Wattrelos, Nord. M. L. Seynaeve is president of the Belgian firm (capital Bf 7.2 million) which is a member of the nitrate fertilizer cooperative COVAZIM Sc, Brussels.

TRANSPORT

** The four transport companies NV SCHENKER & CO'S INTERNATIONALE EXPEDITIE, Rotterdam, REEDERIJ VAN SWIETEN NV, Amsterdam, its subsidiary VAN DER SCHUYT-VAN DEN BOOM-STANFRIES REEDERIJ NV, Rotterdam, and AERONAUT NV, Haarlemmermeer, have formed a joint subsidiary NV EXPEDITIEBEDRIJF RIJNPOORT, Rotterdam (capital Fl 250,000), which will carry out all forms of transport in the port of Rotterdam. All four parent companies are linked with the shipping company NV STOOMVAART MIJ "NEDERLAND", Amsterdam (see No. 320), which, like KON ROTTERDAMSCHE LLOYD NV and NV KON PAKETVAART-MIJ, is a member of the NV NED SCHEEPVAART UNIE group of Amsterdam.

Aeronaut was formed in 1961 as a joint subsidiary of REEDERIJ VAN SWIETEN NV, NV SCHENKER, NV HOLLANDSCHE STOOMBOOT MIJ (another subsidiary of Stoomvaart Mij "Nederland" and C.V. HESTA, CRANS & CO.

** UTA - UNION DE TRANSPORT AERIENS SA (see No. 309) has taken a $33\frac{1}{3}\%$ holding in AIR TCHAD SA, Fort-Lamy (capital CFA francs 20 million) formed to manage Chad's internal airlines from April 1966 onwards: the remainder of the capital is held by the Chad state. UTA is a member of the group CHARGEURS REUNIS SA, Paris (see No. 341) and it recently raised its capital from Ff 35.9 to 36.9 million when it absorbed its subsidiary TAIP - CIE DE TRANSPORTS AERIENS INTERCONTINENTAUX DU PACIFIQUE SA, Paris (capital Ff 1,320,000).

UTA was formed from the merger (see No. 219) in 1963 of TAI - TRANSPORTS AERIENS INTERCONTINENTAUX and UAT - UNION AEROMARITIME DE TRANSPORTS, and has a network covering the whole of Africa except Madagascar and Dakar. It has 75% control of SODETRA - STE DE DEVELOPPEMENT DU TRANSPORT AERIEN EN AFRIQUE SA (the remainder being held mainly by the state agency CAISSE DES DEPOTS & CONSIGNATIONS) and through Sodetra has a 34% holding in AIR-IVOIRE SA, Abidjan, and a similar holding in STE DE TRANSPORTS AERIENS-AIR AFRIQUE SA, Yaounde, in which eleven French-speaking countries each has a holding of 6%. UTA is about to make an agreement with Nigeria similar to the one with Chad, and a company AIR-NIGER will be set up. It is negotiating yet another agreement with Zambia.

** An increase from Bf 21 to Bf 69 million in the capital of CORNS. SWARTTOUW'S ANTWERP STEVEDORING CO NV, Antwerp, a sea transport company, has brought in a new shareholder, the transport and warehousing company KATOEN-NATIE NV, Antwerp, which now has a majority holding of 36.22%, instead of NV TRADING, Antwerp, whose holding has dropped from 36.1% to 11%. The remainder of the capital is held by the Dutch sea transport group SWARTTOUW (see No. 337) through its subsidiary NV CORNELIS SWARTTOUW'S STUWADOORSMIJ, Rotterdam, which now has 19.8% (previously 22.2%) and by MIJ MOTORSLEEPBOOT "SWIFT" NV, MIJ OVERSLAGSCHIP "POWERSFUL" NV, MIJ MOTORSLEEPBOOT "SPEED" NV and MIJ MOTORBOOT "CORNELIS" NV, all of Rotterdam, each of which has a holding of 7.61% (as compared with 8.34%) and by Mrs. L.C.J. Buytaert-Geyr, Antwerp, who has 2.54% (compared with 8.34%).

** NV BELGISCH BLAAUWVRIESVEEM, Amsterdam, with a branch in Antwerp, and HAT - HOLLAND AVIA TRANSPORT NV, Amsterdam, which are members of the freighting and transport group BLAAUWHOED NV, Amsterdam, have formed a new company 50-50 in Antwerp BELGIAN AVIA TRANSPORT NV (capital Bf 1.5 million; air transport).

** The Stuttgart businessman Herr Bückle and the tourist firms SCHARNOW-REISEN GmbH, Hanover, and TOUROPA oHG, Munich, have set up SUEDFLUG INTERNATIONAL KG, Stuttgart. The three parties are already linked through their shareholdings of 50, 25 and 25% respectively in "SUEDFLUG" - SUEDDEUTSCHE FLUG GmbH, Stuttgart (see No. 328), the second largest air tourist company in West Germany.

The Stuttgart air firm is responsible for 40% of the flights arranged by its owners. In 1965, its four jet airliners carried 200,000 passengers, producing a turnover of Dm 35 million. A few months ago, it obtained permission to operate on the North Atlantic route. It plans to increase its turnover in 1966 to Dm 60 million, using nine aircraft to carry about 400,000 people between 22 airports. In 1967, its fleet will rise to ten aircraft and is expected to carry a million passengers between 30 airports all over the world: the turnover should then be between Dm 80 and Dm 100 million.

VARIOUS

** ETS GARDINIER SA, Paris (see No. 324), which is affiliated to ASED - AMMONIAQUE SYNTHETIQUE & DERIVES SA, Brussels, has strengthened its links with PROGIL SA, Paris, by taking 46% in STE DE PRODUCTIONS CHIMIQUES & PARACHIMIQUES SA, the remainder of whose capital of Ff 10,000 is held by PROGIL (44% directly and the rest by five nominees). ASED and Progil both have holdings (see No. 331) in SOCADOUR - STE CHIMIQUE DE L'ADOUR SA, Bayonne, Basses Pyrenees.

** NV NED GRAMOFOONMIJ of Haarlem (capital Fl 100,000), a firm publishing and selling all types of sound recordings, including records, and owned by Mr. H.I. Kellerman and Mr. R. Oeges, has formed an almost wholly-owned subsidiary, NV NEGRAM DELTA VERKOOP MIJ (capital Fl 100,000), which will be concerned exclusively with the sales side of the business.

VARIOUS

** EUROPE NO 1 - IMAGES & SON SA, Paris is buying a third of the Ff 30 million capital of CIE FRANCAISE DE TELEVISION SA, Levallois-Perret, Hauts de Seine (see No 341) but joint control will still remain in the hands of the latter's two parent firms CSF-CIE GENERALE DE TSF SA, Paris and CIE DE SAINT-GOBAIN SA, Neuilly, Hauts de Seine. M.S. Floirat is head of Europe No 1 (capital Ff 18 million) and his direct and indirect shareholdings add up to 40.44% of the capital.

Its transmitting station is in the Saar and the company's shareholders include STE FINANCIERE DE RADIODIFFUSION SOFIRAD SA, Paris, whose capital of Ff 24,500,000 is entirely State-controlled (see No 306): Sofirad's holding in Europe No 1 is 35.25%; the Treasury of the Monegasque Principality has 5.6%; CIE FRANCAISE THOMSON-HOUSTON SA (see No 341) has 2% and BANQUE DE L'INDOCHINE SA (see No 337) has 0.8%. Europe 1 has a 32% interest in the TV company STE SPECIALE D'ENTREPRISES SA, Monaco (capital Ff 6 million), which runs TELE MONTE CARLO and whose other shareholders are: PUBLICIS SA, Paris (see No 332) with 27.5%; the MARCEL DASSAULT group with 22% and the Monegasque Treasury for the remaining 18.5%.

** The Danish furniture manufacturer HOKGER NIELSEN CO A/S, Copenhagen has formed a wholly-owned sales subsidiary in Paris, FORM O DAN (FRANCE) SA (capital Ff 100,000), president M.P. Dardalet of Paris.

** SOCONTRAN Srl, Saint-Gilles, Brussels (capital Bf 150,000) a company selling electrical household goods and radio and television sets under the management of M. Pieroux, Valenciennes, has opened a branch at Bruay-sur-Escaut, Nord.

** Through its Swiss subsidiary RECLA INTERNATIONAL SA, Montreux, the advertising agency RECLA NV, (formerly RECLATECNICA/RECLASTUDIOS NV) of Amsterdam (see No 309) has formed a new company in Antwerp RECLA-INTERNATIONAL BELGIUM NV (capital Bf 200,000), the managing director of which is M. Evert Eyskens.

Represented in London by RECLA INT (GREAT BRITAIN) LTD, and in Cologne by RECLA INT (DEUTSCHLAND) WERBE GmbH, the Dutch agency has affiliated companies throughout the world. Its main customers in Europe are NATIONAL CASH REGISTER CO, Amsterdam, GABA NV, Hilversum, AMERICAN EXPRESS CO, Amsterdam, FELDMUHLE AG, Dusseldorf, MOLYKOTE SA, Brussels, EISENWERK ROTHE ERDE, Dortmund, BX PLASTICS LTD, London, etc.