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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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A Letter from Paris

BIGNESS AND BADNESS

Several countries in the Common Market are worried lest some of their industries are on a scale which will enable them to stand up to outside competition. This anxiety springs, not only from the prospect of customs barriers disappearing within the Community, but also from awareness that USA will set up competitors inside the Common Market; backed by the (generally much larger) resources of their American parent companies, these newcomers might occupy dominating positions in the countries concerned. The European - especially the French - governments have tried to counter such a trend by encouraging firms in the same or allied industries to combine, or at any rate to form joint selling agencies.

On both sides of the Atlantic the object is to ensure competition, but paradoxically the official attitudes are diametrically opposite. In USA, the Department of Justice and the courts act as a brake on mergers, because they consider that these may weaken the will to compete in a particular market; if medium-sized firms disappear, the aims of anti-trust legislation will be defeated. In the Common Market, however, the authorities have done nothing on these lines, and what is more they have hardly any legal justification for doing anything.

The Treaty of Paris, which determines the powers of ECSC, requires any concentration in the coal, iron and steel industries to be submitted for approval by the High Authority (Article 66). For organizations outside the scope of ECSC, the Rome Treaty does not condemn dominating positions resulting from mergers, even if they are of such a character that they may be used to limit competition. Article 85 prohibits and declares void agreements between concerns which are capable of affecting trade between member countries and which have the purpose or effect of preventing, limiting or distorting competition within the Common Market. However, there is no bar to a dominating position or to the uses which might be made of it, whether it is attained by the growth of a concern itself or by merger. Article 86 simply prohibits, where trade between member countries may be affected, any firm or firms from abusing a dominant position in the Common Market or any part of it. Mere presumption that a dominant position might be abused is therefore not enough for the authorities to act on; indeed, no case has yet been laid for breach of Article 86 and so there is no material on which to form a judgment whether the threat of prosecution after the event will or will not be adequate to check abuses.

The Rome Treaty's large economic liberalism is no bad thing for the Community in its developing stage. There is every reason to go gently, so as to avoid doing irrevocable harm by acting severely or even roughly in a sphere which is not yet very well understood. As the six countries grow closer and closer together, policy will become more definite, and they will get a better appreciation of the effect which foreign (especially American) large-scale establishment will have in the Community. Herr von der Groeben, the member of the Brussels Commission who is in charge of competition questions, made some interesting observations before the

European Parliament on June 16: "In some cases there is a question of dominating size, or of excessive financial and market strength. The Commission is determined to apply the Treaty's rules of competition to all restrictions... whether by concerns inside or outside the Community." His words show how the Commission's policy may develop in relation to large companies entering the Common Market from outside, although it is hard to tell just what steps might be taken. They also emphasize that size could be taken as a factor which determines whether or not a concern should be considered as "dominating". Herr von der Groeben added that the nearer a dominating firm approaches to a monopoly position by merging with another firm, "the greater is the probability that it will enter the realm of abuse"; this idea is not to be found in Article 86, but it is not against the spirit of the Treaty. In its empirical advance, the Community may well tend in this direction, intervening not only when abuse has been actually observed, but as soon as it finds itself dealing with firms so large that their dominating positions render abuse easy, even if they do not in practice commit any.

The idea that bigness is likely to lead to badness brings in its wake the principle "Lead us not into temptation"; American anti-trust legislation already involves this principle, but British law eschews it. Indeed, the Americans have probably been guilty of going too far in this direction; there may be some justification for suggesting, in the words of Herr von der Groeben, that a firm is entering "the realm of abuse" when it enjoys a monopoly because of its dominant position in relation to its competitors, but it cannot seriously be argued that a company should be condemned merely because of its size, even when this factor in no way allows it to dominate the market. In USA in recent years the various authorities and courts have given the impression that they consider to be big must mean to be bad; this trend is being strongly criticized at present.

This is thus a live issue on both sides of the Atlantic. In America, the necessary adaptation to economic needs will no doubt mean greater liberalization, and perhaps limiting official intervention to those cases in which it is a question of preventing a real monopoly: in the Common Market, on the other hand, anti-trust measures may be tightened up. In fact, combines which may be approved initially because they help to cater for the new and larger trading area, will have to be kept down to a certain size and related to the market as a whole - but just how big they may become will be a ticklish thing to decide, and in a forthcoming "Comment" it will be further discussed. It is time that people concerned with economics should reflect what regulation would be fair, so as to prevent Europe's new laws falling into the errors and exaggerations perpetrated by the Americans.

PRIVATE ENTERPRISE AND THE STATE

by Carlo Faina,
President of Montecatini, Milan

Few people would maintain that our present economic systems are really based on the principle of a free market economy. The truth of the matter is that practically everywhere in the Western world mixed economic systems are the rule, with public and private sectors side by side. Sometimes the two are considered as being in opposition to each other, and sometimes more sensibly, as complementary. France and Italy are good examples how the State may lay down the broad outlines of development by overall planning of the economy, which is at the root of many of the problems which private enterprise is facing today.

If the authorities in Western countries want the co-existence of private and public sectors to continue, the public sector must do its job thoroughly, but not encroach in any way upon the domain of the private sector. If it did, there would be a steady change-over from a mixed economy to a socialist regime and from a suggested programme to a compulsory one. The public sector, however, should not remain aloof from the new problems which private industry has to resolve, but should show understanding. The public sector's character and scope are such that if it fails to show such understanding, private industry will be unable to solve its problems and will grow weaker and weaker, until the whole economy inevitably becomes socialist.

One of the most urgent problems which confronts private industry stems from the increasing speed of technological progress. Without going into an analysis which would be out of place here, it must be said that this progress is at the heart of several vital questions to which every undertaking must find an answer. What is its optimum size? At what degree of internal integration should it aim? How well can the undertaking adapt itself to the new problems which will certainly arise from more advanced techniques? These are vital questions, and in each case, the solution will obviously depend upon the ability of the undertaking to invest at the right moment.

Private enterprise also has to face the problems which arise from the growth of the market. This is caused by a combination of national economic factors within larger organizations of a more or less integrated type, such as the Common Market or the EFTA bloc, and directly affects private companies. As the market grows they must attempt to increase their trade and at least obtain their share in any growth which takes place. Failure would indicate inefficiency on their part, or even the beginning of decadence. All the discussion about American investment in Europe has been so intense mainly because the European companies wonder whether they can hold their own in a bigger market against competition from American companies which are much larger and have greater capital resources. This in turn brings up the whole question of agreements between firms, however loose or binding they may be. By varying its taxation policy or by controlling the money and capital markets a government can steer, accelerate or brake the flow of capital needed by the company which seeks to respond to the double challenge of the continuous technical revolution and market growth.

In most countries direct taxes on income and on inherited wealth are used to raise most of the revenue. The reform of this system which is actually taking place in Italy provides that from 1966 onwards company taxation will be levied solely on income and will be fixed at around 36%, of which 15% will have to be borne by the company and 21% charged as shareholders' personal taxation.

Without questioning the principle of taxing companies it may be asked whether, when the yield on a shareholder's capital is first of all taxed at a rate of 20 to 30% as personal income, then taxed a second time through the companies in which he is a shareholder, an excessive penalty is not inflicted on personal saving, which is the mainspring of economic growth? It is true that the 21% retained by the company at the time of the annual distribution can be deducted by the shareholders when they make their personal tax declarations, but the business of retentions and deductions is always complicated; official delays make it sometimes inaccurate and generally unpopular with the taxpayer who finds himself at the mercy of an ever-cautious tax-gatherer. High taxation risks destroying the will to save and in the long run all natural interest in the yield obtained. In the end this must defeat the aims of sound tax policy, which should be, not only to balance the national budget, but also to promote economic efficiency, full employment, a high level of saving and investment, the allocation of available resources and the encouragement - not penalization - of the producers themselves.

But, in any case, if it is accepted that the main principle of this tax reform should stand, there remains the possibility of choosing more suitable means of deciding the basis of taxation. First there must be an attempt to bring two concepts closer, the vague one of taxable income and the much clearer one of economic income (or at least that of income according to the accounts, which guides the rational management of all undertakings). To this end, depreciation charges and valuations of stocks in hand urgently need revising. In an economy as dynamic as the Italian, these factors change frequently and may become more important as time goes on. Unless the tax authorities take into account the fact that rapid technical progress leads to rapid technical obsolescence, on top of the wear and tear, concerns will have little opportunity to accumulate capital; in that event the economy will be in danger of a recession and Italian production will be unable to compete on the world market.

Second, tax authorities should adjust taxation to suit changes in manufacturing plant. In the USA, where the pace of development is faster than in Italy, experts have proved that maintaining direct taxation for too long at the same level can have a harmful effect on the economy and even on financial stability. During periods of prosperity, when the national income is quickly rising, the tax authorities collect a growing proportion of this income, and at the same time the principle of progressive taxation is abandoned, because all types of income rise. It is obvious, then, that tax revision is more than ever necessary in a period of inflation, so that tax may be levied not on the nominal value of income but on its effective purchasing power.

Thirdly, tax concessions should be allowed for research expenditure. By spending more on research, both private and public undertakings render a "public service"; they should be rewarded for doing so, not penalized. In USA, for instance, all laboratory experiments and work connected with the development of a prototype, a manufacturing process, a new product or a formula needed for research, along with all connected expenses, whether running expenses or capital investment, are deductible for tax purposes. On the other hand, it is not at all rare in Italy for the authorities to interpret large research expenditure as a sure sign of higher profits and a means of avoiding taxation, sometimes leading to higher assessments on the company concerned. Taxation then runs counter to two requirements of public policy: that the economic system must constantly keep up with the speed of technical advances, and that the country by its innovations and inventions, should contribute to the advancement of civilization itself.

Private enterprise clearly cannot expect to receive such unwarranted benefits as the free (or almost free) loans; that would be the surest way to growing dependence on the State, which it particularly wants to avoid. It can, however, reasonably ask the state to make reforms so as not to put it in a worse position than its competitors taxwise. Another thing it can demand is that government action should not be arbitrary and lead to discrimination against the private sector or as between industries.

In the modern world of today, the economy does not suffer when a large private company finances itself; rather the opposite. To do this during a boom allows it to guard against the dangerous consequences of a slump following the boom. Where self-financing is unknown savings are lower in the long run, which means that economic development is slower. However, it seems that in Italy at least most people have not yet understood this: any accumulation of capital, no matter how modest, is immediately interpreted as an attempt to monopolize the market, even though all frontiers are open to goods and competition is at a maximum. It is instructive to compare this attitude with that obtaining in France, where the Fifth plan comes out very definitely in favour of grouping enterprises for their survival.

If a company has borrowed money, the interest rate on it is of vital importance, and here is meant not its theoretical level but the effective cost of the loan and which can heavily penalize the company. Research on this point was done in Italy during 1964 and 1965. The two cases considered were those in which a company, in order to obtain capital, issued either bonds or shares. The conclusions arrived at, verified by cross-checks, show that a bond issued at 6% eventually cost the company 9.44%, because to the interest was added 1.89% property tax (category A), 0.5% tax on bonds, 0.4% "tax recovery charges", commission, etc. As for shares, these altogether cost the company around 12% annually. The conclusion to be drawn is that if the state wants to encourage a really sound private sector alongside the public one, it must at all times avoid imposing too heavy a tax burden on such a vital production cost as medium-term capital. Otherwise it will be feeding on its seed corn.

A government's decisions can have the greatest effect on free enterprise, both because it governs the volume of capital available, and also because it can stimulate or depress the economy in general. Leaving aside short-term funds, which are only of marginal importance in this connection, and bearing in mind that the amount of long-term foreign capital available is not very large, only a country's own savings can be relied upon for its main medium and long-term finance. Except during an inflationary period, savings are fairly stable and predictable for quite long periods. Every year the Bank of Italy gets out a report on this subject, and its latest conclusions are that in spite of the claims of their supporters, the introduction of variations in methods of financing would hardly alter the total amount which is saved and which is therefore available for investment.

In the circumstances, it is obvious that the capital resources available are inelastic, and the proportion available to private enterprise depends on government policy. With stable rates of taxation, a healthy budgetary policy will improve saving by the state; with a flexible enough monetary policy, a government can foster saving by encouraging sight deposits to become deposits for a fixed period; and finally, if state concerns are well managed, government economies may encourage private saving. If, on the other hand, there is a budget deficit, a considerable part of total savings may be diverted into consumption; and if the state undertakings are run in such a way that the government has to use its reserves to meet their deficits, the point may be reached where these reserves run out and private savings have to be raided to make good the shortage, as happened during 1964 in Italy.

During that exceptional but instructive year, the national accounts showed that total investments of lire 6,700,000 million were financed to the extent of 48.3% by the banks and the capital market alone. Only a small part of the sum mentioned went into private enterprise because, as the Governor of the Bank of Italy records, "During 1964, indebtedness by the Government, by state undertakings and by local authorities absorbed one third of the total savings (including savings in the form of insurance) and was retained in the shape of bank notes, bank deposits, or securities." A roughly similar amount of savings was diverted into the semi-state concerns. So the public sector mopped up 69% of the finance available, compared with 33% in 1963. Competition from the semi-state concerns was particularly vigorous in precisely that quarter where private enterprise should theoretically have been able to find a great part of its capital needs, namely the capital market: the Bank of Italy reports that they took 66% of all the capital offered in that market.

In these circumstances, how can private enterprise find the capital it needs and finance its own investment? It is driven back on self-financing and direct private saving. For various reasons, these sources are also drying up: in 1963, they supplied 32% of the private sector's needs, but in 1964, the proportion fell to 20%. The only way out is for the public sector to be re-organized so as to leave private enterprise the chance of obtaining half the total savings, so that it can develop normally. Otherwise, the rate of expansion will fall, as Italy's own experience in recent years demonstrates. In the fifties the rate was 6%, but it has fallen to between $3\frac{1}{2}$% and 4%, for two main reasons: profit margins have been cut into by higher wages and by the Government's excessive demands on the savings available. To continue down this path must inevitably lead to a less competitive national economy, increased inflationary pressure, and eventually to an economy entirely in the hands of the state.

Having started off by being market economies, the countries of the Western world have moved steadily towards mixed economies; with variations, this is true of Britain, France, Italy and USA. Like it or not, that is the position. The process continues, and now we are at the crossroads: either it can continue as it is with adjustments and improvements, or the economy can become completely socialistic. Those who have witnessed the disappointing record of socialism, and therefore prefer to carry on with a mixed economy, should not blind themselves to the latter's demands: it calls for more widespread and wide-awake government action than has been known in the past, and such action pre-supposes that government understands and intends to respect the concept of lasting and coherent co-existence between public and private enterprise. In other words, government must act in such a way that private concerns can remain competitive, grow and thus contribute to the general progress.

Before this can happen, the state will have to learn how to behave in a way that it has never done before; it will have to alter its own organization so as to leave private enterprise with the means of solving ever-more complicated problems and give up its traditional bureaucratic approach so as to take a more realistic and up-to-date view of affairs. The question is whether the Government can change its outlook in the way that is necessary before private industry is too seriously damaged.

THE WEEK IN THE COMMUNITY

December 13 - 19, 1965

From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

Supra-nationalism in Cold Storage

Last week the Five came to a decision to meet on December 20 in Brussels. This came as a surprise to some of the Permanent Representatives and took forty-eight hours to be confirmed officially. Not only was the decision unexpected, it also gave rise to a good deal of specualation as to the present state of the European crisis. What new facts had come to light during the annual session of NATO, between M. Couve de Murville, M. Spaak and Sig. Colombo and between the Five themselves? Mr. Joseph Luns, the Dutch Foreign Minister, who was one of the strongest supporters of the proposal to meet on December 20, gave a hint when he said: "There is every indication that the gap between the French point of view and that of the Five is not as wide as it was". Coming from the Hague, this relatively optimistic remark can be considered encouraging.

However, what is the real meaning behind this ? First of all, there can be no doubt that up to the time that the decision to meet was taken the Five were certain that de Gaulle would win the second round of the Presidential Elections. So there was no question of meeting after the ballot to study the results and then decide on a line of action. It is also clear that M. Couve de Murville, although a member of an out-going Government, took a similar view in his meetings with France's partners in Rome and Paris; that is, he more or less discussed terms with them. Besides, the French cabinet had announced after its meeting on December 15, that the possibilities of reopening negotiations were now stronger than ever. M. Pompidou considered that even if General de Gaulle had not been taken to a second ballot, a date would have been fixed for a meeting between France and the Five.

This gives rise to the question as to whether or not the Five's decision to meet on December 20, that is, before the French Government has even had time to hold its first Cabinet meeting under the newly re-elected President, was not prompted by the desire to take full advantage of France's better attitude, and cut off her retreat. With the Christmas break, it would otherwise have been difficult to arrange a meeting before the beginning of January. Fifteen days would have been lost during which France, having put the electoral campaign behind her, could have reconsidered the concessions made to her partners. By discussing these concessions on December 20, and perhaps by making them public, the Five may now be able to consolidate the ground gained.

What concessions? First of all, it has been more or less confirmed that both the Five and France are prepared to meet in Luxembourg, which is less "branded" than Brussels as a Common Market Council strong-hold. France would be prepared to agree to the choice of meeting-place and the Five would regard the meeting as being held under the auspices of Council of Ministers, which France might choose to ignore. The most likely date is around January 15.

This meeting, which will be devoted mainly to discussing the political problems raised by the European crisis, would take place theoretically in the absence of the Common Market Commission, to begin with at any rate. However it has not gone unnoticed that the Commission has for the first time been invited, on December 20, to the quiet luncheon party that Sig. Colombo usually gives for the Five during each of their sessions. Does this mean that something is expected from Prof. Hallstein and his colleagues? There is a rumour abroad of a new solution, either in the nature of a compromise or of an adjournment of the crisis; which would require the presence of the Commission. In other words, the third stage of the Treaty of Rome may be postponed. This would be quite possible and the transitional period for completing the Common Market could be prolonged by as much as three years (until 1973) provided that the decisions were unanimous among the Six and - here's the rub - that the Commission proposed the postponement.

This adjournment would not affect the process of economic integration or the establishment of customs union and common policies, but it would put into cold storage for the time being the supra-nationalism implicit in the third stage. From a political point of view, there would be another effect: the Commission's intervention as a party to the negotiations for solving the crisis. Rumour has it that the Five and M. Couve de Murville are prepared to make a counter-suggestion to Prof. Hallstein and his colleagues; perhaps the Six are prepared formally to renew the mandate given to the members of the Commission, which expires on January 9. It is the unanimous opinion of the jurists that without renewal the Commission would retain its full powers. So from the French point of view the gesture would not cost much, since the mandate question will arise again over the merger of the Executives, but it would have a considerable psychological effect and could create an atmosphere of confidence for subsequent negotiations.

This idea is supported by the denial of rumours that Sig. Colombo and M. Couve de Murville had agreed in Rome to appoint the Governor of the Italian National Bank, Sig. Guido Carli, as successor to Prof. Hallstein. Sig. Colombo announced that the news was "completely without foundation". What is even more interesting, an official spokesman at Bonn emphasized that the story "was absolutely untrue". Considering that under normal circumstances Prof. Hallstein's mandate should be renewed in three weeks' time, this means that Germany has no intention of letting the President of the Commission down. The question should not arise, therefore, before the merger of the Executives, for which no time has been fixed.

There seem to be two possibilities, depending on the outcome of the crisis:

1) France accepts the ideas put forward by the Five, which M. Spaak supported at the outset; the third stage of the Rome Treaty comes into operation immediately, with weighted majority voting, although this may be "interpreted" so as to reassure France. At the same time the Commission agrees to be of good behaviour and not to tread on any Governmental toes. Then the best way to "forget the past" would be to set up as quickly as possible the single European Commission, which would by definition be a new institution even if it contained many old faces. Besides, the advantage here would be that negotiations could be opened on the merger of the Communities, which would give everyone a chance to suggest some revision of the Treaties. In this case principles could be saved at the cost of certain individuals.

2) If on the other hand, the third stage were postponed, the individuals could be saved at the temporary cost of principles, The merger of the Executives would not be so urgent, not only because of the delay in making the Treaty politically effective but also because some of France's partners would certainly not be keen to throw away this trump-card (especially the Netherlands, where the last word lies with a Parliament which recently showed that it is not prepared to trifle with Europe). If the merger were accepted, it would mean first of all, sacrificing some "good Europeans"; this would be tantamount to admitting that the merger of the Communities would take place while the most powerful and largest Community was at a political stand-still. In this case the best guarantee from the Five's point of view is clearly that the Common Market Commission should remain as long as possible "in good hands".

The question remains, whether or not France has really accepted this "truce". Up to now, the general opinion among the Five was that the results of the Presidential campaign would induce General de Gaulle to take a tougher line rather than a softer one, as regards European policy. The idea was that he would go all-out before the 1967 General Elections, in which the success achieved recently by MM Mitterand and Lecanuet makes it seem possible that he may not get a majority in the French National Assembly. De Gaulle's remarks on Europe, between the two rounds of voting, do not throw much light on his real intentions, but we do have M. Pompidou's statement: "After all that has been said, discussed and paraded during the Electoral Campaign, General de Gaulle will be induced to reconsider his course of action". Seeing that the Gaullist leaders themselves have admitted that the European problem played a large part in the choice of the French electorate, could not this remark also apply to the General's European policy? There are also persistent rumours of re-shuffling the Pompidou Cabinet in a more "European" direction. It has also been suggested that it might be in France's interest to accept a truce with the Five until the coming Elections. At any rate, there is no shortage of rumours.

* * *

Orange Solution

A new proposal for oranges (see No. 334, p. 5) has been put forward by the Common Market Commission. The idea is that the system of countervailing taxes on oranges imported from outside the Community (to bring their cost up to the internal reference prices) should not be entirely replaced by making deficiency payments to the Italian producers, but should give way to a mixed system, which has the merit that it does not completely upset the Fruit & Vegetable Regulation. Two reference prices would be given: the first would be the price for Italian producers, worked out strictly in accordance with the regulation, and the second would be a lower price. When import prices fell below the price paid to the Italian producers, they would receive deficiency payments. When import prices fell below the lower price, deficiency payments would still be made, but countervailing taxes to make up the difference in price would also be applied. This method is estimated to cost the European consumer only one third as much as the original basis, which gave rise to all the controversy about oranges.

* * *

The European Agriculture Fund

The Common Market Commission has just given details of the payments made during the 1962/63 season by FEOGA, the European Agricultural Guidance & Guarantee Fund. At that time, FEOGA was only supplied from national funds and did not receive the levies which it does now. The guarantee sector only relates to grain and products based on grain (pig-meat, eggs and poultry). France takes the lion's share with $24,479,196, all her partners between them receiving only $4,243,880. Looked at from a national viewpoint, FEOGA's payments result in a net profit for France of $16,436,732 and a loss for all her partners ($6,25 million for West Germany and $6.75 million for Italy, which throws some light on the complaints which have been heard from the Italian Ministry of Agriculture).

The guidance payments were published earlier and show a much more even balance. Italy receives $3,069,464, Germany $2,557,635, France $1,951,487, the Netherlands $774,585, and Belgium $703,751.

* * *

Newsprint Tariff Quotas

The Common Market Commission has decided to renew in 1966 the duty-free quotas for newsprint from which Germany and France benefit. Subject to weighted majority vote of approval by the Council, the Commission proposes to grant a quota of 525,000 tons to Germany and 76,000 tons to France. These amounts are believed to be those which the two countries will need to import after allowing for supplies from other Common Market countries (35,000 tons from Germany and 22,000 tons from France).

* * *

ECSC

Arbed - Hadir Merger Approved

The High Authority has agreed in principle to Arbed acquiring a majority shareholding in Hadir, another Luxembourg steel company (see No. 332, p. H) from the French groups Pont-a-Mousson and Marine, Firminy et St. Etienne.

A formal decision on the merger will be given in good time but at first sight the High Authority has decided that the merger does not come under the terms of article 66 of the treaty and will not allow the companies to determine prices, to control or restrict production or distribution, or to prevent effective competition over a wide range of steel products.

The output of Hadir complements that of Arbed and does not duplicate it. At a press conference, the director general of Arbed, M. Schmitt said that the acquisition by his company of a majority shareholding in Hadir was intended to rationalize production and co-ordinate sales and investment (particularly in oxygen-type steel plant).

* * *

Another Take-over Authorized

The High Authority has authorized the Sóciete des Acieries de Pompey, Paris, to take over the Sóciete des Forges de Barre-sur-Aube, which makes forgings in special steel and at present obtains its raw materials from the Paris firm.

* * *

The Third Steel Congress

Encouraged by the great success of the first two steel congresses, the High Authority has decided to organize a third, to be held at Luxembourg from October 26 to 28, 1966. As before, the aim will be to improve the sales of steel and so assist the High Authority's efforts, such as protection against countries outside the Community.- Next time the theme will be "The use of steel in agriculture".

* * *

A Plan for Coal

Early in the New Year the High Authority means to present a plan for improving the position of the Community's coal industry (see No. 335 p.10). This was the outcome of the last meeting of the Consultative Committee, which supported the quarterly forecast's view that the coal situation will go from bad to worse unless something is done urgently. A working party under Mr. Hellwig (a member of the High Authority) has been instructed to draw up the plan, which will be placed before the Consultative

Committee at its meeting on January 13.

EURATOM

Hot Laboratory

Under its agreement with Euratom, the Belgian Nuclear Energy Research Centre is now operating a laboratory at Mol. It will test radio-active materials and study changes in structural and fuel materials.

* * *

Orgel Research

The ECO reactor at Ispra has gone critical, so ORGEL now has major research equipment at its disposal.

* * *

EUROFLASH

Page		
		Saxony Government transfers its share in NIEDERSACHSEN, Hanover (holdings) to its Brunswick bank. Italy: EDISON SpA, Milan takes over MONTECATINI, Milan. The Swiss holding company BECKMESSER backs new Milan investment company. Netherlands: BANK OF NOVA SCOTIA plans to make its Rotterdam office into a branch and to set up branches in Dublin and Bayreuth, Germany.
K	FOOD & DRINK	Austria: Dr Paul, director of the Frankfurt brewery HENNINGER-BRAU is manager of RESTAURANT-BETRIEBS, Vienna. Belgium: The Willebroek brewery WINTAM takes over two sister firms (all three in WIELEMANS group). France: HENNESSY, Cognac, Charente forms international sales subsidiary COBOR. A. RACKE (wine and spirit wholesalers), Bingen-am-Rhein opens Bordeaux branch. Italy: SITIA YOMO, Milan and FRANCE-LAIT form DEMETRIA, Milan (dairy produce).
L	INSURANCE	France: ASSICURAZIONE DE TORINO and MAGDEBURGER FEUERVERSICHERUNGS, Hanover form LE CONTINENT VIE, Paris. FINANZIARIA GARANZIE, Rome holds 70% in FILM FINANCES INSURANCES, Rome.
M	OFFICE EQUIPMENT	The German office-machine makers OLYMPIA forms Spanish subsidiary.
M	OIL, GAS & PETRO-CHEMICALS	Belgium: FINANCIERE DE SUEZ, Paris, BANQUE DE PARIS ET DES PAYS-BAS and CREDIT VENDOME, Paris increase their shares in ALBATROS, Antwerp (oil-refining). France: ROYAL DUTCH SHELL forms SHELLREX, Paris (research).
M	PHARMACEUTICALS	France: The Swiss group HOFFMANN-LA ROCHE is expanding its main Paris subsidiary. Italy: The Canadian brewing group LABATT backs new Milan firm DELMAR CHEMICAL ITALIANA.
N	PLASTICS	Belgium: CONTIGEA, Brussels has its holding in PLASTIPRECIS, Uccle (tubing, pipes etc) reduced to 56.2%. Italy: INVAG, Zurich, has 50% in plastics processing company POLIFLEX, Oggiona, Varese. PEGULAN, Frankenthal, Germany backs PEGULAN Srl, Bologna (sales).
O	PRINTING & PUBLISHING	Belgium: LA MEUSE, Liege and HACHETTE, Paris form joint subsidiary in Liege, EDIFRABEL. France: ANGLO-PIC MUSIC, London forms Paris subsidiary. BOURNE INC, New York backs BOURNE FRANCE, Paris.
O	SHIPPING	Germany: New shipping company DEUTSCHE ATLANTIK formed in Hamburg by private German interests.

P	TOBACCO	Switzerland: REEMSTMA, Hamburg forms second Swiss holding company REEINVEST.
P	TRADE	France: The Canadian store and supermarket chain STEINBERG'S has 40% in new Paris company SUPERMARCHÉS MONTREAL. Paris property subsidiary of GALERIES LAFAYETTE increases its capital. Italy: The US chain DAYLIN (supermarkets and drugstores) is setting up four discount stores in Italy.
Q	TRANSPORT	France: The Dutch transport company P. PIETERS forms Paris subsidiary. CGT, Paris (marine transport) forms its repairs division at Le Havre into subsidiary. Italy: DOCKS DE BOURGOGNE, Dijon forms Milan subsidiary.
Q	VARIOUS	France: The Norwegian timber firm AS GRANVIK forms French sales subsidiary.

ADVERTISING

*** The New York advertising agency, THE REUBEN H. DONNELLY CORP., through its division, DONNELLEY MARKETING INTERNATIONAL, has joined the West German agency GERARDI KG, Pforzheim to form DONNELLEY-GERARDI GmbH, Pforzheim, with Herr Alfred Gerardi as manager. It is expected that at a later date the American company will acquire an interest in the parent German agency. DONNELLEY DISTRIBUTION (BELGE) SA (see No. 320) was formed recently at Woluwe-St-Lambert, Belgium.

The American firm's Dutch interests in VIERHAND RECLAMEDIENSTEN NV, Haarlem, (which controls VIERHAND PREMIUMS NV - formed in July 1964), were transferred in September 1963 to its Swiss holding company, DONNELLEY VIERHAND AG, Zug (see No.220). In USA, it publishes telephone directories and technical publications and has 70 agencies. Since 1961, it has been 100% controlled by the economic, technical and financial publishers DUN & BRADSTREET INC, New York, which itself has large interests in Europe (see No. 320).

*** The four advertising agencies HORST SLESINA WERBEGES. mbH & CO KG, Frankfurt, ATCO SA, Paris, MARKETING & PUBBLICITA ITALIANA, Milan and OVERMARK LTD, London have formed a joint equally-owned subsidiary in Frankfurt; SIMA-SERVICES FOR INTERNATIONAL MARKETING & ADVERTISING GmbH (capital Dm20,000). SIMA will put in to force the three-year agreement signed by the parent firms for co-operation in all fields of advertising and marketing.

SLESINA is the largest of the four agencies with an annual turnover of about Ff 48 million, compared with Ff 31 million for the British firm, 26 million for the French firm and 18 million for the Italian firm. ATCO (capital Ff 250,000) handles, among others, the accounts of AEG, BASF, HOECHST ("Trevira"), TRIUMPH, etc.

AIRCRAFT & SPACE

*** AERONAUTICA MACCHI SpA, Milan, was described in No. 333, page D, as a subsidiary of LOCKHEED AIRCRAFT CORP, Burbank, California, which is not correct. LOCKHEED AIRCRAFT INTERNATIONAL SA, Panama, has a minority interest in Aeronautica Macchi. AERMACCHI HARLEY DAVIDSON SpA is not correctly described as a joint subsidiary of Lockheed Aircraft Corp and HARLEY DAVIDSON MOTOR CO, Milwaukee, and the Lockheed Aircraft group's only interest in it is through its minority shareholding in Aeronautica Macchi. Any inconvenience caused by these errors is much regretted.

AUTOMOBILES

*** The third largest Italian car manufacturer, LANCIA & CO FABBRICA AUTOMOBILI SpA, Turin (see No. 325), has gained control of STE ROBLOU, Neuilly, Seine (capital Ff 500,000), its French representative, and has renamed it LANCIA-FRANCE SA. The French firm has workshops at Levallois, Hauts de Seine and showrooms in the Champs-Elysees in Paris. It is to re-organize its sales organization and is opening a branch at Marseilles to cover South-East France. Lancia is linked to the group ITALCEMENTI-FABBRICHE RIUNITE CEMENTO SpA of Bergamo.

** Agreement has been reached between STE DES AUTOMOBILES SIMCA SA, Paris and ROOTES MOTORS LTD, London, to sell Simca cars in Britain. From 1966 onwards, SIMCA MOTORS (UK) LTD, London will use the 2,300 Rootes agents and the 1,000 sales outlets of the Rootes sales division, SINGER MOTORS LTD. A reciprocal arrangement provides for the importation and distribution in France of Rootes cars from 1966 onwards under the "Sunbeam" name through the sales organization of AUTOMOBILES SIMCA (formerly SIMCA AUTOMOBILES SA).

The CHRYSLER CORP group has 68.9% control of Simca (in which FIAT SpA of Turin is also a shareholder - see No 335) and 46% control of Rootes. The American group is setting up an international sales organization CHRYSLER/ROOTES/SIMCA to make better use of the three groups' own sales organizations (see No 330).

Similar arrangements already exist with CHRYSLER NV, Antwerp for the Benelux countries, and through DEUTSCHE SIMCA VERTRIEBS GmbH, Neu-Isenburg (who distribute the British make) for West Germany.

BUILDING & CIVIL ENGINEERING

** The Dutch firm WEKX KALKHANDEL NV, Venlo which trades in building materials and stucco-work, has formed a Dusseldorf subsidiary, WEKX GmbH (capital Dm 23,000) which will be managed by Herr Caspar P. Wekx.

** STE DES BASALTES FRANCAIS SA, Paris (president M. Jacques Bouchayer - capital recently raised from Ff 1,400,000 to Ff 4,560,000) is being taken over by UNION FINANCIERE SIIA SA, Paris (president M. A. Kyener - Capital to be increased from Ff 1,770,000 to Ff 2,073,000). The former extracts basalt and makes paving-stones and kerb-stones, employing 300 people in its quarries at St-Jean-le-Centenier, Ardeche, and its factory at Aubignas, Ardeche.

The transaction is taking place within the family - owned group "Bouchayer", Grenoble. The main holdings of this group are in ETS BOUCHAYER & VIALLET SA, Grenoble (see No 272) which became an investment company after transferring its manufacturing and sales assets in January 1965 to various companies in Grenoble: DIFFUSION DE TECHNIQUES NOUVELLES POUR L'INDUSTRIALISATION DE LA CONSTRUCTION SA, GENERAL D'EQUIPEMENT SA (dairy equipment), STE DES ATELIERS DE CHAUDRONNERIE ALPES-RHONE SA and STE D'ETUDES, DE GESTION & DE PARTICIPATIONS-ETS BOUCHAYER & VIALLET SA.

The group has other holdings in Grenoble firms; BUS SA (making hydraulic valves and high-pressure pipes - set up in September 1964 with a 55% holding by SFAC-STE DES FORGES & ATELIERS DU CREUSOT SA), CONDUITES & POTEAUX EN CIMENT ARME SA, SOGREAH-STE GRENOBLOISE D'ETUDES & D'APPLICATIONS HYDRAULIQUES SA (controlled by ETS NEYRPIC SA - see No 307), ETS JOYA, SDEM-STE D'ENTREPRISE & DE MONTAGE, PAPETERIES DE FRANCE SA, Paris (see No 210), STE MEDITERRANEENNE DES CHAUX & CIMENTS PORTLAND, Nice, STE LIGERIENNE & ORLEANAISE DE MATERIAUX, Paris, etc.

CHEMICALS

** A technical and financial agreement has been signed between the Swedish group A/B NORDSTROM & SJOGREN, Malmo (varnishes, lacquers, adhesives and Paints) and the Dutch company SIKKENS GROEP NV, Sassenheim (KON ZOUT-KETJEN NV group of Hengelo - see No 333), according to which the Swedish group will take over the Dutch firm's Swedish subsidiary SIKKENS CONDOR A/B, Gothenberg (see No 265).

The Swedish group, which has factories in Finland, Denmark and Norway is represented in Belgium by GERLACK NV, Brussels, in Germany by ALSECCO BAUCHEMISCHE PRODUKTE GmbH, Cologne and Mülheim, in Spain by CIA INDUSTRIAS DE LA PINTURA, Las Palmas, etc.

** The Belgian chemical companies SA DE PONT-BRULE, Vilvorde and PRODUITS CHIMIQUES DU LIMBOURG SA, Brussels have withdrawn from the cooperative companies SAMACHIM-STE D'APPROVISIONNEMENT DE MATIERES PREMIERES POUR L'INDUSTRIE CHIMIQUE SC Brussels and PYRIBEL-COMPTOIR BELGE DE L'ACIDE SULFURIQUE DE PYRITES SC, Brussels, which have been put into liquidation.

Pont-Brule is 50% controlled by PRODUITS CHIMIQUES DE TESSENDERLO SA - see No 314 - whose French parent company, the state undertaking MINES DOMANIALES DE POTASSE D'ALSACE also has 25% through its Mulhouse subsidiary STE COMMERCIALE DES POTASSES D'ALSACE. Produits Chimiques du Limbourg is associated with the French group MINES DE KALI-STE-THERESE SA -see No 207.

Samachim and Pyribel have other shareholders in common: ASED-AMMONIAQUE SYNTHETIQUE & DERIVES SA, Brussels (see No 326) belonging jointly to EVENCE COPPEE & CIE, Brussels, CITIES SERVICE CO INC, New York and ETS KUHLMANN SA, Paris (see No 331). The Belgian and French groups remain associated in AUXILIAIRE DE L'AZOTE SADELAZ SA, Brussels (capital Ff 400,000) whose other shareholders are: STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA, Liege; STE CARBOCHIMIQUE SA, Brussels: UCB-UNION CHIMIQUE SA, Brussels (connected until last May with Pyribel); SA POUR LA FABRICATION DES ENGRAIS AZOTES, Brussels and SADACI-SA D'APPLICATION DE CHIMIE INDUSTRIELLE, Langerbrugge.

** GENERAL ANILIN & FILM CORP, New York (photo copying) whose assets mainly consist of the former US holdings of the I.G. FARBEN group, has granted a licence for the manufacture of its "Diaso" sensitized paper in France to PHOTOGAY SA, Lyons, president M. Jean Gay. Photogay (capital Ff 600,000) makes tracing paper and equipment at Vaulx-en-Velin, Rhone. The American company, which is represented in Paris by S.A.C.I. STE D'APPLICATION DE CHIMIE INDUSTRIELLE SA (see No 332) for its surface-active and bleaching agents and adhesives, gained outright control in December 1964 of its Dutch licensee NV LICHTDRUKPAPIERFABRIEK DE ATLAS, Delft (see No 283) which employs more than 350 workers in the manufacture of "Diaso" paper.

ELECTRICAL ENGINEERING

** CFTH-CIE FRANCAISE THOMSON-HOUSTON SA (see No 328) is taking over HOTCHKISS BRANDT SA (capital Ff 51,780,000), whose president, M.P. Richard, will become vice-president of CFTH. The two groups made an agreement for rationalization and manufacturing supplies in the household equipment industry a few months ago (see No 305).

M.E. Cordier will be president of the new merged group, which will employ about 30,000 people. With an estimated 1966 turnover of Ff 2,500 million, it will be the largest manufacturer in France of refrigerators ("Frigeco" and "Brandt" brands) and washing machines "Thomson", "Conord" and "Vedette" brands. By this takeover, CFTH will also be increasing its interests in the automobile, engineering and armament industries, because it will gain control of STE NOUVELLE D'ARMEMENT HOTCHKISS, HOTCHKISS LEYLAND SA, HOTCHKISS-RIVE SA and SOFIA-

STE DE FABRICATIONS INDUSTRIELLES D'AUTOMOBILES. The armament and electronics departments of the two firms will be able to help each other and strengthen the group's position in the rocket and armament industries.

** The French company LIMBOURG-AZAN-BAUQUIER-LAB SA, Ivry-sur-Seine, and the Belgian company COPEL-COMMERCE, PUBLICITE, INDUSTRIE, ELECTRICITE SA, Woluwe-St-Pierre (directed by M.G.Dursin - see No 196) governs the use of the "Copel"brand in France for illuminated advertising, signboards, decorations, lighting and electrical signalling. COPEL PUBLICITE Sarl (capital Ff 310,000) has been formed in Paris and LAB holds 64.5% in it.

Until the commercial court of the Seine department gave a judgement in June 1964, the brand was handled in France by COPEL-CIE DE PUBLICITE & DE LUMINESCENCE SA (see No 248), which was taken over by CLAUDE PAZ & VISSEAUX SA (see No 323), then liquidated in favour of LA PUBLICITE LUMINEUSE SA, Paris, which has been renamed CLAUDE PUBLICITE SA.

ELECTRONICS

** CARLO GAVAZZI, SpA, Milan (see No 322), KENT-TIEGHI SpA, Milan (of the GEORGE KENT, Luton, Bedfordshire group - see No 261) and WORTHINGTON INTERNATIONAL SpA, Casavatore, Naples (of the WORTHINGTON CORP, Harrison, New Jersey group - see No 252) have signed a joint agreement to supply checking and regulating equipment, instruments and machines to Indonesia. A joint subsidiary has been formed in Rome: CONSORTIO STRUMENTAZIONE INDONESIA SpA (capital lire 1 million); directors Sig G. Sabatini, Mr P. Spiller and Sig A. Moneta.

** PEEKEL LABORATORIUM VOOR ELECTRONICA NV, Rotterdam (capital Fl 50,000), making electronic measuring equipment, has opened a branch in Emmerich, West Germany, directed by Mr C. Peekel. The firm's main representatives in Europe are ETS FREI, Paris, EQUIPEMENT ELECTRONIQUE, Brussels, B & K LABORATORIES LTD, London, BRUEL & KJAER AS, Stockholm, METRONIC AS, Oslo, VIBRO-METER SA FABRIQUE D'APPAREILS DE MESURE & D'ENREGISTREMENT ELECTRONIQUES, Villars-sur-Glane, Fribourg etc.

ENGINEERING & METAL

** INTERNATIONAL METAL CO, New York has opened a branch at St-Josse-ten-Noode, Brussels, managed by M. M.L. Fienez. The parent company sells non-ferrous and fine metals made by AMERICAN SMELTING & REFINING CO-ASARCO, New York (see No 277) in USA, Canada, Mexico, Peru, Nicaragua, Australia, in all of which countries the group owns mines and foundries, either directly or through subsidiaries or shareholdings.

Asarco is represented in London by two subsidiaries, BRITANNIA LEAD CO LTD (lead refining) and MINES TRADING CO LTD (sales company). In the Common Market, Asarco has direct and indirect holdings in the metal finishing and treating industry, especially in France (PERNIX-ENTHONE SA, Paris-capital recently increased to Ff 5,070,000 - with a branch at Anderlecht-Bruxelles) and in Italy (PERNIX ENTHONE SpA, Milan - formerly ENTHONE INTERNATIONAL SpA), companies in which it is associated with ENTHONE INC, New Haven, Connecticut, PERNEX LTD, Woking, Surrey and RANCATI, GRAUER & WEIL SpA, Milan. Asarco and its Australian subsidiary MOUNT ISA MINES LTD, Queensland, are setting up a separate sales organization in London and the European continent in early 1966.

** INTERNATIONAL NICKEL OF CANADA LTD, Copper Cliff, Ontario (see No. 316) has formed a second Brussels subsidiary, NICKEL ALLOYS INTERNATIONAL SA, to sell and manufacture minerals, metal products and especially nickel, alloys and allied products. The new firm (capital Bf 7,500,000) is a direct subsidiary of INTERNATIONAL NICKEL SERVICES LTD, Toronto, which also controls INTERNATIONAL NICKEL BENELUX SA, Brussels (capital recently raised to Bf 3,500,000) which is run by M. J. Davernas.

The Canadian group, which has information offices and subsidiaries in Milan, Düsseldorf, Madrid and London, also has an office in Zurich (INTERNATIONAL NICKEL AG) and a centre for the supply of crude nickel and alloys in Geneva (SOCONEMET SA). The group is represented in Britain by INTERNATIONAL NICKEL LTD and the recently-formed INTERNATIONAL NICKEL SERVICES (UK) LTD.

** The American civil engineering consultants BROWN & ROOT INC, Houston, Texas, have taken a 50% holding through BROWN & ROOT SA, Panama, in BROWN & ROOT-HEEREMA (HOLLAND) NV, formed at The Hague. The remaining 50% of the Fl 50,000 capital is held by the engineer P.S. Heerema, Wassenaar. The Houston firm has had a subsidiary BROWN & ROOT NEDERLAND NV, at The Hague (see No. 280) since November 1964.

The American company's main European holdings are: BROWN & ROOT DE FRANCE SA, formed in Paris in August 1960 (see No. 112); BROWN & ROOT ESPANOLA SA, Madrid, which assisted in building American bases in Spain, and which set up BRE-ICSA SA, Madrid, in association with INGENIERIA & CONSTRUCCIONES SALA AMAT SA, Barcelona, in November 1964; BROWN & ROOT (UK) LTD, founded in London in October 1964 (capital £100); through it, BROWN & ROOT-WIMPEY LTD (capital £10,000) founded in London in October 1965 (in 50-50 partnership with GEORGE WIMPEY & CO LTD, London), providing technical assistance for oil research in the North Sea.

** GIESENHAGEN KG, Munich, which employs about 200 workers in the manufacture of electrical and magnetic checking and regulating equipment, has formed a subsidiary in Vienna, REGELTECHNIK GmbH. The new company (capital Sch 100,000) will be run by Herr J. Giesenhagen of Munich and Herr R. Schwab of Vienna.

** CLARK EQUIPMENT CO, Buchanan, Michigan, is concentrating its leasing and sales business in Germany by forming CLARK VERTRIEBS GmbH at Müllheim (capital Dm 4 million). The new company will be managed by Herr E. van Holt and Herr G. Busch, and will be engaged in all types of factoring. Clark Equipment also recently signed an agreement in Belgium with LA BRUGEOISE & NIVELLES SA, Brussels (see No. 313).

The American group's other German interests include DEUTSCHE CLARK EQUIPMENT GmbH, Müllheim, CLARK MASCHINENFABRIK GmbH, Müllheim, SCHEID MASCHINENFABRIK GmbH, Limburg, DISSA BAUMASCHINEN GmbH (all specializing in civil engineering equipment) and TYLER REFRIGERATION INTERNATIONAL GmbH, Schweln (see No. 218), which specializes in showcases and refrigerated counters for shops.

** HARRIS CALORIFIC CO, Cleveland, Ohio, has formed its first Common Market subsidiary, HARRIS EUROPA SpA, at Musiano di Pianora, Bologna, to manufacture and sell equipment and products for welding, measuring, checking and using gas (nozzles, blow-pipes, etc). The new firm has a capital of lire 13 million, which the Board, president Sig. L. Palmerini, can raise to lire 60 million.

** ER-WE-PA Sarl, a 90% subsidiary of ER-WE-PA MASCHINENFABRIK & EISENGIESSEREI GmbH, Erkrath, Düsseldorf, has been formed recently in Paris (capital Ff 10,000) to import and sell machines for the French paper and carboard industry. The remainder of the capital is owned by the owner of the German company, Herr H.K. Schmidt.

The German company (capital Dm 5 million) has close industrial links with RICE BARTON CORP, Worcester, Massachusetts, with which it founded a joint subsidiary in Zurich in December 1961 (see No. 148), RICE BARTON-ERWEPA SA (capital Sf 100,000). It is also a licensee of the paper and plastic-extrusion machine makers, FRANK W. EGAN & CO, Somerville, New Jersey, of which the British company BONE BROTHERS LTD, Wembley, Middlesex, is also a licensee.

** The Belgian company VISSERIES & TREFILERIES REUNIES SA, Mochelen, Brabant (capital Bf 240 million) has the largest holding (40%) in a new Paris company, INOFORGES Sarl (capital Ff 500,000). Two other companies, L'INDUSTRIE DU NON FERREUX INOFER SA, Malines (capital Bf 24 million) and VISSERIES DE FOURMIES Sarl, Fourmies, Nord (capital Ff 3 million, brand name "Phillips") each hold 30%. The new company is managed by M. P.E. Pinon of Woluwe-St-Lambert; it sells non-ferrous metals and makes hardware, screws, etc.

Inofer has interests in the foundry METALES & PLATERIA RIBERA SA, Barcelona, and in a joint subsidiary there, INOFER ESPANOLA SA, which makes metal parts for industry.

** The German heavy engineering company PINTSCH BAMAG AG, Burtzbach, Oberhess (see No. 272), has licenced DRAVO-DOYLE CO, Neville Island, Pennsylvania, (the 100% subsidiary of the engineering group DRAVO CORP, Pittsburgh) to use its high-pressure water filter manufacturing processes. The German company supplies the engineering, metal, chemical and nuclear engineering industries and has already granted licences to several American companies including OLIN MATHIESON CHEMICAL CORP, New York, and MORGAN ENGINEERING CO, Alliance, Ohio. Dravo Corp employs more than 5,000 people and in 1964 had a turnover of $106 million. Its Paris representative is STE DE MODERNISATION INDUSTRIELLE SA (see No. 326).

** SABIEM-BOLOGNESE INDUSTRIE ELETTROMECCANICHE SpA, Bologna (capital lire 2,000 million), makers of hoists and lifts, has opened a branch at Nice managed by M. C.G. Perret. This follows the taking over of STE CHARLES STIGLER & CIE SA, Nice, by ASCINTER OTIS SA, Paris (group OTIS ELEVATOR CO, New York (see No. 298).

SABIEM is a member of the group BASTOGI-STA ITALIANA PER LE STRADE FERRATE MERIDIONALE SpA, Rome and Milan, and in France it controls the lift manufacturer STIGLER SA, Colombes (capital recently raised to Ff 4 million).

FINANCE

** The Paris bankers MM RIVAUD & CIE Snc (capital recently doubled to Ff 2 million - see No. 328) and the firm's senior partner M. E. de Ribes (38%) respectively hold 50% and 5% in the newly-formed finance company LE MEIGNEN, RIVAUD & CIE, Versailles, Yvelines (capital Ff 1 million). The rest of the capital is owned by M. A. Le Meignen of Le Chesnay, Yvelines, who contributed his finance house at Versailles.

** The Lower Saxony Regional Government is transferring its 81.24% shareholding in the holding company NIEDERSACHSEN GmbH, Hanover (see No. 333) in which its student fund "Braunschweig Kloster-und Studienfonds" has an 18.76% interest, to its bank BRAUNSCHWEIGISCHE STAATSBANK, Braunschweig.

Niedersachsen has a large number of subsidiaries and holdings in firms of very different kinds. It completely controls HARZBURGER GABBRO-STEINBRUCHS GmbH, Bad Harzburg, producing road-building material. Its other holdings are: 98% in DASAG-DEUTSCHE NATUR-ASPHALT AG, Eschershausen, making asphalt and bituminous products; 94.51% (the remainder is directly controlled by the Lower Saxony Government) in TRIANGEL SPANPLATTEN-WERKE DER NIEDERSACHSEN GmbH, Triangel, Gilhorn (see No. 240), making wood chipboard; 66% in FUERSTENBERG EHEMALIGE HERZOEGLICH BRAUNSCHWEIGISCHE PORZELLAN-MANUFAKTUR, Fürstenberg, Höxter, in which COMMERZBANK AG, Düsseldorf (see No. 325) also has a 25% interest; 42.86% in UNTERHARZER BERG-UND HUETTENWERKE GmbH, Goslar, a fine metal producer, which is controlled by PREUSSAG AG, Hanover (see No. 333); 37% in NORDDEUTSCHE SALINEN GmbH, Stade (see No. 333), a salt producer, in which the Dutch group KON ZOUT-KETJEN NV, Hengelo (through its subsidiary KON NED ZOUTINDUSTRIE NV) holds 37% and Preussag 26%; 18.69% in KURBETRIEBSGES BAD HARZBURG GmbH, a thermal springs company controlled by the Land of Lower Saxony and the town of Bad Harzburg; 12.27% in the fair and exhibition organizing company, DEUTSCHE MESSE- UND AUSTELLUNGS AG, Hanover, controlled by the town of Hanover (48.33%) and the Land of Lower Saxony (36.89%), etc.

** Two of the largest Italian groups, MONTECATINI SpA, Milan, and EDISON SpA, Milan, have decided to obtain the tax advantages of regrouping and to merge, the latter taking over the former. Montecatini (president Sig. C. Faina), the sixth largest Italian firm, had a turnover of lire 217,000 million in 1964 (see No. 327). Edison (president Sig. G. Valerio) is the fourth largest and had a turnover of lire 414,600 million in 1964 (see No. 332).

The new group thus formed will have 85,000 employees and its output will account for nearly 75% of Italy's chemical production, and around 15% of the production of the Six. (The total turnover in 1964 of the 200 largest Italian chemical firms was lire 579,170 million.) The new group's capital will be lire 709,000 million, and its main shareholders IRI - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, Rome (which holds 6% in Montecatini) and the groups BASTOGA, IFI (the FIAT holding group), ITALCEMENTI SpA (group PESENTI), PIRELLI SpA, etc.

** THE BANK OF NOVA SCOTIA (SCOTIABANK), Toronto, is planning to change its Rotterdam office, opened in 1963, into a branch and to set up more branches at Dublin and Bayreuth, West Germany. The bank was founded in 1832 and is today one of the largest in Canada. Its accounts show assets to the value of Can.$ 3,000 million. It has more than 700 branches in Canada, the USA and the Caribbean.

** The Swiss holding company BECKMESSER AG (capital Sf 105,000) formed at Chur last year (president Sig. A. Cucchini) is backing a new Milan investment company, BECKMESSER ITALIANA Sas (capital lire 10 million). Sig. G. Dell'Orto, a minority shareholder, will manage the new firm.

FOOD & DRINK

** Dr F. Paul, a director of the brewery HENNINGER-BRAEU KGaA and its subsidiary FRANKFURTER GASTSTAETTEN BETRIEBS GmbH, both at Frankfurt, has been appointed manager of RESTAURANT-BETRIEBS GmbH, recently formed in Vienna (capital Sch 1 million).

Henninger-Braeu, in which the cigarette and tobacco firm H.F. & PH.R. REMTSMA GmbH & CO KG, Hamburg recently bought a 25% shareholding, and which has trading links with ARTHUR GUINNESS SON & CO LTD, London (see No 332) also has subsidiaries in Italy (CID-BIRRA HENNINGER), Spain (CERVECERIA CORDOBA SA and HENNINGER ESPANOLA SA, Madrid - see No 212) and Switzerland (HENNINGER INTERNATIONAL, Zurich). These are in addition to large holdings in West Germany itself and in USA.

** A. RACKE KG, Bingen-am-Rhein, directed by Herr H. Moller-Racke, has opened a branch at Bordeaux managed by Herr Dieter Neumaier. The Bingen firm is in the wholesale business and imports whisky, rum and champagne. It is linked in France to the group LES FILS DE P. BARDINET SA, Bordeaux, distillers of "Negrita""Nigeria" and "Vaco" rums and producers of liqueurs, fruit juices and "Fleurjoie" concentrated fruit juice. It has a 100% subsidiary, BARDINET GmbH at Bingen to distribute "Negrita" rum in West Germany; in addition it is an agent for CHAMPAGNE MERCIER SA, Epernay, Marne (see No 222) which accounts for 25% of its sales.

Les Fils de P. Bardinet has four factories in France at Bordeaux, Cauderan, Le Havre and Paris, and controls many distillery and bottling plants in different countries: BARDINET SA, Barcelona, Spain; BARDINET EXPORTS INC, Morrisville, Pennsylvania, USA; also in Switzerland, Italy, The Netherlands, Belgium, Mexico, Columbia, Brazil, Argentina, Australia, etc. Together with its subsidiaries, STE DE LIQUEURS DES ANTILLES SA, Le Havre, and UNIR-HUM SA, Bordeaux (factories at Cauderan and Le Havre) the BARDINET group (annual turnover Ff 85.5 million) sells 70% of the quality rum in France and 53% of all French bottled rum sold in the world market.

** SITIA YOMO Srl, Milan and COOPERATIVE AGRICOLE FRANCE-LAIT, Saint-Martin Belle-Roche, Saone & Loire have formed a joint subsidiary in Milan, DEMETRIA SpA (capital lire 1 million) directed by Sig Rutilone Rutilio. The new company will distribute and process dairy produce.

France-Lait (president M. B. Aurion and director M. R. Parrat) supplies about three-quarters of the powdered and dietetic milk consumed in France. The supplies come from the Rhone-Alpes and North-East regions and the firm has processing plants in Belgium and sales subsidiaries in the Lebanon, Greece, Germany, (the Saar) etc... France-Lait is one of the founders of the Paris firm S.I.L.O.M. -STE D'INVESTISSEMENTS LAITIERS OUTRE-MER SA (capital Ff 400,000) of which the other founders are UNION NATIONALE DES COOPERATIVES LAITIERES, Paris, UNION EXPORT, Paris and UNION DES COOPERATIVES LAITIERES DE L'YONNE & DE LA NIEVRE, Auxerre, Yonne.

*** A merger has taken place within the Belgian brewing group WIELEMANS (see No. 186). BRASSERIE DE WINTAM NV, Willebroek has taken over two sister firms: SOCADEY-STE AUXILIAIRE D'EXPLOITATION SA, Brussels and SA ANC. BRASSERIE DE JONGHEERIX, Willebroek, which like Wintam, are owned by BRASSERIES WIELEMANS-CEUPPENS SA, Forest, Brussels; HOTEL METROPOLE SA, Brussels and BRASSERIE-MALTERIE DE LA MARINE SA, Brussels. As a result Wintam has increased its capital to Bf 50 million and changed its name to VERENIGDE BROUWERIJEN WILLEBROEK-WINTAM NV and will sell under the trade-mark "Star Ale".

*** JAS HENNESSY & CO Sarl, Cognac, Charente (capital Ff 80 million) has set up a 95% international sales subsidiary COBOR Sarl, Cognac (capital Ff 30,000). The remaining 5% is held by Messrs. Kilian, James and Jacques Hennesy Alain de Pracomtal and M. Gerald de Geoffre de Chabrignac. Last September, the Cognac company made an agreement with the champagne producer VEUVE CLICQUOT PONSARDIN SA, Reims (capital Ff 11,250,000) to establish a joint sales organization in the Paris area. Hennessy is the second largest French cognac manufacturer and is linked with TEACHERS (DISTILLERS) LTD, Glasgow (see No. 205).

*** It is regretted that on page M of No.334, owing to a typographical error, the sales of P.R. FERRERO & CO SpA, Alba, Cuneo, were shown as lire 493,000 million; it should have been lire 49,300 million.

*** The French fruit and vegetable wholesale firm, CHARLES SCHOPS, Bollene, Vaucluse, has joined with a similar Swiss firm, BONDI & HERZIG, Langenthal, Berne (capital Sf 50,000) to set up HAEGI FRUECHTE & GEMUESE AG, Zurich (capital Sf 60,000). The president is M. Bruno Hertzig, Langenthal.

INSURANCE

*** The Italian insurance group CIA ANONIMA D'ASSICURAZIONE DI TORINO SpA, Turin (capital lire 5,000 million), see No. 327, is continuing its expansion in France by forming a new agreement with the German group MAGDEBURGER FEUERVERSICHERUNGS-GES AG, Hanover (see No. 312; capital Dm 10 million). A joint subsidiary has been formed in Paris LE CONTINENT VIE SA (capital Ff 5 million) to add to the Italian group's interests in Fire, Accident, Marine and Various Insurance through LE CONTINENT IARD SA (capital recently increased to Ff 7,760,000 after it took over its property subsidiary,whose nett assets were valued at Ff 4 million). M.J. Guerard is president of the new Paris firm. The shareholders on the Italian side are: the Turin group itself with 40% and two of its associated companies: LA VITTORIA RIASSICURAZIONI SpA, Milan and ALLEANZA SECURITAS ESPERIA SpA, Rome (capital lire 250 million each) which have 5% each.

In France, the Italian group also controls UNION GENERALE DU NORD SA, Lille (which with Magdeburger Feuerversicherung-owned 20% by SCHWEIZERISCHE RUECKVERSICHERUNGS GES, Zurich - headed the UGENOR Fire group) and the property company ORSAY IMMOBILIER SA, Paris (which will shortly have its capital raised to Ff 5,300,000).

*** STA FINANZIARIA GARANZIE & CONTROLLI SpA, Rome, holds 70% in the new insurance and re-insurance company FILM FINANCES INSURANCES SpA, Rome. The new firm is directed by Sig. L. Tucci, Sig. R. Gualino and Sig. E. Serrao (co-founders with 10% each), and has a capital of lire 1 million, which can be raised on the authority of the board to lire 100 million.

OFFICE EQUIPMENT

*** OLYMPIA WERKE AG, Wilhelmshaven (see No. 314) which makes office machines and is a wholly-owned subsidiary of AEG-ALLG ELECTRICITAETS-GES, Berlin (see No. 318) has formed a 99% subsidiary at Vigo in Spain: FABRICA OLYMPIA DE MAQUINAS DE OFICINA SA (capital Ptas 60 million). The new company will built and run a factory which will export nearly all its production.

Besides a sales subsidiary in Germany itself, BRUNSVIGA MASCHINEN-VERTRIEBS GmbH, Brunswick, the parent firm has a large sales organization abroad with centres in Milan, Brussels, Luxembourg, Paris, London, Zurich, Stockholm, Bogota and Santiago, Chile.

OIL, GAS & PETROCHEMICALS

*** CIE FINANCIERE DE SUEZ SA, Paris, BANQUE DE PARIS & DES PAYS BAS (Brussels branch) and CREDIT VENDOME SA, Paris, have increased their shareholdings in ALBATROS SA BELGE POUR LE RAFFINAGE DE PETROLE, Antwerp (see No. 253) to 10.95%, 4.82% and 4.25% respectively. Albatros has a refinery at Kiel, Antwerp, on the river Scheldt, and has just increased its capital to Bf 450 million. The main French shareholders now have approximately 20%, against 15.55% previously.

The other shareholders in Albatros, which supplies the sales organization of UGP-UNION GENERALE DES PETROLES SA, Paris (see No. 331) through its Belgian subsidiary PIC - PETROLEUM IMPORT CO, Anderlecht, are: UNION FINANCIERE D'ANVERS - BUFA SA (holding increased to 15.3%); INVESTCO NV, Antwerp (of the KREDIETBANK NV group) with 7.75% (previously 8.8%); MANCHESTER OIL REFINERY (HOLDINGS) LTD, Manchester, with 4.6% (as against 2.8%); and PICTET & CIE, the Geneva bankers (6.9% as against 7.44%).

*** The ROYAL DUTCH SHELL group has formed SHELLREX - STE SHELL DE RECHERCHES & D'EXPLOITATION Sarl, Paris (capital Ff 100,000) through its property subsidiary SHELL IMMEUBLE SA, Paris. The new firm, manager M.M. Lacour-Gayet, director of SHELL FRANCAISE SA, will exploit oil research permits in France.

PHARMACEUTICALS

*** The Lausanne and Basle pharmaceutical group F. HOFFMANN-LA ROCHE & CIE SA (see No. 333) is expanding its main Paris subsidiary PRODUITS ROCHE SA (see No. 330), whose capital was raised to Ff 15,700,000 in November 1964 and is now further increased to

Ff 20,930,000. This increase is subscribed by the parent company, one of its holding companies FRANPHARM Sarl, Basle, and UNION DE BANQUES SUISSES SA, Zurich (see No. 287). Several months ago the parent company carried out a similar operation in Belgium with its subsidiary PRODUITS ROCHE SA, Forest, Brussels, whose capital was raised to Bf 90 million (see No. 286).

The Swiss group has the following interests in France: a Paris branch under its own name; control of LABORATOIRE DU PANTENE Sarl, a firm making products for care of the hair (this firm is connected with PANTENE SA BELGE, Forest, Brussels and PANTENE GmbH, Freiburg, Breisgau, controlled by DEUTSCHE HOFFMANN LA ROCHE AG, Grenzach, Baden); minority or indirect holdings in ROURE-BERTRAND FILS & JUSTIN DUPONT SA, Paris (see No. 333) and GIVAUDAN & CIE, Paris.

With the exception of the American continent, where the group's companies are controlled by SAPAC LTD, St John, New Brunswick, the group's holdings abroad are direct or in association with UNION DE BANQUES SUISSES and various holding companies: PHANAR BETEILIGUNGS AG, Glarus (which recently obtained control of INDUSTRIE BETEILIGUNGS GmbH, Hamburg); BIOPHARM AG, Glarus; PHAOR SA, Chur; INTERNATIONALE HANDELS KOMPAGNIE AG, Glarus; VALORFIDES SA, Chur; IMMOBILIEN & VERMOGENSANLAGE AG, Basle; etc. Control of sales and of the group's patents is handled by FIDUCIAIRE GENERALE ALLG TREUHAND AG, Basle.

*** The Canadian brewing group JOHN LABATT LTD, London, Ontario (see No. 297) has backed the new Milan firm DELMAR CHEMICAL ITALIANA SpA directed by Sig. Carlotti, which will manufacture chemical and pharmaceutical products under licence from the Canadian group's subsidiary DELMAR CHEMICALS LTD, Lachine, Quebec (bought in 1963 by LABATT INDUSTRIES LTD - see No. 225). The new firm has a capital of lire 1 million which the board, president M.G.S. Delmar, may raise to lire 160 million.

PLASTICS

*** CONTIGEA SA, Uccle, Brussels has had its holding in the Uccle piping, tubing and plastic moulding firm PLASTIPRECIS SA (see No. 91) reduced to 56.2% since the latter increased its capital to Bf 21 million. The remainder of the capital is owned by CIE GENERALE DES CONDUITES D'EAU SA, Liege (see No. 305) which is linked with CIE DE PONT-A-MOUSSON SA, Nancy through HANDEL INDUSTRIE TRANSPORT MIJ - HITMA NV, Amsterdam and SAPTEC-SA DE PRODUCTION, DE TRANSPORTS ET D'ECHANGES, Brussesl (see No. 244). Contigea is partly owned by CIE DES COMPTEURS SA, Montrouge, Seine, CIE CONTINENTALE DES COMPTEURS SA, Paris and IMPERIAL CONTINENTAL GAS ASSOCIATION LTD, London (see No. 293).

*** The Zurich holding company INVAG AG, formerly at Chur (see No. 152), has had a 50% share in setting up a plastics processing company at Oggiona, Varese: POLIFLEX SpA. The new firm has a capital of lire 1 million which the board, (president Sig. G.B. Spinelli of Varese who holds the rest of the share capital) will shortly raise to lire 200 million. Invag also had a minority share in forming the textile firm MATESA-MANIFATTURE TESSILI SpA, Colico, Como, at the beginning of 1962. CALCOTEX AG, Zug has 90% control of Mates a.

*** The German plastic processing and floor covering manufacturer PEGULAN WERKE AG, Frankenthal (see No. 322) has backed an Italian sales company at Bologna: PEGULAN Srl. The new company has a capital of lire 950,000, subscribed mainly by Herr K.G. Haussler, Frankenthal, and it is directed by Herr H.N. Goetz. Pegulan Werke is already represented by a recently-formed sales subsidiary in Milan: PRODOTTI PEGULAN SpA, director Sig. A. Calza - see No. 300.

PRINTING & PUBLISHING

*** IMPRIMERIE & JOURNAL LA MEUSE SA, Liege has strengthened its links with LIBRAIRIE HACHETTE SA, Paris (see No. 305) by forming a joint subsidiary in Liege, STE D'EDITION FRANCO-BELGE-EDIFRABEL SA. The new company, president M. Salmon, Paris, and director M.R. Bertrand, Liege has a capital of Bf 1 million. The French share is mainly held by FRANCE EDITIONS & PUBLICATIONS Sarl, Paris and the remainder by STE DES EDITIONS DU MAI Sarl, Paris and STE D'EDITION DES CAHIERS FEMINA-ELLE Sarl, Paris. 'La Meuse' has for many years held a licence to print the Belgian edition of the woman's weekly magazine "Elle" of Paris.

France Editions (capital Ff 1,330,000) owns the newspapers "France Soir" and "France Dimanche" and the magazine "Elle"; last year it took over FRANPAR Sarl (capital Ff 2,700,000). Its shareholders are Librairie Hachette, its holding company STE HOLPA SA, Paris, COMPTOIR GENERAL DES VENTES-LIBRAIRIE GENERALE FRANCAISE SA (outright subsidiary of Librairie Hachette which prints "Le Livre de Poche" books) etc. It controls STE D'ETUDES & DE PUBLICATIONS ECONOMIQUES Sarl (which publishes "Realites", "Connaissance des Arts", "Top", "Entreprise" etc). "Elle" has a Spanish edition and is printed in German by ELLE SA, Zurich following an agreement between the French group, the Zurich printing firm BIRKHAUSER AG, Zurich and the advertising and publishing firm SENGER-ANNONCEN, Zurich.

*** London publishers ANGLO-PIC MUSIC LTD, have set up a Paris subsidiary ANGLO-PIC MUSIC Sarl (capital Ff 10,000) to publish books and music, and act as theatre, cinema and television agents. The London firm has almost 100% control. Mr. Lee Vail Eastman of New York has a token shareholding.

*** The music publishing house, BOURNE INC., New York, has backed the formation at Paris of STE D'EDITIONS BOURNE FRANCE Sarl, with M. Tournier, Paris, as manager. 90% of the Ff 10,000 capital is held by Mrs Bourne, New York, and 10% by Mr. Buck, also of New York.

SHIPPING

*** German private investors have combined to set up a Hamburg shipping company named DEUTSCHE ATLANTIK SCHIFFAHRTS GmbH & CO KG. The capital of Dm 300,000 (held by about 200 shareholders) will be increased to Dm 15 million. The company will run a luxury liner of 20,000 tons gross to built by BLOHM & VOSS AG, Hamburg: she will normally carry 800 passengers; 600 on cruises.

TOBACCO

** The German manufacturer, REEMTSMA CIGARETTEN FABRIK GmbH, Hamburg (see No 325) has set up a second Swiss holding company, REEINVEST GmbH, Chur (capital Sf 2 million), with M. P. Rechenberg as manager. The Hamburg firm raised the capital of its other holding company REEHOLDA GmbH, Chur, from Sf 1.2 million to 2 million at the end of 1964. It has a Swiss manufacturing subsidiary, REEMTSMA CIGARETTEN AG, Pfäffikon (capital Sf 2 million) in which it is associated with the Swiss firm VILLIGER SOEHNE SA, Pfäffikon (see No 266). Reemtsma, Hamburg has an interest in H. F. & PH. F. REEMTSMA GmbH & CO KG, Hamburg.

TRADE

** The Canadian store and supermarket chain STEINBERG'S LTD, Montreal, Quebec, has a 40% holding in the newly-formed Paris company SUPERMARCHES MONTREAL SA (capital Ff 500,000: president M. F. Berant holds 35%). Other shareholders are four members of the Vogüe family (25%) amongst whom is M. G. de Vogüe, director of CREDIT LYONNAIS SA (St-Germain-en-Laye branch).

The Canadian firm intends to set up chain-stores selling food and consumer goods in the Common Market countries, especially France. The firm is controlled by the Steinberg family (the chairman is Mr Sam Steinberg, vice president Mr N. Steinberg and financial director Mr M. Steinberg) and runs 150 chain stores and supermarkets (under the names "Miracle Mart" and "Grand Union") in the provinces of Quebec, Ontario and New Brunswick. The annual turnover is more than $350 million. The group shares control of STEINBERG'S PROPERTIES LTD, Montreal with its 49% subsidiary IVANHOE CORP, and has other subsidiaries: PINKY STAMPS LTD, OTTAWA FRUIT SUPPLY LTD, ALLIED FOOD MARKETS LTD, and SYEINBERG ENTERPRISES LTD.

** DAYLIN INC, Beverly Hills, California, owning supermarkets and drug-stores, intends to open discount stores in Europe. It is negotiating in Italy to set up a chain of four stores (selling perfumes, pharmaceuticals and household goods, etc) in which it will be a majority shareholder with an investment of about $1 million.

The American group made an agreement of this sort several months ago with MINERALS SEPARATION LTD, London (see No 235). A common subsidiary was set up with a capital of £200,000 (51% controlled by Daylin). Named DAYLIN STORES LTD, London it is to set up four "discount" stores in Britain between now and the end of 1966. Similar negotiations have taken place in Spain. With Mr A. Barnes as president, Daylin is 40% controlled by its board members including Messrs D. Finkle, M. Candiotty and R. M. Arnold.

** The property company SA DU PALAIS DE LA NOUVEAUTE, Paris, in which GALERIES LAFAYETTE SA, Paris (see No 306) has had 80.22% control up to now, has increased its capital from Ff 4,800,000 to Ff 16,700,000. This is the result of an operation in which SA DES MONOPRIX, Paris (capital Ff 20 million - 49% owned by Galeries Lafayette) contributed majority share-holdings to the value of about Ff 74 million in nine development companies and seven property companies of the "Monoprix" chain-store group which had a combined turnover of about Ff 150 million in 1964.

TRANSPORT

*** The Dutch transport company P. PIETERS NV, Bergen-op-Zoom, which deals mainly with road transport, has formed a Paris subsidiary, P. PIETERS Sarl, which will be managed by M. Robert Leseure of Paris. The parent company has 90% control of the new firm (capital Ff 10,000), the remainder being held by M. Verduin, Roosendaal. A short time ago another Dutch transport company, INTERNATIONAAL TRANSPORTBEDRIJF A.D. MEEUS, Bergen-op-Zoom, also formed a Paris subsidiary (see No. 333).

*** The major French marine transport company CGT - CIE GENERALE TRANSATLANTIQUE SA, Paris (see No. 298) has formed its ship-repairing division at Le Havre into a subsidiary called COGER - CIE GENERALE D'ENTRETIEN & DE REPARATION SA (capital Ff 5 million). M. P. Pariard, managing director of the parent company, is its president.

*** The French storage and transport firm, DOCKS DE BOURGOGNE & ENTREPOTS DE LA COTE D'OR REUNIS SA, Dijon (capital Ff 1,170,000) has formed a subsidiary at Milan, STA FRANCO-ITALIANA DEI DOCKS DE BOURGOGNE SpA (capital lire 1 million). It has a 25% direct holding; other holdings are 25% by the president M.G. Debost, 15% by the managing director M.P. Debost, 15% by Sig. E. Sartorio of Milan and 10% by M.A. Verge of Dijon.

VARIOUS

*** AS GRANVIK, Oslo (capital Kr 910,000), has formed a sales subsidiary AS GRANVIK & CIE Snc at Marseilles (capital Ff 510,000) M. A. Mathis is the manager, the Norwegian firm processes and sells wood and wood derivatives, and is directed by M. P. Helmer.