

# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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January 27, 1966

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# *Opera Mundi* **EUROPE**

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

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## **OPERA MUNDI EUROPE**

100 Avenue Raymond Poincaré - PARIS 16e

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

PUBLISHER & EDITOR .. PAUL WINKLER

EXECUTIVE EDITOR .. CHARLES RONSAC

EDITOR IN CHIEF ..... ANDRE GIRAUD

### **SWITZERLAND**

54 Rue Vermont GENEVA  
TEL: 33 7693

### **ITALY**

72 Corso di Porta Romana MILAN  
TEL: 540.301 - 540.309

### **BENELUX**

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## WHERE IS THE ROOT OF THE TROUBLE?

On meeting again after a six months' interval, the Common Market Council first paid attention to two points: what is being called the "style" of the Commission in future (see No. 339, p.5) and whether or not each government should have an almost complete power of veto in the Council. Looking below the surface, there are some grounds for thinking that the real dispute may be not so much on these problems as a deep division between France and Germany.

There was general satisfaction that the discussions were held calmly and intelligently; no doubt all were careful not to stir up unhappy memories, but the good tone may have been partly due to a sense that the argument was academic. The delegations have been so steadily and sympathetically indiscreet that the debates were carried on almost as much in public as in the privacy of the conference chamber; generally speaking, diplomats do not choose to confide in journalists when negotiations are delicate and realistic.

The press conferences which were organized or improvised were mainly psychological in origin and they showed diametrically opposed interpretations. The French were regularly optimistic, but the Dutch were not, and the Germans were pessimistic. Amongst those surrounding Herr Schröder and Herr Lahr, of the German delegation, there was talk of "traps", "ultimatum", and "unforeseen conditions which cannot be fulfilled". Germany's sharpest reaction was reserved, not for France's arguments on the Commission or on weighted majority voting in the Council, but for the entry into force of the agreement to merge the executives, which should have applied since January 1, 1966 (see No. 295, p.5). Before the debate ended the German Minister of Foreign Affairs alone formally and generally reserved his position on M. Couve de Murville's proposals. There is no question but that Germany's partners were just as much opposed to them, but they thought that their position was obvious without their having emphasized it.

## The Unanimity Problem

Before considering the idea that the main difference is between France and Germany and that it relates to subjects other than the two mentioned, the power of veto must be closely examined. As a matter of first principles, some choice must obviously be made between unanimity and a weighted majority, but in face of today's facts the differences in practice are not very large.

M. Couve de Murville has felt obliged to recognize that it would at present be impracticable to try and revise the Rome Treaty, for one or more of the national Parliaments would be sure to refuse ratification. Weighted majority therefore remains constitutionally in force among the Six. Even if the political understanding for which France has asked (and which her partners are disposed to consider in order to settle the difficulties) were entirely in line with General de Gaulle's views, and therefore removed all force from the constitutional position, it would not alter the Treaty



beyond repair because it would only be an agreement between individual governments and could not be upheld in the European Court of Justice as part of the Community's foundation. At a suitable time it could in fact be painlessly cancelled, or simply fall into disuse.

The Five cling to their hopes of a settlement and meanwhile they are prepared to give a good deal of ground to accommodate France. Through the mouths of the Belgian Foreign Minister, M. Spaak, and the Italian one, Sig. Colombo, they put forward two amendments to the weighted majority rule:

- (1) although this rule was due to come into force on January 1, 1966, unanimity should be retained for all decisions for which it was formerly required and which were not taken before that date because of the crisis which blew up in mid-summer 1965 (see No. 312, p.12);
- (2) decisions taken unanimously could not be changed later by weighted majority vote, at least during the transition period ending on January 1, 1970.

It has been repeated endlessly that changes of this kind are fair and reasonable, but it is also in point that they meet General de Gaulle's essential need to get an agreement on the common agricultural policy which can be guaranteed absolutely irreversible. Last June's crisis blew up partly because Sig. Fanfani, the Italian Foreign Minister, insisted on inserting a 1967 revision clause in the agricultural financial regulation, which the French regarded as a very improper means of bringing pressure to bear.

Concessions on these two points are not however enough to solve the problem, so M. Spaak made a third suggestion: whenever the Council has to deal with a subject which any government considers to be one of its own vital interests, and whenever that government opposes the decision contemplated, it shall have the right (if it can gain the support of any other government - even little Luxembourg) to demand that the Commission's proposal should be given three readings before a final vote is taken. Meanwhile the Council and the Commission will try to find a compromise commanding unanimity. In an attempt to justify this device, which really makes nonsense of the whole idea of weighted majority voting, its inventor called in aid the Rome Treaty's requirement that the Common Market ought to develop with respect for the interests of each of its members.

As far as vital economic interests are concerned, the argument can therefore be said to be settled, and the only problems remaining to be solved are those in the political field, where it is much more difficult to make an objective assessment of what constitutes "vital interests". Is it in a country's vital interest, for example, to grant credits to Eastern bloc countries for a period of eight years instead of six? On principle it is almost impossible to imagine a compromise, but in practice the Colombo-Spaak solution might fill the bill. After all, when complete harmony reigned between the Six, efforts were always made to find unanimous solutions, even



in cases where a simple majority would have been sufficient. This shows that, in the atmosphere of deep distrust in which the Europe of the Six is at present plunged, placing a country in a minority would be systematically avoided, since there would always be the danger of causing a serious crisis in the Community. This really goes without saying, but the Five are nevertheless prepared to give France written guarantees.

In the last analysis, the other member countries' reply to M. Couve de Murville's statement that "the Community is not ready for majority voting" is that "the Community is no longer ready for it" for the time being, but there is little practical difference. As far as the Five are concerned, if the rule is to be retained, even in this shadow form, it is on technical rather than political grounds. Even a slight and remote fear that a country might be placed in a minority has proved in the past to be a particularly valuable instrument of negotiation. If this fear were removed, the will of the governments would soon be at the mercy of the smallest pressure group. For all these reasons, perhaps agreement on this only apparently difficult problem is now merely a question of wording.

The fact of the matter is that the institutional problems raised by the crisis were solved almost automatically the very day it broke out. In the atmosphere created by the break-off of negotiations, the idea vanished that States might agree to be placed in a minority in the interests of the Community - which is the whole foundation of majority voting. It was also natural that the Commission, essentially a Community body, should accept a less glamorous and influential position, especially as one of its proposals (budgetary control: see No. 306, p.3) had made a particularly powerful impact when the crisis was first brewing. Since June 30, the Commission had on its own initiative, reviewed its whole approach and behaviour: this, too, went without saying. M. Couve de Murville thought it necessary to stress the point rather severely; this soon became public and might in itself almost have sufficed to solve the problem, for the Commission had at least been warned to keep its place.

This time, when the French delegation attacked the Commission, it did not call the fundamental principles into question. The first point made in the French Memorandum is that "this consultation (of the Governments) in no way affects the Commission's right, conferred by the Treaty, to initiate and prepare proposals; it merely obliges the institution to use this right to good effect". So discussion became possible, especially as the proposals were said to be aimed at promoting "cooperation between the Council and the Commission" and some of the Five, too, had at times criticized the attitudes adopted by Professor Hallstein and his colleagues on the Commission. The crux of the matter was to distinguish those parts of M. Couve de Murville's strictures which touched the political authority of the Commission from the rest of them.

M. Couve de Murville remarked, concerning the Commission, that "the Bible teaches us that we must have the humility of the dove". The Five did not object to the Commission's straying from the path of virtue in purchasing (genuine?)



Louis XVI furniture and in receiving foreign ambassadors in tails; surely agreement can be reached without too much difficulty on these points of prestige and representation. Thus, it has virtually been agreed that the Commission must give the Council first sight of the proposals which it intends to submit - ambassadors' credentials should be submitted simultaneously to the Presidents of the Council and of the Commission; this duality will be more strictly observed in constituting the Community's missions to international organizations as well as in laying down and implementing its press policy; finally, there will be stricter budgetary control of the Commission's expenditure.

Attempts to restrict the Commission's independence widened the gap between the Five and France, which asked that "before finally adopting a proposal of special importance to the member countries as a whole the Commission should consult the Governments at an appropriate level." The Five take the view that consultation has an exact legal meaning, which would enable each Government to wield a right of veto in advance. For this reason, they prefer the less rigid term "contacts", and these would not even be compulsory. Nor are France's partners in agreement with their demand that "the members of the Commission must observe in their public statements proper impartiality as regards the policy pursued by the governments of all the member countries". The expression "proper impartiality" is not the only thing which shocks them. They consider that it would be tantamount to interfering with the Commission's political purpose and independence to gag it when the subjects covered by the Treaties come under discussion. Others take the view that it is necessary to proceed with caution, always on the understanding that the Governments will refrain from treating the Commission too lightly, or even worse.

#### Article 162 and its Effects

A time comes when it is well to return to the fountainhead, and read again just what the Rome Treaty itself says on the subject; article 162 is as follows:

"The Council and the Commission shall consult each other and shall settle by mutual agreement the particulars of their collaboration.

The Commission shall adopt its rules of procedure with a view to ensuring its own functioning and that of its services in accordance with the provisions of this Treaty. It shall be responsible for the publication of its rules of procedure."

In the light of this text, the Five do not mean that these rules of conduct can be imposed unilaterally on the Commission, merely on the Council's say-so. When the Six have reached agreement on a "New Look" Commission will they summon Prof. Hallstein and his colleagues to discuss the matter with them? M. Couve de Murville will not hear of it; such a meeting, in his opinion, would not only be embarrassing, but would also be futile: far better discuss the matter with the future single



Commission.

If the single Commission is to be made up partially or entirely of new men it will not need to negotiate with the Council about its "style": M. Couve de Murville's "Ten Commandments", after revision and correction by the Six, will constitute its "terms of employment". In principle, this text does not alter the Commission's powers and Prof. Hallstein, M. Mansholt and M. Marjolin could accept it without their authority being undermined, but things would be very different for their successors, who would be bound to show all the external marks of respect towards the member countries as well as due modesty in all other activities. The situation will be even more disturbing if it turns out that the men being appointed to the Commission are highly qualified technicians rather than men of high political standing.

Whether the unanimity rule is retained in practice is not quite so serious: it has been pretty generally accepted up to now and has not been a stumbling-block in the way of progress. But any real progress in setting up the Common Market is largely due to the Commission's being independent of the individual members, and to its thinking and acting in the best interests of the Community as whole. Only in this way has it been possible to overcome the existence of the veto: can progress be maintained if the Common Market, as we have known it under Prof. Hallstein, is put out of action?

It is clearly impossible to replace the present Commission immediately, as the treaty on the merger of the Executives has still to be ratified by several of the national parliaments. The French delegation wants to speed things up so that the treaty can come into force on April 1. But in the meantime will the French chair remain empty in Brussels? M. Couve de Murville says not: provided agreement is reached on the institutional problems, France will approve the Community budgets for 1966 and will immediately take her seat on the Common Market Council.

But what are they all going to talk about? Obviously between February 1 and April 1 there will not be much to negotiate. That is why France has suggested for the agenda the Agricultural Finance Regulation and the Common External Tariff. The former was a prime cause of the crisis and the latter requires urgent attention because the governments concerned with the success of the Kennedy Round are waiting hopefully for a solution. France has intimated that she is prepared to negotiate on the basis of the Commission's memorandum of July 22, 1965, which deals not only with the Finance Regulation itself but also with the necessity of incorporating it into "balanced development" of the Community by accelerating the progress of the industrial Common Market, especially as regards tariffs and taxes. However, there may not be enough time before April 1 to discuss these matters which mainly concern Germany. France is insisting that the timing is not essential and that she is putting forward a rough plan, not an ultimatum. But M. Couve de Murville has made it clear that he is not prepared to go on dealing indefinitely with the present Common Market Commission. There is every likelihood then, that prior to the disappearance of the present Commission, only the Finance Regulation will be discussed, which would



suit France's book very well. What is worse, the Commission may find itself at France's mercy during the negotiations, unless the majority of its members abandon their ambitions to count for something in the Community. Some members of the Commission will try to regain their reputations in the eyes of France by being more amenable to her ideas than before.

### The Compromise

Even if these fears are groundless, the procedure suggested by France is not too sound. M. Spaak and Mr. Luns immediately pointed out that it would be dangerous to fix a date for setting up the single Commission without first deciding on its composition. M. Couve de Murville has put forward one compromise solution: the Six should designate the future members of the European Commission before March 1 and enforce the rule on biennial rotation of the presidency and vice-presidency. But this suggestion does not remove all the difficulties above mentioned. In fact the problem of personalities should be settled before France takes her place again in Brussels.

It can now be assumed that the Five will agree to rotate the presidency. It merely remains to be seen how long it will be before the single Commission is formed. This is an important question because this is the time left to the present Common Market Commission to make the best "package deal" it can with the Six. However, there can be no lasting reconciliation unless an overall compromise is reached. In 1963 when Herr Schroeder put forward his synchronized plan this was found to be the only way to get the Common Market going again after Britain's rejection.

Germany will not be in a very happy position if France's timetable is adopted in its present form. France could block the Finance Regulation until April 1, and then prevent any effective opposition by using the unanimity rule and a "new style" Commission. So Germany may find herself the loser, eventually financing the larger part of France's agricultural policy without gaining anything on industry or the Kennedy Round. Regarding political concessions such as nuclear co-responsibility, Germany would almost certainly find her Common Market partners ranged against her.

There is not much chance of Herr Schroeder calmly accepting a Community which would offer Germany no economic advantages and also keep her a second-class power. If the French do not yield there may soon be the threat of another "empty chair" and even of a much graver crisis, resulting from an open conflict between France and Germany. But is the deal feasible? Once again the only way out seems to be the way ahead and France and Germany will at least gain some material advantages. Also, when the agricultural finance regulation is finally settled it may be possible to make a fresh approach to Britain and eventually another attempt



at political union.

But who, apart from the present Commission, is capable of achieving all this? Not only has it given a good deal of thought to the problem and already made far-reaching proposals to the Council of Ministers as in its memorandum of last July or its "Initiative 1964": but its immediate dismissal, far from calming resentment, would probably make the present situation more bitter and acute because it would be taken as a submission to the French ultimatum. Herr Schroeder has already made his position fairly clear in his defence of Professor Hallstein.

There are two other possible solutions: either to hold up the merger until Prof. Hallstein and his team have had time to get things moving again; or else as M. Spaak has suggested, to keep the majority of the members of the Common Market Commission in the new single Commission, at any rate for the time being. The Five still have one remaining weapon: Benelux and Italy have not yet ratified the merger agreement and it seems hardly likely that the Netherlands Estates-General will ratify it if the Luxembourg agreement seems like a capitulation in the face of France's demands. Of course this is a negative approach which will not oblige France to give up her "empty chair" policy. It remains to be seen however if time is on the French side. Many French commentators feel that M. Debre badly needs the common agricultural policy to effect his plan for economic expansion and social progress in order to win the parliamentary elections in 1967. So everyone is saying why hurry? In the end the difficulties and dangers of the negotiations between the Six may well depend on the relative position of weakness which each of the "Big Two" believes the other to occupy.



## VIEWPOINT

## CONCENTRATION AND COMPETITION

By Wolfgang Pohle

Partner of FRIEDRICH FLICK KG, Düsseldorf

The combination of enterprises is of such direct and grave importance for the structure of the economy that it deserves the closest attention, one of its most serious aspects being its effect on competition. A recent enquiry by the West German Ministry of Industry shows that between 1954 and 1960 the 50 largest German firms increased their share of the total turnover from 17.7% to 22.8% and the 1000 biggest from 52.6% to 55.4%, while the 100 largest industrial groups raised their share from 33.6% to 38.8%. This clearly shows how much combination was in process then, and it has increased since 1960.

Such statistics have little bearing on the changes in competition which may happen, because they relate to the economy as a whole. Competition in the strict sense does not exist at this overall level; it only exists within the limits of a well-defined market or in a given sector of the economy. If one tries to analyse the official figures according to sectors - which according to certain people are badly divided - it can be seen that for the period in question the share in the total turnover for 9 sectors fell by between 0.1 and 7.4 points; for 7 sectors it remained more or less stagnant, with a rise of between 0.1 and 0.9 points; for 7 other sectors there was a slight increase, between 1.3 and 5.3 points; finally the largest increase - between 6.0 and 18.9 points - went to the last 7 sectors. So combination is happening in some industries and not in others, which proves that it would be futile to draw conclusions on the basis of average figures which are such a long way apart.

Combination can be vertical or horizontal: in the latter case, when one firm takes over another which makes different products, the result is one larger concern with diversified production; the number of firms falls by one unit, but in a merger like this there is no change in the number of producers for each market concerned. If on the other hand a firm launches out into a different production merely as part of its natural growth, the result is the opposite of combination, since the number of producers of the new article will increase by one. So diversification can either, (as in the first case where it also involves concentration) have no effect on the structure of the market, or else (as in the second case where a concern is merely expanded) it can be a source of increased competition. There is a contradiction here which has already been closely studied in the United States and which is now being examined in Germany.

Vertical combination occurs when a firm is no longer satisfied with its position in an industry and annexes other manufacturers either larger or smaller than itself. As in the case of horizontal combination, this can involve taking over other firms or simply internal growth. The effects on supply in the market concerned, and therefore on competition, are not easy to define, but they are limited, just as there are limits to the economic background where this kind of combination is likely to occur.



One confirmation of these limits is the example of the really big companies, which continue to employ a large number of suppliers: Siemens has 30,000, for instance, Krupp 33,000 and Daimler-Benz 17,000.

The example of Daimler-Benz is particularly instructive: from 1954 to 1960, the number of suppliers rose from almost 14,000 to 17,000 and their turnover increased by 216% as against 170% for Daimler-Benz itself. So, far from weakening the position of the supplying firms Daimler-Benz has virtually made itself more dependent on them for a large part of its production is bought outside. On the other hand, these firms are not in any way dependent on a large buyer, because only 12% of their total turn-over went to Daimler-Benz, the remaining 88% going to other buyers.

However the development of the sub-contracting system leads to the question whether or not the large buyer holds a dominating position on the market in relation to his supplier, since the latter is usually a medium-sized firm. The enquiry mentioned above did not reveal any cases of the large firm exploiting such a position by the large firm; that is, of suppliers depending solely on their large buyer. Indeed research in the automobile industry showed how interdependent they have become.

This brings us back, then, to horizontal combination, which by definition means a decrease in the number of suppliers or consumers in a market, and therefore appears to reduce competition. The classic rule that competition is only perfect when it is "total" and which would therefore exclude any horizontal combination, has fallen on hard times and no longer holds sway. Economic research has shown long since that it is not the structure of the market but its behaviour which produces competition, and that there can be lively competition even in an oligopolistic market, as can be seen from the severe competition in the automobile industry.

Far too frequently even now, the problem is regarded as a national one. The Common Market will however, soon have a "home market" of similar size as U.S.A. Economic integration between the Six will reduce the percentage which any particular firm holds in a given market. So where the three largest German firms, in a sector which shall be nameless, now hold 48.5%, 31.1% and 12.1% respectively of the national market, their shares of the total Common Market will be reduced to 18.5%, 11.9% and 4.6%. This illustrates the value of one of the lessons learned in U.S.A., that it is more difficult for any one firm to exert power in a large market than in a small one. Also, since U.S.A. is Europe's main competitor on the world market, it can be assumed that the economic structure of the Common Market will eventually be similar to the American.

With the integration of Europe in mind, international comparisons have been made of the dimensions of firms. They show what a great deal of combination will have to be effected in Germany and the other Common Market countries if they are to reach an internationally competitive size. UNICE (the Union of Common Market Industries) has prepared an enormous amount of data on the subject: it shows that of the world's 500 largest industrial firms (based on turnover in 1963) only 74 are in the



Common Market, 33 of them in Germany. Among the 64 firms which reached a turnover equal to or in excess of \$1,000 million, 49 are in U.S.A. and only 8 in the Common Market (5 in Germany).

The larger size of the American firms brings them competitive advantages: they have a much higher rate of productivity than German firms, taking the proportion of turnover to the number of employees, and this higher productivity gives a higher rate of profit. Also they are in a position to rely on their own resources to finance their operations to a far greater extent than is possible for German firms; only 40.1% are self-financing (banks and insurance companies excluded) compared with 65% of American firms in 1961. This financial superiority clearly affects research and the resulting competitive advantage is easy to assess, because the most dynamic industrial sectors are those which carry out the most research, and competitiveness on the world market depends mainly on technological progress.

It is doubtful whether the Common Market firms are anywhere near their ideal size. This does not mean the authorities laying down rules which would be incompatible with a market economy as well as with free competition. But even if official intervention is ruled out as a means of systematically creating the essential new structures, at least it can be hoped that nothing will be done to prevent or retard their creation. In the highly competitive world market, equal competition means not only equal taxation, equal opportunities for investment, self-finance and capital formation, harmonization of customs tariffs, similar interpretation of anti-dumping regulations, etc; it means above all restraining national or Community legislators from playing about too freely with anti-trust regulations, based on "principle" not to say emotion, until it has been proved that a dominating position has been abused. If Common Market enterprises are to stand up to world competition they must be allowed to attain the necessary dimensions.

When all is said and done, there does not seem to be any definite relationship between combination and competition. Some forms of combination have no effect on competition, some encourage it and some tend to restrict it. However, as economic policies widen their horizons, the danger becomes less acute. In many cases, combination is the only way for a concern to achieve its optimum proportions before proceeding to complete rationalization, which is helpful to the economy as a whole. Also Germany's economy being so dependent on foreign trade, the country must have large firms to maintain exports and technical progress, for they are major factors of economic stability and growth.

So, on the whole, the dangers of combination in Europe are not as great as restraining, especially since it can stimulate competition; again, the possibilities of limiting competition are considerably lessened by the development of a large market. This does not prevent suitable and necessary measures being taken to detect and remove excesses, such as improper use of a dominating position. On the basis of these principles it should be possible to accommodate firms of any size, according to their economic and sociological importance. The kernel of any policy should be neutrality towards the process of combination, but action against abuses. There should also be provisions to improve the competitive position of small and medium sized firms.



## THE WEEK IN THE COMMUNITY

January 17 - 23, 1965

From our Correspondents in Brussels and Luxembourg

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## THE COMMON MARKET

## Economic Progress

In his usual January speech to the European Parliament, M. Marjolin, Vice-President of the Common Market Commission, included a fairly detailed analysis of the economic situation in the Community during 1965 and its future prospects, emphasising the main points of the annual report given in No. 340, p.4. M. Marjolin first dwelt on the development of the Common Market since its inception in 1958. It seemed to him "particularly opportune to draw up this balance-sheet at a time when the Community is faced with grave difficulties". He added that "the positive nature of this balance-sheet can only strengthen our conviction that a dynamic and united Community must be maintained".

In its eight years of existence the European Common Market had "shown remarkable economic expansion": the real gross product was 44% higher than in 1958. Among the Six, two countries had been less fortunate than their fellow-members: these were Belgium (35% up) and Luxembourg (19% up). Belgium had had to cope with great difficulties, including closing many coal-mines and the losing of the Congo. Luxembourg had - and in fact still has - the highest standard of living of the Six, but was heavily dependent on the steel industry, whose prosperity has not advanced as quickly as others since 1958. In general, growth had been balanced and harmonious, with Italy and the Netherlands, initially the two worst-off countries, managing to catch up a good deal.

The improvement was due to a "very appreciable" rise in productivity. In terms of gross product per active head of the population, annual productivity increases had not fallen below 4.3% in any year between 1960 and 1965, for there had been:

- 1) A movement of the active population towards those economic sectors where productivity is the highest. Between 1958 and 1965, the active population employed in agriculture had fallen by 22%, while in manufacturing and the service industries it had risen by 13% and 15% respectively.
- 2) A "remarkable rise" in investments. The investment rate (the gross fixed capital formation) had worked out at around 23% in 1965, compared with 20.3% in 1958. But had enough effort been put into directly productive investment? The rate here was down to 15% or a little more in West Germany, the Netherlands, Italy and Luxembourg and to 12% for Belgium and France. In fact public investment and investment in housing had risen more rapidly - which was "a quite normal and desirable phenomenon", particularly as there was a considerable backlog in the development



of an economic and social infrastructure. Recently the slow increase in directly productive investments (especially in France and Italy) had been worrying and could give rise to "grave effects on long-term growth". In the middle-term, one of the vital problems to resolve was how to stimulate private investment. On this score, there was "a need to create new forms of saving, more particularly family saving," as auto-financing is slackening everywhere and firms were more and more seeking money in a capital market already much in demand by public authorities.

Consumption had increased sharply, both private and public. Private consumption per head of population for the whole of the Common Market had risen by a third in volume since 1958 or by an annual average of 4.2%. (The figures for the six countries were: Italy 5.4%, the Netherlands 5%, Germany 4.6%, France 4% and Belgium 3.8%.) "These figures", affirms M. Marjolin, "as well as the reduction in working hours, indicate a substantial rise in the standard of living during the past seven years". Nevertheless even this dynamic change may be excessive and cause balance of payments difficulties or too steep up upward movement in prices.

Since the French recovery in 1958, no member of the Six had found itself in difficulties over external payments; on the contrary, Germany and the Netherlands had both had a surplus, but compared with 1958, the trade balance and balance on current account were tending to worsen. While the Common Market's imports rose by 75% (so much for the myth of "protectionism") its exports rose by only 68%, the Six having had a more rapid increase in manufacturing cost per unit than outside countries. Moreover, as far as the balance of payments was concerned, "the influx of long-term - and sometimes short-term - capital has been particularly upsetting." (He added that these large capital payments had helped to cause internal inflation. Fortunately, "the really remarkable expansion" in trade within the Common Market had helped to correct the balance. At the same time it had revealed "an apparent paradox": it was precisely those markets which were the most protected before the Treaty of Rome came into force which had derived the most benefit from it (a 365% increase for Italy and 260% for France against an average of 200% for the Common Market as a whole). This expansion had also proved to be a balancing factor in the economic development of the Six, minimising the effects of recession in certain countries. However, it was undesirable that the ever-increasing repercussions between the Six should end by making inflation or recession contagious. "It is essential for the Community to co-ordinate its economic policy efficiently. What has already been done must be followed up and in some cases strengthened."

The economic balance-sheet showed "one starkly unfavourable aspect": the upward movement of prices since 1960 (for retail prices: 24% in Italy, 20% in the Netherlands, 19% in France, 16% in Germany and 15% in Belgium). Although this movement may have begun in the private sector of the economy, that was not the real culprit. The authorities, generally speaking, have not given the economy the necessary stability, which should be part of any economic policy worthy of the name".

The figures speak for themselves: compared with 1958, government spending in



Italy had more than doubled; it had risen by more than 80% in Germany and the Netherlands, by 65% in France, by 55% in Belgium and by 40% in Luxembourg. Its growth had thus exceeded that of the gross national product at current prices in Italy and had more or less equalled it in the remainder of the Six, with the exception of France. The upshot of all this was that a policy of credit restriction has been adopted to hold back inflation, but it had had a bad effect on investment. However, because of progressive inter-penetration between the economies of the Common Market countries, credit policy was less and less the affair of the national financial authorities alone. In fact, a rise in the interest rate caused an inflow of capital which works against the desired restrictive effect.

M. Marjolin said in conclusion that "the lesson we can draw from past experience and must apply to future action is unequivocal: a truly anticyclic financial policy, accompanied by a suitable monetary policy, has become an inescapable necessity".

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## ECSC

## More Industrial Investment

After having dropped to an extremely low level during 1963 and 1964, the ECSC industries invest more during 1965: the value of projects notified to the High Authority rose from \$203 million in 1963 to \$544 million in 1964, and \$710 million in 1965.

It should be stressed that projects notified are not the same thing as projects actually put into effect during the year, and notifications only apply to large-scale projects, such as new plant involving estimated expenditure in excess of one million dollars, which have to be notified to the High Authority three months before work is due to commence.

Details will be found below in millions of dollars:

	Coal	Iron Ore	Steel	Total
1956	205	9	638	852
1957	177	25	252	454
1958	251	16	410	677
1959	167	8	495	670
1960	146	6	1,802	1,954
1961	173	10	1,361	1,544
1962	87	-	553	640
1963	72	-	131	203
1964	43	-	501	544
1965	121	-	589	710

In the coal sector, the number of new projects notified is 80% more than the average during the past three years. Most of these projects are in the Ruhr and are mainly aimed at making the pits more competitive and (leaving the pits which it is proposed to close down out of account); they will increase annual coal production by approximately 100,000 tons.

In the iron ore sector, this is the fourth consecutive year when no important investment project has been notified.

In the steel industry, the projects notified in 1965 will lead to an increase in crude steel production capacity of approximately 5.2 million tons annually, viz. 1.6 million tons in Germany, 0.6 million in Italy, 100,000 tons in Luxembourg, and 1.9 million tons in the Netherlands. This new capacity will consist almost entirely by steelworks using oxygen processes.

Pig iron capacity will increase, in the Community as a whole, by 1.9 million

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tons, and that of iron ore plants by 0.6 million tons.

It should be emphasized, however, that the majority of investment projects notified to the High Authority in 1965 involve steelworks situated on the Dutch and Italian coast, whereas steelworks in the other member countries continued to lag behind owing to the tight market, which is itself a result of excess production on the world market.

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#### New ECSC Loan of \$20 million

Only two weeks after launching its loan of 15,000 million lire on the Italian capital market, the High Authority has launched a second loan, this time of \$20 million, placed through an international banking consortium headed by the Kredietbank, Luxembourg. This consortium is made up of approximately forty banks in the Common Market and EFTA countries and the United States. The new loan (the greater part of which was subscribed before the list was officially opened) is for a period of twenty years. It bears interest at  $5\frac{3}{4}\%$  and its issue price was fixed at  $99\frac{3}{8}\%$ .

The High Authority's total loans, including that just mentioned, amount to \$605 million.

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- D BUILDING & CIVIL ENGINEERING  
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- F CHEMICALS  
France: FRANCAISE DE RAFFINAGE and AZOLACQ, Paris form NORMANDE DE L'AZOTE, Paris. ETS GARDINIER (46%) and PROGIL (54%) form new Paris chemical company. STE LORRAINE KUHLMANN and PRODUITS CHIMIQUES COURRIERES-KUHLMANN will merge. Netherlands: G. LIGTER-MOET, Rotterdam (agricultural chemicals etc) forms chemicals subsidiary.
- G ELECTRICAL ENGINEERING  
Brazil: PIRELLI, Milan forms Brazil subsidiary. France: The Italian electrical engineering company FIMET forms French subsidiary. DULA, Dortmund (refrigerators and shop-fitting) forms French sales subsidiary.
- G ELECTRONICS  
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- J ENGINEERING & METAL  
France: WESTFALIA SEPARATOR FRANCE (dairy equipment) takes over ECREMEUSES & SEPARATEURS INDUSTRIELS



(both of Chateau-Thierry, Aisne), TISSMETAL LIONEL DUPONT, Lyons transfers its bed-manufacturing division to new company SEICAM, Lyons. GENERALE INDUSTRIELLE POUR LA FRANCE & L'ETRANGER increases the capital of PROCEDES SEM, Cachan, Val de Marne. Mr J. Russell is taking over the European marketing activities of AMERICAN LAUNDRY MACHINERY INDUSTRIES, USA. FINANCIERE DE SUEZ, Paris takes 12.5% in PONT-A-MOUSSON, Nancy. USINES A CUIVRE & ZINC DE LIEGE forms 90% Paris subsidiary. FIVES LILLE-CAIL, Paris is taking over MAISON BREGUET, Paris (turbines, condensers etc for the sugar industry). SCHNEIDER, Paris transfers its holdings in METALLURGIE DE KNUTANGE and MATERIEL ELECTRIQUE SW to LA CHALEASSIERE, Paris. Germany: The British firm HAMWORTHY ENGINEERING forms Düsseldorf subsidiary. The US company DYMO INDUSTRIES (machinery and tape for labelling etc) takes over OSKAR KIND, Hirschhorn, Germany (wrapping machines etc). Italy: The Polish government export agency and Sig G. Rusconi form ITALMEX for Italian-Polish trade. The head of LUSTRA, Munich sets up LUSTRA ITALIANA, Milan (import-export of spinning machines etc). Netherlands: SHV, Utrecht and NV DAVO HAARDENFABRIEK, Deventer form GOVA (heating and household equipment). KEYSTONE VALVE (CANADA), Toronto forms wholly-owned subsidiary in The Hague.

#### M FINANCE

Belgium: CHASE MANHATTAN, New York buys 60,000 shares in BANQUE DE COMMERCE, Antwerp. France: FRANCAISES DES DISTILLERIES DE L'INDOCHINE subscribes capital increase of FINANCIERE HAUSSMANN, Paris. Germany: CHEMICAL BANK NEW YORK TRUST is buying 10% of FRANKFURTER BANK, Frankfurt. Italy: EDELMAR DI MARIO MARZORATI is formed in Milan (financial, industrial, commercial and property shares).

#### N FOOD & DRINK

Britain: The French champagne firm BOLLINGER opens London branch. France: The capital increase of the Moselle brewery NEUFANG-FRANCE is subscribed by its German sister firm. Germany: The German sparkling wine firm SEKTKELLEREI CARSTENS buys share in CLUESSERATH, Trittenheim, Moselle. Switzerland: PARACURD is formed in Geneva to commercialize new cheese-making process.

#### O INSURANCE

France: A group of Swiss banking and insurance interests forms FRANCAISE DE LA NATIONALE SUISSE, Paris.



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O MINING

France: MINES D'URANIUM DU CENTRE has been formed by COMMISSARIAT A L'ENERGIE ATOMIQUE, Paris, MINES DE BITUME, Paris and FRANCAISE DES MINERAIS D'URANIUM, Paris. New DE BEERS industrial diamond subsidiary is formed in Paris.

P OIL, GAS &amp; PETRO-CHEMICALS

Britain: STANDARD OIL CO OF NEW JERSEY divides its oil and gas interests and ESSO EUROPE is being formed in London to control the group's European companies. France: GELSENKIRCHENER BERGWERKS, Essen transfers its holding in PIPE-LINE SUD EUROPEEN, Neuilly, Seine to its subsidiary PARTICIPATIONS DANS L'INDUSTRIE ETC, Neuilly. ROYAL DUTCH SHELL forms new French administrative subsidiary. Germany: DEUTSCHE SHELL sells 35% in its subsidiary RHEIN-MAIN-ROHRLEITUNGS-TRANSPORT, Hamburg to BP, London.

P PAPER &amp; PACKAGING

Italy: WIGGINS TEAPE, London forms Italian sales subsidiary.

Q PHARMACEUTICALS

Switzerland: The US pharmaceuticals group ABBOTT LABORATORIES forms Swiss investment company.

Q PLASTICS

Germany: SCHOLDKROET, Mannheim (subsidiary of WASAG, Essen) takes over TRIX VER SPIELWAREN FABRIKERNST VOELK, Nuremberg (metal toys). Italy: PAMPUS ITALIANA, Milan (imports and sales of plastic, rubber and asbestos goods) is formed by two German nationals.

R TRADE

Belgium: BALL INTERNATIONAL (piped music) and SARMA (stores) form new Brussels subsidiary TOPS to run restaurants etc. France: MONOPRIX forms 99% subsidiary SAGEC, Paris to manage chain stores.

R TRANSPORT

France: THOMAS MEADOWS SA, Paris gains control of MEADOWS AIR, Paris (air-freight). AIR FRANCE, Paris forms air transport servicing company AERIENNE FRANCAISE D'AFFRETEMENT, Paris. Guiana: CGT and CHARGEURS REUNIS take 42.5% each in new company SOMARIG, Cayenne, Guiana (timber handling and transport). Switzerland: The Liechtenstein holding company ANSTALT AGOTAR and Mr C. Loderer, a Swiss national, form FISCHER & RECHSTEINER DE CARLO LODERER, Switzerland (transport, insurance, etc).

S VARIOUS

France: The German seeds and plants firm LEO SAVELSBERG forms Paris sales subsidiary. ASCO, Montrouge, Hauts-de-Seine is formed to sell dry transfers made by NOVATYPIE, Brussels and MARABUWERKE, Württemberg.



**AUTOMOBILES**

\*\* Trucks manufactured by BMC - BRITISH MOTOR CORPORATION LTD, Birmingham (see No. 340) will from now on be distributed throughout the Paris area, and North-East and North-West France by DE VRIES & RICHARD SA, which was set up at Levallois-Perret, Hauts-de-Seine (capital Ff 250,000) under the auspices of STE JEAN-PIERRE RICHARD SA, Paris (capital Ff 1,250,000).

The Paris company, which took over from HY-BERGERAT MONNOYEUR & CIE, Paris (see No. 172) as representative of the NUFFIELD Division, Cowley, Oxford, of the British Group, was responsible in 1964 (see No. 260) for the establishment in Roubaix of NORD-EST MOTORS SA, the firm which sells the company's products in Northern and Eastern France. This firm also imports and distributes Morris, MG, Princess, Wolseley, Riley, Innocenti, and Mini-Moke cars and light vehicles in the Paris area and has recently set up a large repair and overhauling workshop at Petit-Clamart, Seine.

\*\* REGIE NATIONALE DES USINES RENAULT - RNUR, Boulogne-Billancourt (see No. 339) has set up two new American subsidiaries through its New York subsidiary RENAULT INC: one is in Boston (RENAULT NEW ENGLAND INC) and the other is in Los Angeles, California. They will be responsible respectively for the North-East of the USA and the ten Western States.

The remainder of the country is covered by three other subsidiaries, one in Texas for the South-Western states, another in Florida for the South-Eastern region and the third dealing with the Middle West area; there are two independent distributors.

**BUILDING & CIVIL ENGINEERING**

\*\* SEMACO - STE D'ETUDES POUR LES MATERIAUX DE CONSTRUCTION Sarl, which carries out operations and research connected with the modernization and standardization of building materials, has been set up in Paris with a capital of Ff 12,500,000. 96.8% of this has been paid up in the form of transfer of shares in the building materials company LAMBERT FRERES & CIE Scs, Corneilles-en-Parisis, Val d'Oise (capital Ff 60,000,000 - see No. 274), by COFIPA - CIE FINANCIERE DU PARISIS SA, an investment company (capital Ff 4,500,000) presided over by M. F. Lambert.

This group has recently taken holdings in France in STE D'APPROVISIONNEMENT DU BATIMENT & DES TRAVAUX PUBLICS SA at Vitry, Val-de-Marne (see No. 274), BETON SERVICE DE FRANCE SA, Paris (a subsidiary of TEXAS INDUSTRIES INC, Arlington, Texas) and GIMAT - GROUPEMENT DES INDUSTRIES DE MATERIAUX DE CONSTRUCTION SA, Paris, which has a capital of Ff 22,000 (see No. 325).

\*\* GRUEN & BILFINGER AG BAUUNTERNEHMUNG, Mannheim (see No. 255), a large civil engineering company with widespread international interests, has set up another wholly-owned subsidiary NASSBAGGEREI GRUEN BILFINGER GmbH (capital Dm 6 million) which, under the management of Herr H. Bobzin and Herr S. Kamischke, will carry out dredging work of all kinds. The Mannheim company had already acquired complete control



of MODERNBAU GmbH, Saarbrücken, and GEBR MOEBERS, Wuppertal-Elberfeld, and an 87.5% interest in HUESER & CO BETONWERKE, Oberkassel. It maintains subsidiaries in about thirty towns.

Internationally, Gruen & Bilfinger are active in a large number of South American countries (Argentina, Brazil, Colombia, Uruguay, Venezuela), in Africa (Liberia, Nigeria, Sudan, and Togo), and in Asia (Ceylon, India, Indonesia, Iraq). The company also possesses subsidiaries and holdings abroad. For example, it owns ENTERPRISES BGBNV, Antwerp, 50-50 with BUILDING NV, has a 70% interest in CIA AN GRUNBILF DE VENEZUELA, Caracas, a 60% interest in GRUBIMA SA, Sao Paulo, and so on.

\*\* BATI PLASTIQUE Sarl, Paris (capital Ff 200,000) has been formed to study the manufacture of plastic-based components for the building industry. The two main firms concerned (each with 27.5%) are SNPA - STE NATIONALE DES PETROLES D'AQUITAINE SA, Paris (see No. 340) - through its subsidiaries AQUITAINE PLASTIQUE Sarl (now being merged with ORGANICO SA) and SETEC - STE D'ETUDES TECHNIQUES & COMMERCIALES SA, Paris - and CEMENTS LAFARGE SA, Paris (see No. 307). The last-named holds 25% directly and the remainder through STE FINANCIERE & INDUSTRIELLE DE MATERIAUX SA, Paris (whose associated company STE FRANCAISE DES PLAQUES DE PLATRE SA, Marseilles, recently raised its capital from Ff 1.5 to 10 million).

The other companies concerned are: DUBIGEON-NORMANDIE SA, Paris (linked with CIE INDUSTRIELLE & FINANCIERE DES CHANTIERS & ATELIERS DE SAINT-NAZAIRE-PENHOET SA, Paris - see No. 339), with 25%; ETS AUGUSTE MOREAU SA, Pau, Basses-Pyrenees, with 7.5%; BALAS MAHEY & CIE SA, Paris, with 7.5%, and M. J. Maneval, a Paris architect, with 5%.

\*\* READY MIXED CONCRETE (UK) LTD, London, which heads a group of about thirty companies running concrete works and factories manufacturing pre-stressed building materials (see No. 313), has consolidated its direct control over the holding company it set up last May in Düsseldorf, READYMIX DEUTSCHLAND AG FUER BETEILIGUNGEN, by subscribing an increase of capital (from Dm 200,000 to Dm 2 million). Shares are also held by four of its associated companies in London, READYMIX SERVICES LTD, READY MIXED CONCRETE (LONDON) LTD, READYMIX FINANCE LTD, and READY MIXED CONCRETE (MIDLANDS) LTD.

\*\* The holding company NAUTIL FINANZANSTALT of Vaduz, Liechtenstein, has acquired almost complete control of SAS INIZIATIVE MOBILIARI IMMOBILIARI DI ATTILIO GROSSELI & CO, a company recently formed in Milan (capital lire 2 million) under the management of Sig. A. Grosselli, Milan, to deal in real and personal estate.



The Brussels town-planning firm GROUPE I - GROUPE IMMOBILIER BELGE SA (capital Bf 60 million) has taken a 50% share in setting up OMNIUM TECHNIQUE DE LA CONSTRUCTION-OTH SA (capital Bf 50 million). The new company will carry out technical research on projects, prepare contracts and be responsible for programming, directing and supervising all kinds of property construction. The parent firm is associated in this new company with the civil engineering and building materials firm VER BEDRIJVEN BREDERO NV, Utrecht (see No 331) and its subsidiaries MIJ VOOR PROJECTIONTWICKELING EMPEO NV and BREDERO INTERNATIONAL NV, Utrecht have taken shareholdings; the other shareholders are OMNIUM TECHNIQUE OTH SA, Paris (see No 327) and (token) OMNIUM TECHNIQUE D'ETUDES & DE COORDINATION and CABINET TECHNIQUE LORRAIN D'ETUDES & DE REALISATIONS DU LOGEMENT, Metz.

Groupe I itself was formed in April 1965 (see No 304) by 13 firms including CIE BELGE DE PARTICIPATION PARIBAS COBEPA SA, Brussels (of the group comprising BANQUE DE PARIS ET DES PAYS-BAS and CIE GENERALE INDUSTRIELLE POUR LA FRANCE ET L'ETRANGER), and FINANCIERE LACOURT SA, Brussels with 13.75% each.

Bredero has 4.16% in Groupe I and has already been associated 50-50 with it (see No 331) in forming STE DE DEVELOPPEMENT DE PROJETS-IPEO SA (capital Bf 10 million).

OTH (in which STE DES FONDERIES DE PONT-A-MOUSSON is a shareholder-see No 340) has various interests abroad including: OMNIUM TECHNIQUE D'ETUDES OTH (capital Sf 10,000) in Geneva; OTE-ORGANIZZAZIONE TECNICO EDILE SpA (controlled by FINANZIARIA ERNESTO BREDA SpA, Milan) in Rome; and in Düsseldorf (see No 327) OMNIUM TECHNIQUE DES TRANSPORTS PAR PIPE-LINES "OTP" DEUTSCHLAND GmbH (through OTP OMNIUM TECHNIQUE DES TRANSPORTS PAR PIPE-LINES SA, Paris).

## CHEMICALS

\*\* STE NORMANDE DE L'AZOTE has been formed at Paris (capital Ff 100,000 - president M. J. Moreau) to plan and construct an ammonia plant of 1,000 tons daily capacity in the Le Havre area. The new company is the joint subsidiary of CIE FRANCAISE DE RAFFINAGE SA (see No 340) which manages the Gonfreville refinery of the group CFP-CIE FRANCAISE DES PETROLES SA and AZOLACQ-STE CHIMIQUE D'ENGRAIS & DE PRODUITS DE SYNTHESE DU SUD-OUEST SA, Paris (capital Ff 20 million-see No 333) whose shareholders are: the state undertaking ONIA-OFFICE NATIONAL INDUSTRIEL DE L'AZOTE (see No 289) with 50% PIERREFITTE-STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 326) with 40% and STE FINANCIERE DE CASTIGLIONE SA, Paris (see No 333) with 10%. The last-named is a subsidiary of BANQUE DE PARIS & DES PAYS-BAS SA (see No 336)

\*\* STE DE PRODUCTIONS CHIMIQUES & PARACHIMIQUES SA (capital Ff 10,000) has been formed in Paris. 46% is held by ETS. GARDINIER SA, Paris (see No 324) and the remainder by PROGIL SA, Paris (44% directly and 10% through five individual shareholders). Ets Gardinier Sa, Paris is associated with ASED-AMMONIAQUE SYNTHETIQUE & DERIVES SA, Brussels and has had links for a short time with Progil (see No 331) in SOCADOUR-STE CHIMIQUE DE L'ADOUR SA, Bayonne, Basses Pyrenees.



\*\* Two companies which ETS. KUHLMANN SA (see No. 338) and the public companies HOUILLERES DU BASSIN DE LORRAINE, Merlebach, Moselle (see No. 318) and HOUILLERES DE BASSIN DU NORD & DU PAS DE CALAIS, Douai, Nord (see No. 334) jointly control, STE LORRAINE KUHLMANN SA (capital Ff 7 million: factory at Dieuze, Moselle) and STE DE PRODUITS CHIMIQUES COURRIERES-KUHLMANN SA, will be merged. Courrieres-Kuhlman is taking over its sister company and its capital is thus increased from Ff 19.2 million to Ff 22.4 million. Its manufacturers now include plastics (polystyrene and other chemicals derived from styrene monomers), in addition to Oxo spirits (works at Harnes, Pas de Calais, the annual capacity of which will shortly reach 60,000 tons).

\*\* The Rotterdam agricultural chemicals (insecticides, fungicides, etc) and technical fibres concern G. LIGTERMOET & ZOON NV has formed a subsidiary to deal with its chemicals business: LIGTERMOET CHEMIE NV. Its sales department will be taken over by another subsidiary: G. LIGTERMOET & ZOON HANDELSMIJ NV.

#### ELECTRICAL ENGINEERING

\*\* PIRELLI SpA, Milan, has formed the Brazil firm PIRELLI NORTE SA through its Sao Paulo subsidiary PIRELLI SA-CIA INDUSTRIAL BRASILEIRA, (capital Cruz 250 million) which will spend 3,000 million cruzeiros building a cable factory at Recife. It is a sister company of PIRELLI SUL SA-CIA INDUSTRIAL SUL RIO GRANDESE, (capital Cru 1,000 million) formed several months ago to run a cable factory at Porto Alegre (see No. 326). Another recent operation by Pirelli in South America was the formation at Lima of PIRELLI INDUSTRIA PERUANA DE CONDUCTORES ELECTRICOS (see No. 331) to build and run a cable works.

\*\* The Italian electrical engineering company FIMET-FABRICA ITALIANA MOTORI ELETTRICI TORINO SpA, Turin (mainly engines - capital lire 600 million) has set up a direct subsidiary in France, FIMET-FRANCE SA, Bois-Colombes, Hauts-de-Seine (capital Ff 500,000). This new company, founded by Sig. Bonaffero of Turin, will sell (and eventually make) electro-mechanical and electronic equipment. The Italian firm has up to now been represented in France by MEPO-MONDIAL ELECTRO PORT, Paris.

\*\* DULA-FABRIKATIONSBETRIEBE, Dortmund (refrigeration equipment and shopfitting) has set up a French sales subsidiary DULA Sarl, Matzwiller, Bas-Rhin (capital Ff 10,000) managed by Herr. H. Dustmann, Dortmund and M.A. Lutz, Strasbourg.

#### ELECTRONICS

\*\* An agreement on co-operation in the technical and financial spheres has been signed in West Germany between the group NV PHILIPS' GLOEILAMPENFABRIEKEN, Eindhoven (see No. 339) and the data processing equipment and accounting machine manufacturer SIEMAG FEINMECHANISCHE WERKE GmbH, Eiserfeld, Siegen



(see No. 241), a member of the SIEMAG group. The Dutch group will take a 40% holding in the German company (capital Dm 10.5 million); technical information will be exchanged regularly as will certain licences covering the manufacture of data processing equipment.

Until now the German company has been 90% controlled by SIEMAG-SIEGENER MASCHINENBAU GmbH, Dahlbruch and 10% by Siemag's owner, Herr Bernhard Weiss. The Dahlbruch firm makes heavy industrial tools and other equipment (rolling mills, compressors, etc.) and has complete control of SIEMAG-MASCHINEN- & STAHLBAU NETPHEN GmbH, Netphen, (capital Dm 1.5 million) which makes complete mining installations, lifting equipment and special vehicles for the steel industry. There are various other direct and indirect interests: 40% in AMSTER-SIEMAG KETTE GmbH, Betzdorf, (chains) which is a 60% subsidiary of AMSTER INDUSTRIES, Chicago (formerly AMERICAN STEEL FOUNDRIES INC - see No. 189); control of the Belgian firm MACHINES COMPTABLES SIEMAG SA, Schaerbeek (accounting machines), etc.

\*\* The American firm AMPHENOL CORP (see No. 274) has obtained control of MOTO METER HERMANN SCHLAICH KG, Stuttgart, (until now the property of the Schlaich family) which will be changed into a limited company under the continued direction of Mr. Robert Schlaich. The German firm employs 1,100 people in four factories at Stuttgart, Leonberg-Eltingen, Neckarhausen and Nagold making measuring and precision checking equipment for industrial use, particularly automobile manufacture. Its turnover is increasing from 12% to 15% each year and last year was Dm 35 million.

Amphenol (formerly AMPHENOL BORG ELECTRONICS CORP), Broadview, Chicago, already has two 100% subsidiaries in West Germany: AMPHENOL-BORG ELECTRONICS GmbH, Deisenhofen, Munich (components for electronic, electro-mechanical, and precision checking equipment, relays, printed circuits, etc) and BORG TEXTIL VERTRIEBS GmbH, Munich (artificial and synthetic textile sales). Altogether the American group has more than 11,000 employees in the precision electronic field. Its manufacturing subsidiaries in Europe are BORG FABRICS NV, Saint-Niklaas-Waas, Belgium; AMPHENOL-BORG ELECTRONICS LTD, Whitstable, Kent and BORG FABRICS LTD in Britain; and AMPHENOL-BORG SA, Geneva, Switzerland. Other foreign interests are AMPHENOL CANADA LTD, Toronto, ELECTRONICA PERFECCION SA, Mexico-City and 34% in DAI ICHI DENSHI KOGYO, Tokio, Japan.

\*\* ELLIOTT-AUTOMATION LTD, London which recently completed the Common Market sales network of its subsidiary SATCHWELL CONTROLS LTD, Slough, Buckinghamshire by setting up SATCHWELL NEDERLAND NV, Amsterdam under the direct control of ELLIOTT-AUTOMATION-NEDERLAND NV, The Hague (see No. 337) has now gained control of the Netherlands group JONGSTRA through its Luxembourg holding company ELLIOT AUTOMATION CONTINENTAL SA.

Jongstra, which makes heat-control equipment, has also been distributing "Satchwell" products in the Common Market (pneumatic conveying and heat control equipment). JONGSTRA HOLDING is the main company of the group, founded by Mr. Z.K.E. Jongstra. The group also includes a managing firm called NV ADMINISTRATIEKANTOOR VAN AANDELEN IN DE NAAMLOZE VENOOTSCAPPEN "JONGSTRA" REGELTECHNIEK NV" " JONGSTRA HOLDING NV" & "HANDELMIJ Z.K.E. JONGSTRA NV".



\*\* THOMSON-MEDICAL Sarl, Paris, which was formed in 1966 by CIE FRANCAISE THOMSON-HOUSTON SA in Paris (which owns 80% - see No. 336) and by the latter's subsidiary CIE GENERALE DE RADIOLOGIE SA in Paris (see No. 328 - which holds 20%), has had its capital increased from Ff 100,000 to Ff 1,028,200 after taking over CHENAILLE-CHIRURGIE SA in Paris (capital Ff 607,750). The latter was linked with the manufacturers of X-ray equipment CHENAILLE SA, Saint-Cloud, Hauts-de-Seine, which has itself been closely associated with CIE GENERALE DE RADIOLOGIE since November 1964 (see No. 278).

\*\* STE D'INSTRUMENTATION SCHLUMBERGER SA, Paris (a member of the Houston, Texas, group SCHLUMBERGER LTD through STE DE PROSPECTION ELECTRIQUE SCHLUMBERGER SA, Clamart, Hauts-de-Seine - see No. 331) has taken over ROCHARD ELECTRONIQUE SA, Montrouge, Hauts-de-Seine (capital Ff 1,800,000) which was founded by MM Royer and Charbonnier, makes electronic measuring equipment, frequency converters, time-switches, ultra-sonic measuring equipment, etc.; mainly for use in testing engines and jet-engines.

\*\* KULICKE & SOFFA MANUFACTURING CO, Philadelphia, has formed a West German service company KULICKE & SOFFA SERVICE GmbH, Konstanz (capital Dm 20,000 - managers Mr. G. Renggli, a lawyer from Zug, Mr. H. Seier of Eckernförde and Mr. J. Polis of Unteruhldingen) through its Swiss subsidiary KULICKE & SOFFA SALES SA, Zug (capital Sf 100,000 - see No. 249) formed in April 1964.

The American company has had a Common Market subsidiary KULICKE & SOFFA EUROPA Sarl, Puteaux, Hauts-de-Seine (capital Ff 125,000 - see No. 201) since April 1963.

\*\* The Orleans factory (electronic equipment and cable installations) of the group CFTH - CIE FRANCAISE THOMSON-HOUSTON SA, Paris, is being transferred to SITO - STE INDUSTRIELLE THOMSON-ORLEANS SA, Paris (formerly STE D'IMMEUBLES INDUSTRIELLES DE PARIS & DU CENTRE-SIPAC SA), whose capital is being raised from Ff 2.96 to 3.75 million. CFTH is re-organizing its manufacturing side: it has taken over HOTCHKISS BRANDT SA (see No. 336) and will change its name to THOMSON-HOUSTON HOTCHKISS-BRANDT SA (see No. 336).

\*\* RAYTHEON CO, Lexington, Massachusetts, has opened a Paris office to improve its marketing position in Europe, the Middle East and Africa. The company made technical agreements in 1965 with CIE FRANCAISE DE TELEVISION SA, Levallois-Perret, Hauts-de-Seine (50-50 subsidiary with CSF - CIE GENERALE DE TSF and CIE DE SAINT-GOBAIN - see No. 328).

The American company specializes in electronic equipment for rockets, missiles, space satellites and ultra-short wave telecommunication. It has 30,000 employees in the USA and an annual turnover exceeding \$454 million. It has many European interests, especially in Italy and Switzerland: RAYTHEON EUROPE INTERNATIONAL CO, Rome (100%); 80% in RAYTHEON ELSI SpA, Palermo; 45% in Selenia Industrie Elettroniche Associate SpA, Rome; SOREMSSEN ARD AG, Zurich (100%); a majority holding in TRANSISTOR AG, Zug; 30% in COMET CO, Berne; AC COSSOR LTD, London (100%) and a minority holding in MACHLEY X-RAY TUBES (GREAT BRITAIN) LTD, North Wembley, Middlesex, etc.



## ENGINEERING &amp; METAL

\*\* CIE FINANCIERE DE SUEZ SA, Paris (see No. 336) has taken a 12.5% share in CIE DE PONT-A-MOUSSON SA, Nancy (see No. 336 - capital Ff 240 million) whose main shareholders will now be SUEZ, the heirs of M. C. Cavallier (12.5%) and the heirs of M. X. Roge (20%).

Suez and Pont-a-Mousson will now cooperate much more closely and there will be an interlocking of their financial and manufacturing subsidiaries. Recently (see No. 335) the two groups took 27% and 53% respectively in the newly-formed STE DE PLACEMENTS & DE PARTICIPATIONS, Paris, set up to hold their shares (altogether 14.8%) in TUNZINI SA, Paris: the remaining 20% in the new company was taken by STE LYONNAISE DES EAUX & D'ECLAIRAGE SA. The two companies are also linked in AMELIORAIR SA, Paris (see No. 335): Suez holds 16% and Pont-a-Mousson 25%.

Pont-a-Mousson recently made over its interests in HADIR - STE DES HAUTS FOURNEAUX & ACIERIES DE DIFFERDANGE, ST INGBERT RUMELANGE SA (see No. 332) to ARBED SA, Luxembourg, and is diversifying into manufactures - valves, pumps, machine-tools, etc. Altogether it controls 75 factories and plants employing about 60,000 people: the consolidated turnover in 1964 was Ff 4,800 million.

\*\* SA DES USINES A CUIVRE & ZINC DE LIEGE, Liege (see No. 222) has formed a 90% Paris subsidiary PARIS-INDUSTRIE SA (capital Ff 500,000) to deal in non-ferrous metals and to act as a representative for metals, wires and cables for electrical and mechanical use: the president is M. H. Corbier, a French industrialist. The parent company is in the STE GENERALE DE BELGIQUE group and has METALLURGIE HOBOKEN, Brussels (see No. 265) as its chief shareholder: its capital was raised to Bf 612 million in early 1964.

\*\* STE FIVES LILLE-CAIL SA, Paris (see No. 248) is taking over MAISON BREGUET SA (capital Ff 14.4 million), which is independent of SA DES ATELIERS D'AVIATION LOUIS BREGUET, Paris, and whose factories in Paris and at Ivry, Val-de-Marne, make steam turbines, condensers, speed reducers, machinery for the sugar industry, etc. It wholly owns STE DE CONSTRUCTIONS ELECTRIQUES BREGUET-SAUTTER-HARLE SA, Paris (capital Ff 12.1 million: electric motors and winding machines are made in its Douai factory); 50-50 with the German group KSB - KLEIN SCHANZLIN & BECKER AG, Frankenthal, Palatinat (see No. 264) it also owns CIE INDUSTRIELLE DE POMPES A COMPRESSEURS-BREQUET KSB SA, Paris (capital raised in May 1965 from Ff 4.3 to Ff 5.4 million).

Ste Fives Lille-Cail employs about 7,000 people; it makes heavy equipment and supplies factories with vacant possession, mainly for the sugar and cement industries. The acquisition of Maison Breguet will enable Fives Lille-Cail to increase greatly its manufacturing assets, which consist of the following factories: Fives, Nord (foundry, forges, engineering and boiler work), Givors, Rhone (engineering and electrical engineering, also boiler work), and Denain, Nord (electrical steelwork, rolling mills, engineering, boiler tubes and soldering). The main manufacturing subsidiary is STE FIVES-PENHOET SA, Paris (capital Ff 4 million, which makes boilers, heat exchangers, engineering plant for the oil and nuclear industries, all 50-50 with CHANTIERS DE L'ATLANTIQUE (PENHOET-LOIRE) SA (see No. 311).



\*\* DYMO INDUSTRIES, Berkeley, California (see No 235) which is active in a wide variety of fields ranging from the manufacture of machinery and tape for marking and labelling firms' gifts to the manufacture of containers and pre-fabricated equipment for schools, has acquired complete control of METOGES OSKAR KIND at Hirschhorn, West Germany (see No 220). The German firm was formed in 1918 by Herr O. Kind and makes wrapping machines and automatic machines for marking prices on labels ("Jedermann" trade-mark). It employs over 200 people and has an annual turnover of approximately Dm 17 million. Its being taken over by the American company will in no way affect its manufacturing programme, but it will sell a number of the American lines in Europe.

Dymo Industries, which was formed in 1957, has expanded very rapidly and is now established in a large number of European, North and South American countries. Its direct or indirect subsidiaries in the Common Market countries are DYMO INTERNATIONAL GmbH, (Frankfurt), SCL RATIONALISIERUNG (Munich) and DYMO BELGIUM SA, Saint-Niklaas, Brussels.

\*\* SHV-STEENKOLEN-HANDELSVEREENIGING NV, Utrecht (see No 320) and NV DAVO HAARDENFABRIEK, Deventer, have set up GOVA-GROOTHANDEL IN VERWARMINGS- & TECHNISCH-HUISHOUDELIJKE APPARATEN NV (capital Fl 500,000). The founding companies each hold 50%: the former is a fuel transport and sales group belonging to Mr J. M. F. von Vlissingen; the latter manufactures gas and coal ovens and is a member of the group UBBINK-DAVO NV, Doesburg (see No 291). The new company (director Mr H. E. van der Voort) will deal wholesale in heating and household equipment.

Ubbink-Davo is a holding company and heads a group of oven manufacturing and foundry firms including UBBINK GIETERIJ NV, Doesburg (special steel for furnaces, automobiles, etc), DAVO HAARDENFABRIEK NV (which controls the foundry NV DEVENTER IJZERGIEETERIJ) and UBBINK MACHINEFABRIEK & HANDELSONDERNEMING NV, Doesburg (plastic materials for roofing, warehouses, stores, etc). About a year ago two of the group's directors, Mr J. de Blij and Mr J. B. Ubbink formed DAVOTHERM NV, Doesburg, to make special natural gas oven burners using the "Davotherm" system developed by the group.

\*\* AMERICAN LAUNDRY MACHINERY INDUSTRIES CO, Cincinnati, Ohio, the laundry and dyeing equipment division of the McGRAW EDISON CO Group, Elgin and Chicago, will from now on have its marketing and canvassing activities in Europe looked after directly by Mr J. Russell, engineer, La Celle-Saint-Cloud, Yvelines. Until now AMERICAN LAUNDRY MACHINERY INDUSTRIES (EUROPE) Sarl, Neuilly, Hauts-de-Seine, has taken care of the European marketing and it will now be wound up; the American group holds 5% in it.

The French company was set up in August 1964 (see No 270 - capital Ff 20,000) by ETRI-ETUDES TECHNIQUES & REPRESENTATIONS INDUSTRIELLES Sarl, of Neuilly (capital Ff 476,000) which had an 80% holding.



\*\* WESTPHALIA SEPARATOR FRANCE Sarl (Chateau-Thierry, Aisne) which was formed in September 1960 (see No 91) by the German manufacturers of dairy machinery, WESTPHALIA SEPARATOR AG (Oelde, Westphalen) has taken over entirely STE DES ECREMEUSES & SEPARATEURS INDUSTRIELS Sarl of Chateau-Thierry (capital Ff 600,000) of which it has gradually taken control and will raise its capital from Ff 1,488,000 to 3,000,000; it employs about one hundred persons and manufactures milk refrigerators, which the German group itself exports throughout the world.

The group has a capital of Dm 29,925 million (controlled by the Habig family) and manufactures a wide range of dairy machinery (approximately 1,800 employees). It has subsidiaries in Milan (WESTPHALIA SEPARATOR ITALIANA Srl and IMMOBILIARE WESTPHALIA SpA; in Vienna (WESTPHALIA SEPARATOR HANDELS GmbH); in Britain (WESTPHALIA SEPARATOR (GREAT BRITAIN) LTD, Bletchley) and in USA (CENTRICO INC, Englewood, New Jersey. In Belgium its agent is THEO VERHOEVEN, Borgerhout, Antwerp.

\*\* TISSMETAL LIONEL DUPONT SA, Lyons has transferred its bed-manufacturing division (except for its "Ducal" department, obtained in 1965 from ETS ALBERT DUCROT and ETS BERTRAND MERCIER and located at Autun, Saone et Loire and Paris) to SEICAM-STE EUROPEENNE INDUSTRIELLE & COMMERCIALE D'AMEUBLEMENT SA, newly formed at Lyons (capital Ff 5 million). The new company (president M. Lionel-Dupont) takes over the factory at Chaley, Ain employing 200 people making spring mattresses, polyester and latex rubber mattresses and beds.

Towards the end of 1964 Tissmetal Dupont Lionel (see No 290) made over its wire and cable division (Lyons-Vaise) and metal gauze division (Lyons and Reims) to CHATILLON-TISSMETAL SA, Paris (in which it has a 39% shareholding; STE DES ACIERIES & TREFILIERIES DE NEUVES-MAISONS CHATILLON SA also holds shares). Its other main interests are: 99% in SA DES USINES METALLURGIQUES GUICHARD, Grenoble; 20% in SA TREFILIERIES DES VOSGES, Paris and nearly complete control of TELEFLEX NV, Rotterdam (see No 300) and TISSAFRIC Sarl, Algiers.

\*\* CIE GENERALE INDUSTRIELLE POUR LA FRANCE & L'ETRANGER SA, Paris (see No 338) has strengthened the control it already has over PROCEDES SEM SA, Cachan, Val de Marne, by subscribing the whole of the latter's capital increase from Ff 1.5 million to 2 million. The Paris firm is a member of the group ELECTROBEL-CIE GENERALE D'ENTREPRISES ELECTRIQUES & INDUSTRIELLES SA, Brussels. Procedes Sem represents GODYEAR PUMPS LTD (of the London group HOLMAN BROTHERS LTD see No 191) and recently backed a new property company STE IMMOBILIERE MATHURIN-REGNIER, Paris (capital Ff 1.55 million-president M.L. Caillaux).

\*\* The Polish government export agency METALEXPORT, Warsaw has joined Sig U. Rusconi to set up SpA ITALMEX (Italian-Polish trade - capital lire 2 million, divided equally between the two shareholders). The Polish agency intends to increase its sales of machine-tools to Italy.



\*\* SCHNEIDER & CIE Sca, Paris (see No. 339), has transferred its shareholdings (50.03% and 56.9% respectively) in the investment companies STE METALLURGIQUE DE KNOTANGE SA, Paris (whose manufacturing assets were transferred in 1963 - see No. 224 - to STE MOSELLANE DE SIDERURGIE SA and LE MATERIEL ELECTRIQUE SW SA, Paris (whose manufacturing assets were transferred, also in 1963 to STE DE CONSTRUCTIONS ELECTROMECHANQUES JEUMONT-SCHNEIDER SA, Paris - see No. 281). The recipient is its 100% subsidiary SA DE LA CHALEASSIERE, Paris which has raised its capital from Ff 1.5 million to Ff 37,240,000. 10.04% in UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA, Paris (see No. 335) has also been transferred, but Schneider retains a 33% direct shareholding.

\*\* HAMWORTHY ENGINEERING LTD, Poole, Dorset (see No. 335) a member of the group POWELL DUFFRYN LTD, London has formed HAMWORTHY ENGINEERING & SWIER GmbH, Düsseldorf (capital Dm 20,000 - manager Mr. T.B.J. Aret), a design company specializing in heating techniques, in particular for electrical power stations.

One of the British company's subsidiaries HAMWORTHY HYDRAULICS LTD, Poole (hydraulic machinery and oil pumps), recently formed a Düsseldorf subsidiary, HYDRECO HAMOWRTHY HYDRAULICS GmbH (capital Dm 20,000).

\*\* KEYSTONE VALVE (CANADA) LTD, Toronto has set up a wholly-owned subsidiary in The Hague, KEYSTONE VALVE (NEDERLAND) NV (capital Fl 180,000). Run by Mr. R.A. Le Blanc of Toronto, the new firm will manufacture and sell valves and safety catches.

\*\* Herr L. Strauss, the owner of the firm "LUSTRA" LUDWIG STRAUSS, Munich, is manager and main shareholder (90%) in SpA LUSTRA ITALIANA, recently formed at Milan to import and export spinning and weaving machines, tools and accessories.

FINANCE
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\*\* CHEMICAL BANK NEW YORK TRUST CO (see No. 208), which is among the ten leading American banks, is at present giving concrete form to the financial aspect of its co-operation with FRANKFURTER BANK, Frankfurt, (see No. 319) by negotiating for a holding of approximately 10% in it. Ranking behind such banks as the CHASE MANHATTAN BANK (see No. 329), FIRST NATIONAL CITY BANK OF NEW YORK (see No. 333) and MORGAN GUARANTY TRUST CO (see No. 334) in Europe at present, Chemical Bank has at present only one office in Paris and another in London, where it will shortly be opening a second. It maintains branches in Caracas, Manila, and Mexico City.

\*\* STE FRANCAISE DES DISTILLERIES DE L'INDOCHINE SA (see No. 323 - member of the Belgian group EMPAIN) has subscribed the increase in capital from Ff 4,914,000 to Ff 10,319,000 of CIE FINANCIERE HAUSSMANN-ANJOU SA, Paris (formerly STE DISTILLERIES MAZET SA).



\*\* CHASE MANHATTAN BANK, New York, through CHASE MANHATTAN OVERSEAS BANKING CORP, has finally completed negotiations for its first direct shareholding in a European bank (see No. 328). It will subscribe the capital for 60,000 shares (of Bf 4,500 each) which have been issued by BANQUE DE COMMERCE-HANDELSBANK SA, Antwerp to raise its capital from Bf 60 to Bf 330 million.

94% of the existing capital belongs to BANQUE DE BRUXELLES SA (associated with BRUFINA, COFININDUS, BARCLAYS BANK, etc); the remaining 6% being held by the public, who have a prior right to take up one share for each one owned at Bf 4,500 each, out of the parcel reserved for Chase. Banque de Bruxelles has also made an offer to purchase (at Bf 4,500) the existing shares. Eventually Chase and Banque de Bruxelles will have approximately equal shareholdings in Banque de Commerce and will together control its policy, which will be mainly concerned with financing external trade.

\*\* The object of SAS EDELMAR DI DARIO MARZORATI & CO, a new company recently formed in Milan (capital lire 50 million) under the management of Sig. D. Marzorati, is to acquire shareholdings in financial, industrial, commercial or in real estate companies. The company is completely controlled by the Swiss company SA EDELBERG HOLDING, Chiasso, Ticino.

#### FOOD & DRINK

\*\* M.J. Hutin of Vitry-le-Francois, Marne, has been made president of PARACURD SA, recently formed in Geneva to deal with patents and licences relating principally to the manufacture of cheese from concentrated milk and in a continuous flow using a "Paracurd" machine. The capital of the new firm is fixed at Sf 1,850,000 and has been fully paid-up in the form of contributions and patent applications.

M. Hutin is also joint managing director of ETS JULES HUTIN SA, Blaise-sous-Arzillieres, Marne (see No. 330) and a director of ETS G. HUTIN SA (same premises) and heads several other firms making dairy products. He is also Vice-President of the Centre for Coordinated Action of Food Producers, Paris.

\*\* The producers of "Sekt" sparkling wines, SEKTKELLEREI CARSTENS KG, Neustadt, Weinstrasse, which is linked with the cigarette and tobacco firm H.F. & PH. F. REETSMA GmbH & Co KG, Hamburg (see No. 325), has bought a share in NICOLA CLUESSERATH OHG, Trittenheim, Moselle from the Clüsserath family. This is a firm selling quality wines of the Moselle and Saar regions and it has large warehouses and cellars at Trittenheim.

\*\* SAARLAENDISCHE GETRAENKE INDUSTRIE GmbH, Saarbrücken has subscribed the increase in the capital of its sister-firm NEUFANG-FRANCE Sarl, Forbach, Moselle from Ff 20,000 to Ff 90,000. Saarländische Getränke is a subsidiary of the brewing group NEUFANG BRAUEREI, Saarbrücken (capital Dm 2,850,000, of which about 56% is owned by Herr O.F. Neufang).



\*\* The champagne producers J. BOLLINGER Sarl, Ay, Marne (capital Ff 18.9 million, managers Mme. Bollinger, M. d'Hautefeuille and M. de Rocheprix) have opened a London branch directed by Mr. H.B. Dehn. JULIUS WILE & SONS CO INC, New York, represents the firm in the USA.

#### INSURANCE

\*\* STE FRANCAISE DE LA NATIONALE SUISSE SA (see No. 334), a company formed in Paris with a capital of Ff 5 million, is 88% controlled by SCHWEIZERISCHE NATIONAL VERSICHERUNGSGES AG, Basle, 82% directly and 2% each through its president, M. E. Durisch, its managing director, M. H. Theler, and its Basle subsidiary CIE EUROPEENNE D'ASSURANCES DES MARCHANDISES & DES BAGAGES SA (capital Sf 1 million). The remaining 12% of the shares are held by two groups: one consists of UNION DE BANQUES SUISES SA, Zurich (see No. 336), UNION RUCKVERSICHERUNGSGES AG, Zurich (capital Sf 10 million) and M. E. Moosbrugger (a director of the former company), each holding 2%; the other comprises M. A. Schaefer (a Zurich banker), M. E. Barbier (a Geneva banker), and M. F. Cruse (a partner and manager of the bank DE NEUFLIZE SCHLUMBERGER & CIE, Paris, at present being merged with MALLET FRERES & CIE - see No. 335) and M. M. Gaultier, manager of the PINARD, Paris, insurance group, which has until now been represented in France by the founder company.

#### MINING

\*\* STE DES MINES D'URANIUM DU CENTRE SA (capital Ff 750,000) has been formed jointly by the COMMISSARIAT A L'ENERGIE ATOMIQUE in Paris (see No. 323), SA DES MINES DE BITUME & D'ASPHALTE DU CENTRE SA, Paris, and the CIE FRANCAISE DES MINERAIS D'URANIUM SA in Paris (capital Ff 7.5 million). The PETROFINA group has contributed its operating and land permits in the Correze Department. Mines de Bitume is a subsidiary of STE CHIMIQUE ROUTIERE & D'ENTREPRISE GENERALE SA (see No. 334 - itself associated with the PETROFINA SA group, Brussels - see No. 340) and has a capital of Ff 12.25 million.

Francaise des Minerais d'Uranium is controlled by STE MINIERE & METALLURGIQUE DE PENARROYA SA in Paris (see No. 329), a member of the DE ROTHSCHILD FRERES group. The other main shareholders are LE NICKEL SA, CIE DU CHEMIN DE FER DU NORD SA, CIE DES MINES DE HUARON SA, PECHINEY SA, ETS KUHLMANN SA (No. 271) and, since last July, MINES DE KALI SAINTE THERESE SA, Paris, a member of the RIVAUD & CIE Snc group (see No. 277).

\*\* DIAMANTS INDUSTRIELS DE BEERS SA has now been formed in Paris (see No. 328) with Mme. E. Helbronn, Paris, as president. The capital is Ff 50,000, almost all held by INDUSTRIAL GRIT DISTRIBUTORS (SHANNON) LTD, Shannon, Ireland, a member of the group DE BEERS CONSOLIDATED MINES LTD, Kimberley, South Africa and London. De Beers is the world's largest diamond producer and is increasing its South African manufacturing capacity by acquiring a majority shareholding (about 53%) in SEA DIAMOND



CORP (president Mr. Collins) through its 97.4% subsidiary, THE CONSOLIDATED DIAMOND MINES OF SOUTH-WEST AFRICA LTD, Kimberley.

### OIL, GAS & PETROCHEMICALS

\*\* STANDARD OIL COMPANY OF NEW JERSEY, New York (see No. 340), which has up till now directly controlled a group employing almost 150,000 people and covering roughly 15% of the world-wide oil market, has now divided its oil and natural gas (but not petrochemical) interests among four new subsidiaries. In this way, the twenty or so European companies belonging to the group will be controlled by ESSO EUROPE LTD, a company which is to be set up shortly in London. The president of the new company will be Mr. N.H. Campbell, and the first directors will be Mr. Milbraith, Mr. L.B. Johnson, Mr. Cruickshank, Mr. S. Scheer (president of ESSO STANDARD ITALIANA SpA, Genoa), and Mr. H.C. Tett (president of ESSO PETROLEUM LTD, London).

\*\* DEUTSCHE SHELL AG, Hamburg (ROYAL DUTCH SHELL group) has sold to BP, London, 35% of the shares in its formerly 100% subsidiary RHEIN-MAIN-ROHRLEITUNGS-TRANSPORT, Hamburg (see No. 299), which was formed a year ago and is at present building a pipeline for finished products, to link BP's Dinslaken and Shell's Godorf, Cologne refineries with the Ludwigshafen area.

Fruitless negotiations had been held with ESSO AG, Hamburg (a member of the STANDARD OIL OF NEW JERSEY group) and with ARAL AG, Bochum (a subsidiary of SOCONY MOBIL OIL CO INC, GELSENKIRCHNER BERGWERKS AG, BERGWERKSGES HIBERNIA AG and WINTERSHALL AG).

\*\* GELSENKIRCHENER BERGWERKS AG, Essen (see No. 335) has transferred its 3.6% holding in STE DU PIPE-LINE SUD EUROPEEN SA, Neuilly, Hauts-de-Seine (see No. 334) to its subsidiary STE DE PARTICIPATIONS DANS L'INDUSTRIE & LE TRANSPORT DU PETROLE Sarl, Neuilly (formed in December 1964 - see No. 296) whose capital has been increased from Ff 10,000 to 5,406,000. Other companies which have carried out similar operations are WINTERSHALL AG, Celle (see No. 329), DEA - DEUTSCHE ERDOEL AG, Hamburg, and SCHOLVEN-CHEMIE AG, Gelsenkirchen-Buer (see No. 332).

\*\* The group ROYAL DUTCH SHELL (see No. 339) has formed a new administrative subsidiary, STE DE GESTION SHELL Sarl, Paris (capital Ff 1 million), controlled by several members of the group: STE DES PETROLES SHELL BERRE SA, Paris, CIE DE RAFFINAGE SHELL-BERRE, Paris, SHELL FRANCAISE SA, Paris, etc.

### PAPER & PACKAGING

\*\* WIGGINS TEAPE & CO LTD, London (see No. 335) has formed a sales company, SpA WIGGINS TEAPE ITALIANA (capital lire 1 million) held 99% by one of the founding company's two London subsidiaries, WIGGINS TEAPE OVERSEAS LTD and 1% by the other, WIGGINS TEAPE OVERSEAS SALES LTD. The new company's president is Mr. E.J. Chumrow, London. Wiggins Teape is linked to BRITISH AMERICAN TOBACCO LTD and



heads a number of manufacturing and sales firms all over the world in the paper and cardboard business (e.g. vegetable parchment, "NCR" paper, etc). The British company has a Belgian manufacturing subsidiary, WIGGINS TEAPE (BELGIUM) SA (formerly PAPETERIES DEL-CROIX SA at Nivelles) and a sales subsidiary in France, WIGGINS, TEAPE (FRANCE) Sarl, Courbevoie, Hauts-de-Seine.

#### PHARMACEUTICALS

\*\* The pharmaceutical group ABBOTT LABORATORIES of Chicago, which already has wide interests throughout Europe, and especially in the Common Market (see No. 292) has set up INVESTMENT SERVICES AG, Cham, Zug, Switzerland. With Mr. E.G. Beyer as its president and one of its directors, Mr. R.V. Jaros, mainly responsible for the group's interests in Switzerland, the company has a capital of Sf 50,000; it coordinates and supervises the financial activities of its associated companies in Europe.

The setting-up of this new company follows closely on the re-organization of the group's companies in Switzerland, since the sales company, LABORATOIRES ABBOTT SA transferred its Geneva head office to Cham in September 1965 and was renamed ABBOTT AG; in November 1965, the manufacturing and sales company ABBOTT Sarl, Fribourg, has changed both the nature of its business and its trade name. It now calls itself ABBOTT FINANCE CO Sarl and finances the group's activities.

#### PLASTICS

\*\* Two German nationals, Herr B. Herde and Frau G. Welz, each hold 50% of the lire 200,000 capital of Srl PAMPUS ITALIANA, Milan, recently formed to import and sell rubber, asbestos and plastic based materials and articles. The new company will co-operate closely with the West German firm PAMPUS DEUTSCHE GUMMI- & ASBESTGES, Buderich, controlled by Herr M.W. Pampus and itself making various rubber and asbestos goods.

\*\* SCHOLDKROET AG (formerly RHEINISCHE GUMMI- & CELLULOIDFABRIKEN), Mannheim-Neckerau, is widening the range of toys it manufactures by taking over "TRIX" VEREINIGTE SPIELWARENFABRIKEN ERNST VOELK KG, Nuremberg, makers of metal toys (building sets, electric toys, model trains, etc). Scholdkröt is a wholly-owned subsidiary of WASAG-CHEMIE AG, Essen, which is itself approximately 70% controlled by the holding company BOHLEN INDUSTRIE, Glindenberg-Hamburg, owned by the brothers Berthold and Harald von Bohlen und Halbach (see No. 325). Wasag makes plastic sheets for industrial use (packaging), semi-finished celluloid products (optical industry) and rubber or plastic toys (including dolls).

Scholdkröt (capital Dm 8 million) has an annual turnover of Dm 100 million and employs over 2,500 people (about 80 of whom are engaged in research and development) in six factories. It has one wholly-owned subsidiary in the Federal Republic, SPEZIALKLEIDERFABRIKALT-LUSSHEIM at Altlussheim (dolls' clothes), a 75% interest in SCHILDKROET-KLEMMER TISCHTENNIS, Hassloch (table tennis balls and equipment), and a 70% interest in



KAETHE-KRUSEPUPPEN GmbH, Donauwerth. Abroad, it completely controls KOFOD'S FABRIKER A/S, Koge, Denmark, and has roughly a 30% interest in WORBLA AG, Bellingen, Berne.

TRADE
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\*\* The piped music group BALL INTERNATIONAL SA (headed by Mr. M. Ball and controlled by the holding company ETS LACOMAT, Vaduz - see No. 120) and the store chain SARMA SA (see No. 274) intend to install and run restaurants, bars, snack bars, cafeterias, and prepare meals and drinks for canteens, etc., and have formed TOPS SA, Brussels, 50-50. This new company has a starting capital of Bf 2 million, of which Sarma owns 25% and its subsidiary GROOTHUIS-MAGASINS NOPRI SA, Forest-Brussels, also owns 25%. The board consists of MM. J. Dansette, C. Putanier, M. Vaes, Mr. Ball, Mr. E.F. MacDonald and Mr. I. Cutlip.

\*\* SA DES MONOPRIX (see No. 336 - capital Ff 20 million) has formed a 99% subsidiary SAGEC - STE AUXILIAIRE DE GESTION & D'ETUDES COMMERCIALES Sarl, Paris (capital Ff 10,000) to manage chain stores. The remaining capital is held by STE SMB SA, Paris (capital raised in June 1965 from Ff 100,000 to 3 million) on whose premises Monoprix is located. Monoprix is a 49% subsidiary of GALERIES LAFAYETTE SA, Paris.

TRANSPORT
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\*\* THOMAS MEADOWS & CO SA, Paris, has obtained almost 100% control of MEADOWS AIR SA, Paris (capital Ff 60,000 - air freight - president M. A.D. Parker). The parent firm is a subsidiary of THOMAS MEADOWS & CO LTD, London.

In December 1964 (see No. 286), the group's Belgian subsidiary, THOMAS MEADOWS & CO (BELGIQUE) NV, Antwerp (capital Bf 3 million) formed MEADOWS AIRFREIGHT NV, Antwerp (capital Bf 1 million).

\*\* CIE NATIONALE AIR FRANCE SA in Paris (see No. 201), a mixed company in which the State has a 70% interest, has set up an air transport servicing company, STE AERIENNE FRANCAISE D'AFFRETEMENT SA, Paris, with an initial capital of Ff 4 million.

AIR FRANCE has a network covering 300,000 km and employs about 24,000 people; it holds 24.95% in AIR INTER SA, Paris (see No. 193), 15.8% in SITA SA, Brussels, 30% in MIDDLE EAST AIR LEBANON, Beirut, 49% in TUNIS AIR, Tunis, 38.26% in AIR MADAGASCAR, Tananarive, 20.5% in AIR VIETNAM, Saigon, 24% in ROYAL AIR CAMBODIA, Pnom-Penh, 21.04% in ROYAL AIR MOROCCO, Casablanca, etc.

\*\* The holding company ANSTALT AGOTAR, Vaduz, Liechtenstein (95%) and M. C. Loderer, a Swiss national (5%), have formed S.A.S. FISCHER & RECHSTEINER DI CARLO LODERER (capital lire 10 million). Under the management of M. Loderer, this firm is responsible for all kinds of transit, agency, commission, customs agency, and insurance and reinsurance brokerage. In Switzerland, M. Loderer is also president of the transport company FISCHER & RECHSTEINER SA, Chiasso, Ticino.



\*\* CGT - CIE GENERALE TRANSATLANTIQUE SA (see No. 337) and CHAR-GEURS REUNIS SA - see No. 332 (through its wholly-owned subsidiary CIE FABRE-STE GENERALE DE TRANSPORTS MARITIMES SA which it obtained from the CIE FRAISSINET SA group (see No. 280) have taken 42.5% each in STE MARITIME & INDUSTRIELLE GUYANAISE-SOMARIG SA (capital Ff 2 million) formed at Cayenne, Guiana. M. Chardon, managing director of CGT, will be president of the new company, which will set up a water transport organization for the timber companies in Guiana and an organization to handle rough timber in the port of Cayenne. The other shareholder in the new company is CIE COMMERCIALE DES ANTILLES FRANCAISES-F. TANON & CIE SA, Cayenne, with 7%, whose capital was recently raised from Ff 1,050,000 to Ff 1,575,000.

VARIOUS
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\*\* The German firm LEO SAVELSBERG, Jülich, which specializes in import and export and in trade in seed and leguminous plants and in the cultivation of seed for agricultural use, has set up a sales subsidiary, INTERLOTUS-FRANCE Sarl, in Paris (capital Ff 10,000). It is owned directly by Frau Savelsberg and Herr J. Savelsberg (80% taken together), Herr H. Erdmann (the German firm's representative), and by M. G. Ecorcheville, the manager of the new company. Leo Savelsberg has for a long time been represented in Paris by a sole agent (as also in Bologna, Copenhagen, The Hague, and New York).

\*\* ASCO Sarl, Montrouge, Hauts-de-Seine (capital Ff 215,000) has been formed to sell dry transfers for drawing office and industrial use ("Decadry" process), the transfers being made in Belgium by NOVATYPIE Sprl, Brussels, and in Germany by MARABUWERKE AG, Tamm, Württemberg. The new company is 55.8% controlled by M. J. Netter, a French merchant living at Wiesbaden; the other shareholders are M. C. Arnoult of Jouy-en-Josas, Yvelines, with 25.6%, and Messrs. L. Berlier, J. Piron and G. Thomas (all Belgian) with 18.6% between them.

\*\* GES FUER WOHNGESTALTUNG mbH, Stuttgart, the sales company for the German furniture manufacturers' association WOHN-KULTUR (WK), has chosen SOFRADIM - STE FRANCAISE DE DISTRIBUTION DE MOBILIER Sarl, Paris (capital Ff 160,000) as its French distributor. The Paris firm was set up by French capital in June 1963 with M. J. Schwerdlin as manager. Sales promotion for the brand name "WK INTERNATIONAL" outside Germany is already done by Austrian, Belgian, British and Swiss distributors.



Abbott Laboratories	p.Q	Fabre-Generale de Transports Maritimes	p.S
Air France	R	FIMET	G
American Laundry Machinery Industries	K	Financiere Haussman-Anjou	M
Amphenol	H	Financiere de Suez	J
Anstalt Agotar	R	Fives Lille-Cail	J
Aquitaine Plastique	E	Francaise des Distilleries de l'Indochine	M
Asco	S	Francaise de Raffinage	F
Azolacq	F	Francaise Thomson-Houston	I
		Frankfurter Bank	M
Balas Mahey	E		
Ball International	R	Gelsenkirchener Bergwerks	P
Banque de Bruxelles	N	Generale Industrielle pour la France &	
Banque de Commerce-Handelsbank	N	l'Etranger	L
Bollinger	O	Generale Transatlantique	S
British Motor Corporation	D	Groothuis-Magasins Nopri	R
		Groupe Immobilier Belge	F
CFTH	I	Grün & Bilfinger	D, E
CGE	S		
de la Chaleassiere	M	Hamworthy Engineering	M
Chargeurs Reunis	S	Houilleres du Bassin de Lorraine	G
Chase Manhattan Bank	N	Houilleres du Bassin du Nord & du Pas de	
Chemical Bank New York Trust	M	Calais	G
Chenaille-Chirurgie	I		
Ciments Lafarge	E	Industrial Grit Distributors (Shannon)	I
Cofipa	D	Industrielle de Pompes a Compresseurs-	
Commerciale des Antilles Françaises	S	Breguet	J
Commissariat a l'Energie Atomique	O	Iniziativa Mobiliari Immobiliari Grosseli	E
de Constructions Electriques Breguet-		Instrumentation Schlumberger	I
Sautter-Harle	J		
		Jean-Pierre Richard	D
Davo Haardenfabriek	K	Jongstra	H
De Beers	P		
Dubigeon-Normandie	E	Keystone Valve	M
Dula-Fabrikationsbetriebe	G	Kulicke & Soffa	I
Dymo Industries	K		
		Lambert Freres	D
Ecremeuses & Separateurs Industriels	L	Leo Savelsberg	S
Edelberg Holding	N	Ligtermoet & Zoon	G
Elliott Automation	H	Lorraine Kuhlmann	G
Esso	P	"Lustra" Ludwig Strauss	M
Ets Albert Ducrot	L		
Ets Auguste Moreau	E	McGraw Edison	K
Ets Bertrand Mercier	L	Maison Breguet	J
Ets Gardinier	F	Marabuw Werke	S
Ets Jules Hutin	N	le Materiel Electrique	M
Ets Kuhlmann	G	Meadows	R
Europeenne d'Assurances des Marchandi-		Mepo	G
ses	O	Metalexport	L



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Metallurgique de Knütange	p.M	Siemag Feinmechanische	G,H
Metoges. Oskar Kind	K	SITO	I
Mines de Bitume & d'Asphalte du Centre	O	SMB	R
des Monoprix	R	SNPA	E
Moto Meter Hermann Schlaich	H	Sofradim	S
		Standard Oil of New Jersey	P
Nautil Finanzanstalt	E	Steenkolen Handelsvereniging	K
Neufang-France	N		
Nicola Clüsserath	N	Thomas Meadow	R
Novatypie	S	Thomson Medical	I
		Tissmetal Lionel Dupont	L
Omnium Technique	F	"Trix" Vereinigte Ernst Voelk	Q
ONIA	F		
		Union de Banques Suisses	O
Pampus	Q	Unions Ruckversicherungs	O
Paracurd	N	Usines a Cuivre & Zinc de Liege	J
de Participations dans l'Industrie & Le			
Transport	P	Ver Bedrijven Bredero	F
Petrofina	O	de Vries & Richard	D
Philips	G		
Pirelli	G	Westfalia Separator	L
du Pipe-line Sud Europeen	P	Wiggins Teape	P
Pont-a-Mousson	J	Wohngestaltung	S
Procedes Sem	L		
de Produits Chimiques Courrieres-			
Kuhlmann	G		
Progil	F		
Raytheon	I		
Readymix Deutschland	E		
Ready Mixed Concrete	E		
Reetsma	N		
Renault	D		
Rhein-Main-Rohrleitungs-Transport	P		
Rochard Electronique	I		
Royal Dutch Shell	P		
Saarländische Getränke Industrie	N		
Sarma	R		
Schlumberger	I		
Schneider	M		
Scholdkröt	Q		
Schweizerische National Versicherungs	O		
Seicam	L		
Sektkellerei Carstens	N		
Semaco	D		
Setec	E		
Shell	P		