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No. 362

# *Opera Mundi* **EUROPE**

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

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COMMENT  
A Letter from Brussels

AGREEMENT - YES; UNITY - MAYBE

The EEC Council of Ministers for Foreign Affairs, on June 13 and 14, gave a sparkling demonstration of its ability to observe all the subtle formalities called for by the Community's continuing state of convalescence, after the crisis of June 30, 1965. First of all it sat as a Community institution, joining the Commission in deciding what course of action should follow the Luxembourg compromise, now that the crisis is at an end. It then about-faced with remarkable alacrity, and staged what is called an "intergovernmental meeting", to indicate that the Commission takes no part, and that all the points at issue are the sole preserve of the Six States. This confirms that there are two negotiations going on within the Community at present, whose courses are divergent, if not totally opposite. The first of these concerns the immediate present, and is making progress: this is the dual "Green Europe/Kennedy Round" issue, which, after the Luxembourg compromise, closely links the solution of the common agricultural policy problem (as demanded by France) with that of the Kennedy Round negotiations at GATT (as demanded by the Five). The second negotiation is making very little headway: it concerns the more distant problem of merging the executives, a prerequisite for the integration of the Community itself. The comparative progress achieved on these two issues seems to indicate that the Community works best when caught up in the momentum of the machinery it has set in motion: it works far less efficiently, if at all, when there is no such boost from the past, and when the machinery of its institutions is not involved: when, in fact, it is looking only to the future, and when only the states are participating in the debate. In short, the economic side is progressing well, whilst the Community remains politically stagnant.

Looking at the whole thing more closely, and starting with the economic side, we discover that on June 14 (see *In The Community*) the Six made some important decisions concerning the continuation of the Kennedy Round. These gave the Commission a formal mandate to make precise offers to the GATT partners, not only for the last remaining industrial products "in suspense" on the Community side (aluminium, paper pulp and newsprint), but also for grain, which is the key agricultural commodity under discussion at Geneva. Far from promising a quick settlement of the Kennedy Round problem, this means that the battle in Geneva can begin in earnest - and it will be fought to the last ditch. For the Six themselves, however, the main problem has been solved - for the time being.

This, already, is a welcome step forward. M. Pierre Werner, the Luxembourgish President of the EEC Council, maintained that it shows that the Six can now pursue "in parallel" the priority objectives that were fixed when reconciliation was achieved in Luxembourg. These were the farm finance regulations and the GATT tariff negotiations. Putting it more bluntly, the gist of the matter is that there was no reason for the Six to be fighting so shy of one another for four months.



There is, too, another reassuring aspect to all this: the fact that the Six were solid in their reaction against American offers about the revision of the "American Selling Price" system. To all intents and purposes these were rejected on January 14 - it was a negative sort of move, but it demonstrated the solidarity of the EEC partners.

In assessing the achievement of this situation, one should not ignore the fact that France has made most of the concessions: made them once again, one might even say, because on May 11, in order to get the financial side of the common agricultural policy through, Paris was constrained to make certain sacrifices which were far and away beyond those which were required by the original, celebrated version of the financial regulations submitted by the Commission. This shows once again that French diplomacy is "playing the Community game" (without going into the exact meaning of the word "Community" here), even to the extent of backing down, when the occasion demands. M. Couve de Murville always seems like a hard bargainer, coldly defending his interests and standpoints, but this is a matter of keeping face - it does not mean that he will not make concessions.

These concessions are quite obvious, when it comes to the Kennedy Round. He accepted the fixing of a Community quota for aluminium at a reduced rate of 5% for 100,000 tons, even though at the outset he was unwilling to settle for more than half this quantity. He agreed to a very liberal formula for paper pulp (a large Community quota), which again was much closer to the German idea of what was required. But the spirit of compromise becomes most evident when we look at the proposals for world trade in cereals:

- 1) The "Baumgartner-Pisani-Faure Plan" (the creation of a world fund for the underdeveloped countries) was shelved after it had been proposed most vehemently as an alternative to the Commission's plan.

- 2) France accepted the proposal that responsibility for defraying the costs of cereal surpluses on the world market should be borne by producing countries, and not by consumers. The world agreement, let it be said, is a three-year one, and the producers' financial responsibility threshold was fixed at 90% of home needs: since the Common Market rate is as yet only 85%, there is little risk involved. But at least this section admits the principle, or creates the precedent for guaranteeing certain outlets (10% of the home requirements figure) to non-member countries. Moreover, it remains to be seen whether the GATT partners will agree to a responsibility threshold as theoretical as the 90% agreed: it is no secret that some of the Six would be prepared to see it lowered.

- 3) It was agreed in Brussels that the onus of defraying the costs of surpluses would be borne, not by France, but by the Community as a whole. However, the means of applying this principle have not been decided in detail, and it is already becoming clear that some of the costs will not be shared among the Six according to the FEOGA scheme: this is tantamount to saying that France will have to pay more.



In contrast to the relatively conciliatory attitude of France, it is worth noting that, of her two most resolute adversaries, the Netherlands abstained from the vote on the world agreement on cereals, maintaining that it was too inhibiting for the Commission, and Germany only cast an "ad referendum" vote. Neither of these attitudes succeeded in preventing the mandate from being adopted. Their effect was rather to demonstrate that Bonn and The Hague are still "on their guard", or only paying lip-service to the compromise - but serving it just the same. Observers are now inclined to think that the EEC is on the way to disposing of the economic dossier that came out of the Luxembourg agreement, and to the consolidation of the May 11 compromise on the farm finance regulations. True, the Agricultural Ministers found very little time to cope with the last outstanding questions in this dossier (regulations and common price levels) on June 13 and 14. They are, however, to have marathon session from June 28 to July 1, which should enable them to formulate the final package deal, which will be approved on July 4 and 5 by the Foreign Affairs Ministers. The negotiations are forecast to be very thorough and protracted, but successful at the finish, not least because the Commission has now regained its master-mind, Sicco Mansholt, to bring off its plan of reconciliation.

There seems to be far less promise of the Six to succeeding in reaching agreement on the problem of merging the Executives, or more precisely, on the presidency of the future single Commission, which is the predominant question. The present stalemate was only emphasised by the meeting, on June 13, of the Foreign Affairs Ministers, as representatives of their respective governments. The following are three possible ways in which the problem could be solved:

1) That Bonn "drops" Professor Hallstein. Such a move is inconceivable. Dr. Gerhard Schroeder is too far committed, since he has formally put forward the candidature of the president of the EEC Commission (and up to now the only candidature). And that is not all, as the German Foreign Affairs Minister has gone even further, by getting the cabinet in Bonn to designate the three West German candidates for the future single Commission: apart from Walter Hallstein, they are Hans von der Groeben, of the Common Market and Franz Hellwig of Euratom - all three good "supranationalists". But if Dr. Schroeder gives in, and the executives are merged, it will open the way for the negotiations on the merger of the three treaties, an event most eagerly anticipated by the French.

2) That Paris resigns itself to accepting the nomination of Hallstein as head of the single executive in accordance with the proposed rules - this means a two-year term at least. If France is really so keen on the merger of the three Communities, then such a gesture would not be entirely wasted. But for the moment the French veto of Hallstein's candidature is fundamental. This is clear from M. Couve de Murville's statements, as well as from the "affair of the letters of credence". During the Luxembourg meeting the Six decided, because of French dissatisfaction, to review the ceremonial observed when foreign representatives handed their letters of credence to the president of the Commission. Paris does not want to discuss this question with Professor Hallstein, as the Quai d'Orsay



wants the least possible contact with him. The result is that everything has been suspended until the future single executive takes over, and about fifteen foreign ambassadors, including Mr. Schaetzel, the new American representative, are waiting for this almost ridiculous family quarrel to be patched up, before they can be formally accredited.

3) It might be possible to find a solution midway between these two extremes. Both the Belgians and Luxembourgish, traditional mediators, have started to work out a compromise. The substance of this proposal is that the agreement on the merger envisages a one-year period for reorganisation and rationalisation of the various regrouped services of the three executives. Why not then create a sort of "ad hoc" Commission to act during the transition period, before handing over to the "proper" merged Commission? Under these conditions it would be quite in order to give the presidency to Walter Hallstein, president of the EEC Commission, and the vice-presidencies to his "alter egos" - M. Del Bo in the High Authority and M. Chatenet in the Euratom Commission - which virtually means keeping M. Robert Marjolin as vice-president, since M. Chatenet makes no secret of his wish to return to France - as well as to Sicco Mansholt, already the Benelux vice-president.

M. Couve de Murville has not offered to support this proposal, but it is generally thought that he would find it easier to accept than either Schroeder or Hallstein. Another fact to note is that various sources close to the Commission have doubts about the constitutional legality of the compromise put forward by Belgium and Luxembourg. It is pointed out, and not without reason, that the transition period envisaged by the agreement on the merger only involves the subordinate services and not the executive itself. The agreement also clearly states that the term of office of the president and vice-presidents is fixed for two years. Nor, contrary to certain premature rumours, has the EEC Commission accepted a compromise put forward by M. Werner to solve the "Letters of credence affair". The Luxembourg president had proposed that instead of these being handed in person to the president of the Commission, they should just be delivered, as this would eliminate any difficulties over the wearing of morning dress or the use of red carpets. After a preliminary discussion within the EEC Commission, Hallstein asked Werner to join him and M. Jean Rey in further discussions on this tricky problem. M. Rey, however, who is responsible for the Commission's external relations, is not renowned for his flexibility.

All this seems to indicate that Professor Hallstein is not in the mood to accept all the compromises, and it looks as if Dr. Schroeder agrees with him. The German Minister has already given the impression that it would not be too large a setback to postpone to the autumn and even beyond all the decisions connected with the merger of the executives. In other words, the question should be left untouched until a more suitable occasion arises, and Little Europe should continue to be divided into three almost independent Communities, which, considering the stage of development it has reached, can hardly be the most rational way of dealing with the problem.



If this is to happen, then all parties must give formal confirmation of the mandates of the European commissioners, which expired in January of this year, and this means that Hallstein will remain president of the Common Market until January 1968 at least.

This would also be a form of compromise, with each gaining a half-victory - with the probable exception of the Community itself. It is another example of the fact that in Europe and the Atlantic Alliance, once the stage of purely political decisions has been reached, the great thing is to temporize. In the EEC, as we have already mentioned, this should not prevent economic progress, but it is justifiable to wonder how much longer movement on one side can be balanced by stagnation on the other.



# THE WEEK IN THE COMMUNITY

June 13 to June 19, 1966

From Our Correspondents in Brussels and Luxembourg

## THE COMMON MARKET

### The Six Ready for Geneva

After the meeting of the EEC Council on June 13 and 14, it is now thought likely that the Six's representative at the Kennedy Round talks - the Commission - will be able to complete its proposals before the summer recess. For several important agricultural sectors the Six have still to agree on the essential question of common prices (The solution they are going to propose at Geneva is the alignment of support levels given by States or groups of States to their agriculture) but the impression remains that progress is being made and that after their marathon at the beginning of July, the ministers of Little Europe will agree on an overall compromise. For the other questions, which have been in cold storage, the latest session of the Council was able to find answers, as we now discover:

**Cereals:** The EEC proposes a world agreement covering a three-year period. During this time, the present levels of support given to producers will remain unchanged. But the world wheat price will be slightly increased (\$ 2.5 to \$ 3 above the current Canadian price). A reorganisation of the world market is being sought, with the aim of achieving a balance between production and demand from customers who can pay, and as the former already tends to exceed the latter, the responsibility for finding outlets for excess production will fall on the producing states and groups of states. This responsibility will come into force once the production of these countries exceeds 90% of their own needs (the figure for the EEC is 85% at the moment). Amongst the Six it has been agreed that the disposal of excess production will be financed on a Community basis, but the exact methods have yet to be worked out. If stockpiling of supplies is involved, it is likely that FEOGA will intervene under the terms of the financial agreement of May 11. If, on the other hand, "gifts" to countries unable to pay are involved, it seems that the part borne by France will increase. It should also be pointed out that any suggestion of reducing a surplus by destroying it can be excluded on humanitarian grounds.

**Paper pulp:** The EEC proposes that the existing 6% duty should be halved, and even, if necessary, be suspended completely in the future. In return, the member-States will be authorised, during a period of seven to ten years to make reafforestation grants, as well as give aid to the paper-pulp producers. But certain world producers, especially the Scandinavian countries, will be asked to cease some of their activities considered to be contrary to the normal rules of international competition.

**Newsprint:** The existing duties will be kept, but with a consolidated zero tariff quota of 420,000 tons. In addition the system of independent quotas foreseen



by the Agreement can be used, if extra requirements not covered by Community production, occur.

Other Paper Derivatives: The EEC has confirmed its offer of a reduction by two points for raw paper. For finished papers, Community protection of the added value will be limited to a maximum of three points.

Aluminium: The EEC is maintaining the 9% duty, but proposes to offer a duty-free quota of 100,000 tons, with the possibility of using independent quotas, if necessary.

Aluminium Manufactures: The EEC proposes to reduce to around 12% the existing duties of between 15% and 21%.

Tropical Produce: For the majority of these products, the EEC has offered to maintain the existing quotas (especially for tea, cocoa, coffee and their derivatives). It is offering to reduce the duty on pimientos, and ginger by 17%, and a two point reduction for tropical woods.

\* \* \*

#### Some Comfort for Spain

After a long silence, the Six have started to talk about Spain again. The efforts made by Sen. Ullastres, the former Spanish Minister for Trade, who now represents the Spanish Government in the EEC, have borne some fruit. Dr Gerhard Schroeder remembered that he made some promises during his tour of Spain and raised the matter at the last meeting of the EEC Council. Clearly, Spain's chances of association with the EEC are still fairly remote: for political reasons, Belgium and the Netherlands refuse to consider it and, for economic reasons (competition from a Mediterranean agricultural producer), Italy is even less keen on the idea. On the other hand, the idea of a fairly wide commercial agreement has gained some support and the Commission has been invited to investigate this theory. This formula would have the advantage of removing the political doubts raised by Spain's candidature. However, it does not eliminate Italy's trade problems and it is certain that Rome would insist on every possible guarantee before giving the "go-ahead".

\* \* \*

#### Industrial Production Increases

The latest "Notes on the Economic Situation" to be published by the Commission show that for the Community as a whole, industrial production has expanded at a continuous and fairly lively rate. This comparative acceleration is mainly due to French and Italian production. The rate of progress remained steady in Belgium and the Netherlands. However in Germany it was only moderate because increases



in foreign demand and private consumption were offset by slackening internal demand for capital goods.

Improved production unfortunately did not counteract the rising trend in consumer prices, which accelerated everywhere except in Italy. Undoubtedly, in the case of the Northern countries, climatic conditions helped to push up the price of agricultural products, but the rise was not confined to this sector: it also affected industrial goods and services. Also, imports, which increased by 14% in the first quarter of 1966 compared with the corresponding period of 1965, continued to grow more rapidly than exports, resulting in a further deterioration of the balance of trade. The deficit here, for the first quarter, will be about \$ 750 million.

This means that inflation is far from being checked. It is still one of the Commission's biggest headaches, for which the representative concerned, M. Robert Marjolin is trying to find a remedy. The Commission wants to have a particularly firm resolution passed by the Council before the summer recess, and one which the member-states one have to feel bound by. If there is not sufficient time for the Ministers to pass such a measure, the Executive intends to put forward a recommendation of its own outlining the dangers of letting things slide.

\* \* \*

## EURATOM

### American Uranium for the Netherlands

The Euratom Supply Agency has passed two contracts for the supply of enriched uranium for the BWR power reactor with 54 MW of working power built at Dodewaard, Netherlands by the GKN (Gemeenschappelijke Kernenenergiecentrale Nederland). The first contract, made under the USA-Euratom cooperation Agreement, has been signed with the US Atomic Energy Commission and provides for the purchase of 290 kgs of U-235 enriched uranium. With an enrichment rate of 2.5% this delivery would be worth \$ 2.3 million. The second contract, between the Agency and the GKN builders, relates to the granting of a concession to the Dutch company to use and consume the fuel supplied by the Americans.



## ECSC

## Still Looking for an Answer to Problems in Supplies of Coking Coal

The ad hoc "Coal Policy" committee of the special Council of Ministers met at the beginning of last week for a preliminary exchange of views on the possibilities of setting up a financial organization for Community aid for EEC coking-coal or coal to be used in the Community's steel industry. This would mean bringing the price of coke made from EEC coal down to that paid by the steel-works using coke made from coal imported from the United States, and thus removing the anomalies which are affecting the workings of the Common Market at the moment.

The discussions were conducted on the basis of a proposition from the High Authority providing for a two-way arrangement. First of all, the governments of the member states would be authorised to pay subsidies on sales of coke and coking-coal to be used in the Community steel industry. If these deliveries are for the country producing the coal, the governments would pay the subsidies direct up to a limit of 80% of the cost of competing with products from non-member countries. In no case could the payment be more than \$ 4.50 per ton.

If, on the other hand, the coke or coking-coal were for delivery to the steel industry of another member-country, there would be a fund operated by the High Authority to which all the governments would contribute, on a scale to be fixed later. This could be based, for instance, on the average of the shares taken by each member-state in 1964:

- a) in deliveries of coking-coal for the steel industry.
- and
- b) in burning coke from the Community's steel industry.

The High Authority would share out these subsidies as follows:

- a lump sum of one dollar per ton of coking coal with an added subsidy calculated according to the geographical distance of the consuming enterprise from the enterprise producing the coal. This additional subsidy could not exceed 3 dollars per ton.

The High Authority's proposal was discussed by the ad hoc committee, the members of which are now in contact with the coal and steel industries concerned. Towards the end of the month this committee will meet again to prepare its report for the Council of Ministers. It is certain however that this will be treated as a political question to be settled by the ministers themselves. It is also likely that, in the event of an affirmative vote by the council, the ways and means of bringing such a system into operation will mean further lengthy negotiations.



## STUDIES &amp; TRENDS

## INSURANCE and AMERICAN BANKS

VINTON C. JOHNSON, Chairman of Trustees  
Century Shares Trust, Boston

Carefully selected life insurance stocks seem at present to provide an unusual combination of continuous profitable growth and excellent value. During the last four years, expansion in the life insurance industry has reached its highest-ever level:

- + 36% Life insurance in force (indicative of future earning power)
- + 38% Life insurance purchases (indicative of current vitality)

Thus Century Shares Trust shares, insurance stocks and American bank stocks are now being quoted at 10% above their 1961 maxima, whilst increased earnings by portfolio companies have increased the shareholders' equity by 40%.

The increase in earnings from life insurance stocks has been considerable, and the relationship between Price/Earnings of stocks held in the Century Shares Trust portfolio went from 33x in April 1964 to 19x in April, 1966. As there should be a similar increase in earnings this year to last year, the Price/Earnings relationship will drop to 17x, a level fairly close to that of high grade industrial stocks.

## THE OUTLOOK FOR 1966

## 1) Life-insurance

The sales of new policies are more than likely to match the record level reached last year, when they increased by 9.9%. During the first two months of 1966 sales were up by over 9%. Because of the large number of current policies reaching the point of profitability (the initial costs having been amortised), earnings in this branch have a built-in capacity for growth, and shareholders' equity should again increase by over 9% after taxes and dividends.

Life insurance companies benefit appreciably from the increase in longevity, as the estimates made by actuaries - who are always extremely cautious - for the average length of life leave a considerable safety margin. During the coming year, expenditure in the USA on medical care and health should reach the record sum of \$ 30,000 million: even before the introduction of Medicare these figures were increasing by over 7% annually. To understand the influence of the "health" factor one need only note that nowadays 6½% of American personal consumption expenditure falls into this category, whilst 25 years ago it was only 4%. Medical research carried out by the government, private foundations and the pharmaceutical industry absorbs nearly \$ 3,000 million annually.



Thanks to increased life expectancy, the life-policy reserves of the insurance companies remain untapped at favourable interest longer, and payments of premiums are spread over a longer period.

## 2) The main Sources of Savings

The savings deposited in the "Savings and Loan Associations" in the USA amount to about \$ 110,000 million at present. To attract and keep these funds, the institutions have to pay an annual interest of about 5%.

The Mutual Savings Banks (mostly in the Eastern USA) hold about \$ 55,000 million with interest rates of about 4.4%.

Time and savings deposits of commercial banks amount to about \$ 120,000 million. The interest rates paid by these at the beginning of the year averaged about 4½%.

The policy reserves of life insurance companies (which also represent a form of savings) amount to around \$ 130,000 million. The interest commitment or contractual rate for these funds varies between 2½% and 3½%, with an average of 3%. Other financial institutions in the USA are unable to attract savings at such favourable rates, but life-insurance companies can justify this because they work on a very long term and long-term interest rates have been as low as 2½% within the past fifteen years. A life-insurance programme can cover forty years or longer, and therefore the companies must provide proper long term safeguards in their long-term interest assumptions. Policy reserves, despite the competition for savings dollars, are growing at a rate of 5% annually.

American interest rates are now at their highest level for thirty-five years, and this has an extremely important bearing on the earnings of life-insurance companies. One has to go back to 1930 to find a time when the life-insurance industry earned 5% or more on its assets; then the total assets of the companies amounted to \$ 19,000 million with an overall interest rate of 5.05%. Today's assets amount to \$ 160,000 million and are growing at the rate of \$ 19,000 million every two years.

Favourable rulings by Federal agencies, with the necessary legislation in main States, authorising new forms of combined insurances (pension schemes, variable annuities), has opened up new fields for expansion. Until now this business, worth about \$ 90,000 million, had been dominated by the banks. Only 10% of the labour force, other than agricultural workers - about 7 million people - participate in pension schemes, and there is an extremely interesting future for the life-insurance industry to take part in this business on a profitable basis with equity-funded plans supplemented by fixed income annuity purchases.

Today half of the population of the USA is 26 or under, and this fact opens up an attractive future for both individual and collective life-insurance. The average



sum covered by Americans who have life-insurance schemes is \$ 18,000; less than two and a half years' disposable income. The stockholder-owned companies should be able to profit from the future growth of this branch, as since World War II they have increased their share of life-insurance from 31% to 43%, at the expense of the mutual companies. The Century Shares Trust portfolio has 65% of its investments in life-insurance stocks.

### 3) Fire and Accident Insurance

Fire and Accident Insurance stocks are likely to reflect continued basic improvements in underwriting and rising investment income. Catastrophe losses remain unpredictable and because of Hurricane Betsy, the 1965 losses were the worst for sixty years. But as the chances of similar catastrophes in 1966 are unlikely, this part of the industry should have a more profitable year. It is also expected that the record number of rate increases permitted by 45 States last year will result in benefits for all the companies, and additional increases in the rate for cars are expected in 1966 from 30 States. The Price/Earnings ratios based on investment income alone of these companies are comparable to those of high grade industrial stocks, and the values of the different stocks hardly reflect the increasing life-insurance business.

The Century Shares Trust has 29% of its investments in companies covering fire and accident insurance, and most of these also deal in life-insurance.

### 4) Banks

Banks should benefit from an increase in lending activity at high interest rates, with low Price/Earning ratios of 12 to 14 X, taking into consideration the high but controllable cost of attracting and holding time and savings deposits.

The earnings achieved by banks during the first quarter of this year show a continuation of the favourable 1965 increases, and the group is well-placed in this sphere. The Price/Earnings ratios are lower and the yields higher than at any other time during the four year period 1962-1966, including mid-1962. The Century Shares Trust has 6% of its investments in bank stock.



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- D ADVERTISING France: Two agencies, WILLIAM WILKENS, Hamburg and ALFRED PEMBERTON, London form Paris firm in association with PROMOREP, Paris.
- D AIRCRAFT & SPACE France: FENWICK, Paris and its subsidiary FENWICK-AVIATION form AERO-FRANCE, Paris (research).
- D AUTOMOBILES France: FIAT increases its holding in SIMCA INDUSTRIES.
- E CHEMICALS Belgium: DUISBURGER KUPFERHUETTE (joint subsidiary of HOECHST, BAYER and BASF) and BELGO-CONTINENTALE DES MINERAIS form joint subsidiary in Brussels. France: FRANCAISE SCHOLVEN-CHIMIE forms Paris company to sell chemicals and fertilisers. KUHLMANN, Paris buys the 50% in DEKACHIMIE owned by DU PONT, Wilmington, USA. Italy: STA ITALIANA RESINE, Milan opens Milan branches for its subsidiaries in Sassari (finance).
- F ELECTRICAL ENGINEERING Britain: The French control equipment firm COMSIP-AUTOMATION (LEBON, Paris group) appoints London sales representative. Italy: OSRAM, Milan takes over its subsidiary INDUSTRIA LAMPADE ELETTRICHE RADIO, Turin (lighting). Netherlands: The Dordrecht metal group LIPS & GISPEN takes over another Dutch firm ALMEVI (electrical equipment and lift doors).
- F ELECTRONICS Belgium: MELABS, Palo Alto, California (electronic components) forms Brussels sales subsidiary. France: HEWLETT PACKARD, California (transistorised adding machines) takes over F & M SCIENTIFIC CORP, Pennsylvania: as a result their French subsidiaries have also merged. The agreement of CSF, Paris with CFTH and SILEC has led to closer cooperation in semi-conductors. Germany: The British electronic ticket-punching equipment makers TICKET EQUIPMENT LTD forms German sales subsidiary. Switzerland: CAE, Paris (computers) opens Geneva branch.
- G ENGINEERING & METAL Argentina: The state company AFNE will make marine engines under licence from FIAT. Belgium: WARNER & SWASEY, Cleveland, USA (machine-tools etc) takes 50% control of the Belgian FORGES, USINES & FONDERIES DE GILLY (heavy and precision engineering). Britain: The Belgian steel group LEON BEKAERT forms London sales subsidiary. France: NIRUSDA-FRANCE, Paris is formed to sell air-purification and filtration plant. The Brussels engineering firm ETUDE & CONSTRUCTION EVENCE COPPEE RUST forms Paris company. BORG-WARNER, Chicago forms BYRON JACKSON-FRANCE (sales of machinery etc for the oil industry and agriculture). INTERNATIONAL RECTIFIER, California will build French factory (linings etc for engines and pumps). FORGES & ATELIERS DU CREUSOT will merge its paper



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machinery business with that of ETS NEYRPIG, Grenoble. The merger of the Paris companies RATIER-FIGEAC, FOREST & CIE and NORSEN will result in the formation of RATIER-FOREST. FRANCAISE D'ENTREPRISES, Paris (civil engineering and metal structures) makes over its foundry and general department to a new company CFEM. IDEAL STANDARD, Paris signs industrial and sales agreement with USINES & FONDERIES ARTHUR MARTIN and a joint subsidiary will be formed. Germany: The KLINGER MANUFACTURING CO, London forms Hamburg company (textile machinery). The Dusseldorf mining and steel group MANNESMANN takes over five of its subsidiaries. PITTSBURGH METALLURGICAL (ferrous alloys) forms Cologne sales subsidiary. Italy: SOCADI, Milan (gas-heaters) will sell under licence from ARTHUR MARTIN, France. GIUSTINA, Turin (machine-tools etc) makes over its ball-bearing business to SNR-ITALIA, Turin, an affiliate. ROYAL DUTCH SHELL and MICO-PERI, Milan form joint service subsidiary for underwater research. Netherlands: The American firm STRAN-STEEL (NATIONAL STEEL CORP) appoints two Dutch selling agents for metallic plant and scaffolding. FAWICK CORP, Cleveland, Ohio forms new Dutch subsidiary to make engine-parts etc. The Dutch firm VAN KEMPER & VAN TWIST will sell agricultural equipment made by the Canadian ROBIN-NODWELL MANUFACTURING LTD. The American EATON YALE & TOWNE INC (automobile engineering etc) forms Dutch finance subsidiary.

## M FINANCE

Belgium: ELECTRO-RAIL, Brussels exchanges crossed share-holdings with BANQUE DE L'INDOCHINE, Paris. France: CENTRALE DE BANQUE, Paris takes share in GENERALE DE CREDIT, Monte Carlo. FINANCIERE HAUSSMANN, Paris strengthens links with the TIPPEN property and promotion group. Netherlands: LLOYDS BANK (EUROPE) takes over ARNOLD GILISSENS BANK, Amsterdam.

## N FOOD &amp; DRINK

France: The French yoghurt manufacturer DANONE forms Cologne subsidiary. Germany: FRUCTAMINE, Milan (fruit juices) forms Munich subsidiary.

## N OIL, GAS &amp; PETRO-CHEMICALS

Spain: Two French oil companies PETROREP and REGAP (research) sell their holdings in ENPESA, Navarre to ISTITUTO NACIONAL DE INDUSTRIA, Madrid. RAFFINERIE DU SUD-OUEST is formed to take over the Swiss refinery of RAFFINERIES DU RHONE which is being wound up.

## O PAPER &amp; PACKAGING

France: The Swedish paper and card firm BILLINGFORS LANGED makes its Neuilly branch into subsidiary. AVERY PRODUCTS, California opens branch for its Dutch subsidiary ROTEX in Paris. Germany: Two major German cellulose producers ZELLSTOFF-



Page	FABRIK WALDHOF and ASCHAFFENBURGER ZELLSTOFFWERKE seek closer cooperation. Netherlands: Two American groups HERCULES INC and RIEGEL PAPER form MIJ TECHNICAL PACKING, The Hague (packing from paper and wood pulp).
P PHARMACEUTICALS	Belgium: The Dutch group UTERMÖEHLEN (pharmaceutical and surgical products) will build Belgian factory. ARMOUR BIOCHIMIQUE FRANCE takes 58% in LABORATOIRE MONTAGU, Paris (tranquillisers etc).
Q PLASTICS	Belgium: COOPPAL, Brussels and POUDRERIES REUNIES DE BELGIQUE sign agreement for joint manufacture of plastic foams. PHILLIPS PETROLEUM and BASF will manufacture polyvinyl chloride in Antwerp through joint subsidiary. France: ATLAS CHEMICAL, USA grants licence for "Atlas" resins to PECHINEY-SAINT-GOBAIN.
R PRINTING & PUBLISHING	Germany: HEINRICH BAUER, Hamburg takes over another German publisher MARTENS & CO, Munich. ENCYCLOPAEDIA BRITANNICA, Chicago opens Hamburg branch for one of its subsidiaries. Italy: THE HEARST CORP, New York forms Milan subsidiary.
S TEXTILES	Belgium: The Dutch textiles company VAN DIJK & ZONEN forms Brussels sales subsidiary. PELTZER & FILS, Verviers takes over the production and manufacturing assets of its subsidiary IWAN SIMONIS, Verviers. Netherlands: The Dutch ready-mades firm CHAS MACKINTOSH takes over the coat manufacturers NED-ACO, Amsterdam. Spain: AKU, Arnhem increases the productive capacity of two Spanish subsidiaries.
T TRADE	Austria: GENERAL SHOPPING, Luxembourg, GRANDS MAGASINS JELMOLI, Zurich and CREDITANSTALT-BANKVEREIN, Vienna gain control of A. GERNGROSS KAUFHAUS. Germany: GROSS-VERSANDHAUS SCHOEPFLIN, Baden takes control of MAUER & FRITZ, S. Germany (chain-stores).
T VARIOUS	Belgium: MANAGEMENT COUNSELLORS INTERNATIONAL is formed at St-Josse-ten-Noode by American interests. Britain: WEBLEY & SCOTT, Birmingham to establish European sales network. France: MANAGEMENT SELECTION, London and STE GENERALE DE PUBLICITE CONTESSE, Paris form joint French personnel selection company. Netherlands: The Belgian firm MEGAVOLT (import and sales of industrial equipment) opens Dutch branch.



ADVERTISING
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\*\* Two advertising agencies, WILLIAM WILKENS WIRTSCHAFTSWERBUNG KG, Hamburg, and ALFRED PEMBERTON LTD, London, through their joint holding company WILKENS-PEMBERTON AG, Zurich, are expanding in Europe by forming a company in Paris. The new firm is called WILKENS, PEMBERTON & PROMOREP SA (capital Ff 10,000), and the two agencies are associated in it with the Paris firm, PROMOREP Sarl (capital recently raised from Ff 10,000 to Ff 50,000). The latter already shares a 40-60 joint subsidiary with Wilkens, HENRY MARIA BETRIX & CO OHG, Frankfurt, which was formed in January 1964 under the name ELLEN BETRIX FRANCE SA (see No 253).

The British and German concerns already have a number of joint enterprises in Europe: WILKENS PEMBERTON EMMER PUBBLICITA Srl, Rome; WILKENS PEMBERTON & SCHWEGLER AG, Zurich; WILKENS PEMBERTON & LEHMANN GmbH, Vienna (see No 261), and WILKENS PEMBERTON & FARMAN A/S, Copenhagen: all of these have ties with local interests. Wilkens, which employs about 350 people, is run by the administration company WILLIAM HARRY WILKENS GmbH, Hamburg, and has branches in Hamburg, Cologne and Frankfurt. Pemberton, for its part, has two British subsidiaries, BUSINESS PRESS BUREAU LTD, London, and MARKETING TRENDS LTD, London, and holds shares in PEMBERTON FREEMAN MATHES & MILNE LTD, Canada.

AIRCRAFT & SPACE
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\*\* FENWICK SA, Paris (see No 284), has linked up 10-90 with its subsidiary FENWICK-AVIATION SA, Paris (capital Ff 5 million) to form a new company at its own headquarters. The new firm, AERO-FRANCE Sarl (capital Ff 250,000), has taken over the "Aerocontrols" division for passenger and executive aircraft of its parent company (Fenwick-Aviation): it is to undertake research into aircraft building material and aerial navigation equipment.

In a recent move, Fenwick raised to 81% its interest in FENWICK ESPANOLA SA, Barcelona.

AUTOMOBILES
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\*\* Continuing the reorganisation of its French interests (see No 357), the FIAT SpA group of Turin has now increased its direct shareholding in SIMCA INDUSTRIES SA to 67% (after the public offer for shares made for Fiat by LAZARD FRERES & CIE, Paris - see No 352). Simca Industries has also been strengthened by taking over S.M.E. -STE METALLURGIQUE DE L'ETOILE SA (capital Ff 18 million) and FIAT FRANCE SA (capital Ff 15 million).

As a result of these moves, Simca Industries (capital increased to Ff 130 million) whose president is M.H. Agnelli, has changed its name to F.F.A. SA, goes its former one to the property and investment company, STE DE METALLURGIE AUTOMOBILE Sarl (capital Ff 10,000). The latter is a 90% interest of SOCEPA SA, Paris - a different company from STE DE METALLURGIE AUTOMOBILE - S.M.A. which is controlled by STE DES AUTOMOBILES SIMCA SA (a subsidiary of CHRYSLER CORP, Detroit).



## CHEMICALS

\*\* The STA ITALIANA RESINE - S.I.R. SpA group, Milan (headed by Sig N. Rovelli - see No 361) is going ahead with the opening of Milanese branches of its subsidiaries formed at Sassari to finance its chemical and petrochemical complex at Porto Torres, Sardinia (see No 360). Five new companies have just been formed (each with capital of Lire 1 million) and all are 90% interests of S.I.R., the balance being held by OFFICINE DE PORTO TORRES SpA, its subsidiary. The new companies are: PARASIR SpA, SARFIL SpA, SIRPAM SpA, SIRION SpA and SIRFIL SpA.

S.I.R., whose capital has just been increased to Lire 5,000 million has so far formed twenty finance companies, and seven general companies including STIROSIR SpA, SIRTIL SpA and SIRGUD SpA.

\*\* E.I.D. DU PONT DE NEMOURS & CO, Wilmington, Delaware (see No 359) is to make over to its associate ETS KUHLMANN SA, Paris its 50% interest (\$2.4 million) in the Paris company DEKACHIMIE SA (see No 270). Kuhlmann is soon going to link up with the UGINE group to form UGINE-KUHLMANN SA (see No 316).

Dekachimie (capital Ff 36 million) was formed 50-50 in 1961 by the American and French groups to make "Hylene" organic isocyanates for the manufacture of polyurethane foam at La Madeleine-lez-Lille, Nord (see No 233).

\*\* Three German chemical groups, FARBWERKE HOECHST AG, Frankfurt, FARBENFABRIKEN BAYER AG, Leverkusen and BASF, Ludwigshafen each have a 30.2% interest in DUISBURGER KUPFERHÜTTE AG, Duisburg (see No 350) which has joined with CIE BELGO-CONTINENTALE DES MINERAIS & METAUX-CONTIMINE SA in forming a 60/40 subsidiary, DEKABRUX SA, Brussels (capital Bf 500,000) with M. Ch. Ansiau as director. The new concern will market pyrites, residue, and chemical and metal products extracted from such material.

The German firm already controls DEKA-TRANSPORT NV, Rotterdam (see No 257) and is linked with KONINKLIJKE MAASTRICHTSCHE ZINKWIT MIJ. NV., Eijsden (see No 349) in DEKAMA ZINKOXYD GmbH, Duisburg.

\*\* STE FRANCAISE SCHOLVEN-CHIMIE FRANCE Sarl (capital Ff 3,608,000) has formed SCHOLVEN-CHIMIE FRANCE Sarl in Paris to manufacture and sell all manner of chemicals and fertilizers. The parent company retains 90% of the Ff 10,000 capital of the latter, while the remaining interest is held by M. H. Sùthec of Gladbeek. Scholven-Chimie was formed in October 1965 at Neuilly, Seine, as a wholly-owned subsidiary of SCHOLVEN CHEMIE AG, Gelsenkirchen, Burer (see No 350), to manage its 2.4% shareholding in STE DU PIPE-LINE SUD EUROPEEN SA, Paris.



## ELECTRICAL ENGINEERING

\*\* OSRAM-SOC.RIUNITE OSRAM EDISON CLERICI SpA, Milan which already controlled INDUSTRIA LAMPADE ELETTRICHE RADIO SpA, Turin (lighting) has taken it over. The president of the Turin firm was Dr. B. Fasola and the managing director Dr. A. Busch. Osram, an affiliate of the GENERAL ELECTRIC CO, New York, has Lire 18,000 million capital, with Sig. L. Targiani as president, and Sig. H. Freiburger as managing director.

\*\* The Dordrecht metal group LIPS & GISPEN NV, which is completely independent of NV LIPS, Drunen (see No 358), has taken over the Netherlands firm ALMEVI NV, Raamsdonkveer. The latter makes specialised electrical equipment and lift doors; it employs 120 people, and its chief markets are in Belgium, Scandinavia, (Finland) and The Lebanon.

\*\* COMSIP-AUTOMATION SA, Montesson, Yvelines (see No 250), a member of the Paris group LEBON & CIE Sca (see No 359), through its subsidiary LEBON INDUSTRIE SA (capital Ff 5 million), has appointed a sales representative in London.

Comsip-Automation, which was formed last year (see No 299), makes automatic electric controls. It has Ff 8.4 million capital and a number of subsidiaries or affiliated companies abroad, particularly at Ixelles-Brussels: COMSIP-AUTOMATION SA, which was formed in 1960 in association with the former company ELECTROCALOR Sprl, Liege; and in Madrid, COMCIP AUTOMACION SA, which was formed in association with ALBENGOA MONTAJES ELECTRICOS SA, Seville.

## ELECTRONICS

\*\* C.A.E.-CIE EUROPEENNE D'AUTOMATISME ELECTRONIQUE SA, Paris (computers and E.D.P. systems - see No 352) has opened a Geneva branch, under the directorship of M. E. Rivat, which is to take over the business of the one formed there in 1964 (see No 274), by C.E.C.I.S.-CIE EUROPEENNE DE CALCULATEURS INDUSTRIELS & SCIENTIFIQUES Sarl, Paris, which was taken over in 1965 (see No 337).

C.A.E.-Cie Europeenne D'Automatisme Electronique is controlled by CITEC-CIE POUR L'INFORMATIQUE & LES TECHNIQUES ELECTRONIQUES DE CONTROLE SA, which is a 50-50 joint subsidiary of the CGE and CSF groups, in association with INTERTECHNIQUE SA, Plaisire, Yvelines and the Paris group MM. RIVAUD & CIE Snc.

\*\* The British manufacturer of electronic ticket-punching equipment, TICKET EQUIPMENT LTD, Cirencester, Gloucestershire has formed a West German sales subsidiary TICKET EQUIPMENT GmbH (capital DM 20,000) headed by Messrs M. Warren and W. Polloms (both of Cirencester) and Herr G. Mann (Hamburg).

The British company is the joint subsidiary of MYCALEX & T.I.M. LTD, Cirencester and PLESSEY-UK LTD, Ilford, Essex; a member of THE PLESSEY CO LTD group (see No 350). Mycalex & TIM also controls three other British companies, ASHCROFT TOOLS LTD, MYCALEX (MOTORS) LTD and ROSITE LTD. The Plessey group already has direct interests in West Germany in PLESSEY MASCHINEN ELEMENTE GmbH, Neuss.



\*\* MELABS CO, Palo Alto, California (see No 358) has formed a Brussels sales subsidiary, MELABS SA (capital Bf 1 million). The American concern manufactures electronic and micro-wave components (amplifiers and UHF transmitters, circuit-breakers). It has a British agent, WALMORE ELECTRONICS LTD, London and another in France, TECHNIQUE & PRODUITS SA, Boulogne, Hauts-de-Seine. It is shortly going to open a Paris sales office, and is headed by Messrs. J.L. Melchior, L.A. Addleman and W.P. Ayres.

\*\* HEWLETT PACKARD CO, Palo Alto, California (high-precision transistorised adding machines - see No 299) has taken over the scientific instruments company F. & M. SCIENTIFIC CORP, Arondale, Pennsylvania. As a result, a merger has taken place between the two French subsidiaries of these companies: HEWLETT PACKARD FRANCE SA, Paris, has raised its capital from Ff 2,400,000 to Ff 2,415,000 by taking over F. & M. SCIENTIFIC FRANCE Sarl, Lyons, which was formed in October 1963 with Ff 20,000 capital (see No 228).

\*\* The double agreement made by CSF-CIE GENERALE DE TSF SA, Paris (see No 345) with CFTH-CIE FRANCAISE THOMSON-HOUSTON SA (see No 361) and SILEC-STE INDUSTRIELLE DE LIAISONS ELECTRIQUES SA, Paris (see No 345) has led to closer cooperation in the semi-conductor sphere between these three companies.

1) COSEM-CIE GENERALE DES SEMI-CONDUCTEURS SA, St. Egreve, Isere (capital Ff 18.4 million) a 75% subsidiary of CSF (the balance is held by STE RADIO-BELVUS A, Malakoff, Hauts-de-Seine - See No 356) will pool its research and marketing with those of SESCO-STE EUROPEENE DES SEMI-CONDUCTEURS SA (capital Ff 25 million), itself a 51% subsidiary of CFTH (balance held by GENERAL ELECTRIC CO, New York - see No 359). This move will also affect the Italian company MISTRAL-MANIFATTURA INTER-EUROPEA SEMICONDUTTORI TRANSISTORI LATINA SpA, Sermoneta (see No 311) with which COSEM is already linked. Cossem had a 1965 turnover of Ff 65 millions (payroll 1,600) and manufactures transistors, diodes, silicon and germanium rectifiers. SESCO (payroll 1,100) had a 1965 turnover of Ff 55 million, manufactures transistors, diodes, rectifiers, thyristors in its factories in Paris, and Aix-en-Provence, Bouches-du-Rhone.

2) The agreement between Cossem and Silec will lead to the 50-50 formation of a joint marketing company for world markets -(except for mass-consumer products for the French market, which will still be marketed by Radio-Belvu). Silec (capital Ff 18.81 million) has a payroll of some 2,000 (factories at Montereau, Seine-et-Marne; La Garenne-Colombes, Hauts-de-Seine, and Villejuif, Val de Marne) and manufactures diodes, rectifiers, insulated cables, electrical signalling and traffic control equipment for railways and roads.

#### ENGINEERING & METAL

\*\* Herr Manfred Hammes, Burdringen, Württemberg, has taken 75% to become the chief partner in NIRUSDA-FRANCE Sarl (capital Ff 10,000), which has been formed in Paris, with non-associated M. J.G. Barber as manager, to import and act as representative for air purification and filtration plant and accessories.



\*\* The Milanese manufacturer of gas-heaters, SOCADI SpA has signed a sales agreement with USINES & FONDERIES ARTHUR MARTIN SA (capital Ff 20.61 million - see No 356) under which Socadi will use its national sales network to market products made by Arthur Martin which are missing from its own range. The Milanese concern is a subsidiary of the Paris group ANTARGAZ (itself a member of the PECHELBRONN SAEM group - see No 333) through its 40% subsidiary, SOCANTAR SA (see No 276).

The Belgian sister-company of Arthur Martin, NESTOR MARTIN SA, Granshoren (see No 331) has signed an agreement with ETS GILBOS, Aalst, and thereby acquired its "Ghia" dishwashing-machine department and distribution network in Belgium.

\*\* EATON YALE & TOWNE INC, Cleveland, Ohio (automobile engineering; gears, valves, axles, locks, pumps, civil engineering equipment and engines), formerly EATON MANUFACTURING CO (see No 318), which at the beginning of the year took over its subsidiary YALE & TOWNE INC, New York and Stamford, Connecticut, has formed a Dutch financial subsidiary at The Hague to assist its European operations. The new company, EATON & TOWNE EUROPA NV (capital Fl 1.5 million) has Messrs E. Mandel de Windt, E.F. Franz, H.S. Ide Jr. and D.H. Youker as directors.

The American group has extensive manufacturing and marketing interests within the Common Market and Europe as well as a large number of licensees. These are: TECHNISCH ADVIESBUREAU EATON NV, Amsterdam (directly controlled for the past four years by EATON AUTOMOTIVE CANADA Ltd, London, Ontario), YALE GmbH, Berlin; YALE & TOWNE GmbH and BKS GmbH, Velbert, Rheinland; ALLIGATOR VENTILFABRIK GmbH, Giengen, Brenz; DAMM & LADWIG AG, Velbert; EATON LIVIA SpA, Savanese, Turin (represented in France by EATON LIVIA FRANCE SA, Levallois-Perret, formerly SOFIM-STE FRANCO-ITALIENNE DE MECANIQUE SA); YALE SpA, Rome, YALE & TOWNE INTERNATIONAL SA, Zug; EATON MANUFACTURING SA, Corsier, Geneva; EATON IBERICA SA, Pamplona and several subsidiaries or branches in Britain. It has a main office at Willenhall, Staffordshire and controls EATON AXLES LTD, Warrington (and its Paris subsidiary EATON AXLES FRANCE SA-, E.N.V. ENGINEERING CO LTD, London with a Brussels branch).

\*\* The Brussels engineering firm S.A. ETUDE & CONSTRUCTION EVENCE COPPEE RUST ENGINEERING & BOUWBEDRIJF NV has formed STE d'ETUDE & CONSTRUCTION EVENCE COPPEE-RUST Sarl, Paris, (capital Ff 10,000), in which its associates are (90-10) MM R. Costentin and D. Leveque.

The Belgian company was formed to support a cooperation agreement made between its two principal shareholders (at 50.3% and 35% respectively), EVENCE COPPEE & CIE Scs, Brussels (see No 335) and THE RUST ENGINEERING CO, Pittsburgh. Further interests in the firm are held by the two Dortmund companies HOESCH AG (8.5% - see No 360) and DORTMUNDER BRUCKENBAU C.H. HUCHO (5.5%). In Dortmund Evence Coppee Rust Engineering controls PLAN & BAU GmbH, and in Madrid, ESINDUS SA. The alliance between the American and Belgian firms, also led in 1965 to the formation of a joint London subsidiary, RUST ENGINEERING CO LTD (capital £100,000 - see No 313).



\*\* FAWICK CORP, Cleveland, Ohio, has formed a new Dutch subsidiary, FAWICK NV, Roosendaal, (capital Fl 100,000) with M.T.E. Metz as director. The new concern will run the factory (engine-components, magnetic clutches, and brake-drums) built two years ago in Northern Brabant. Since 1964 the American group has had a branch of its Swiss subsidiary, FAWICK INTERNATIONAL SA, Zug, in the Netherlands, and the products of the "Fawick Airflex" Division were marketed by GEVEKE TECHNISCHE ONDERNEMINGEN NV, Amsterdam. The latter has branches in Rotterdam, Geelan Maastricht and Papendrecht, and subsidiaries in Brussels, Düsseldorf (see No 337) and New York.

\*\* BORG-WARNER INC, Chicago (see No 359) has formed BYRON JACKSON-FRANCE Sarl (capital Ff 10,000) a subsidiary of BYRON JACKSON PUMPS INC, Long Beach, California (machinery and equipment for the oil industry, pumping equipment for agriculture - see No 305). The French concern will act mainly as a sales agent, and it is headed by M.G. Adam, Paris and M.F. Spielburg, The Hague.

The American group already has several European subsidiaries for the manufacture and maintenance of drilling and pumping equipment. These include B.J. SERVICE NV (see No 334) The Hague, and BYRON JACKSON NV, Etten for the Netherlands, and BYRON JACKSON RIVA SpA, Milan for Italy.

\*\* The Turin and Milan group GIUSTINA SpA (precision machine tools, grinders and ball-bearings) has made over its "Rul" ball-bearing business to a 30% affiliate, SNR-ITALIA SpA, Turin (capital Lire 320 million). The latter is controlled by the French company STE NOUVELLE DE ROULEMENTS-SNR, Annecy, Haute-Savoie (see No 357), a wholly-owned subsidiary of RNUR-REGIE NATIONALE DES USINES RENAULT SA, Billancourt.

SNR (capital Ff 24 million), which has three factories, at Annecy, Meylhet-sur-Fier and Argonnex, and is building a fourth at Seynod, has for ten years represented Giustina for "Rul" bearings in France, and also promoted sales of its civil engineering material, and railway and canal equipment.

\*\* ROBIN-NODWELL MANUFACTURING LTD, Calgary, Alberta, and VAN KEMPER & VAN TWIST DIESEL NV, Dordrecht have signed a sales and technical agreement under which the Dutch firm will import and distribute agricultural equipment and machinery made by the Canadian partner (Mr. J.M. Boydis chairman). The Canadian concern specialises in producing instruments and vehicles capable of working under abnormal conditions, and, if the market is ripe, the equipment may be assembled in Holland.

\*\* Since 1963, INTERNATIONAL RECTIFIER CORP, El Segundo, California has shared control of the Brussels sales company INTERNATIONAL RECTIFIER EUROPE SA, (METAL INDUSTRIES LTD, Glasgow has had a 50% interest since 1965 - see No 312) with its Geneva subsidiary INTERNATIONAL RECTIFIER SA. It has now decided to build a factory (65 staff) in Belgium at Les Hauts Sarts, Liege to manufacture linings and cylinder jackets for engines and pumps.

The American group has interests throughout the Common Market; since 1960 it has owned INTERNATIONAL RECTIFIER FRANCE Sarl, Paris (formerly I.R.F. - FRANCE Sarl) and since 1964 INTERNATIONAL RECTIFIER GmbH, Frankfurt (see No 261), and INTERNATIONAL RECTIFIER CORP ITALIA SpA, Bergaro, Turin. Metal Industries Ltd, Glasgow, bought a 50% interest in the latter concern from FIAT SpA in 1964 (see No 237).



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By way of exploiting the capital recently invested in it by the German engineering firm RUDOLF HEROLD GmbH & Co, Gefrees über Beyrouth, THE KLINGER MANUFACTURING CO LTD, Edmonton, London, has formed THE KLINGER MANUFACTURING CO GmbH, Hamburg (capital Dm 20,000), with Herr. H. Schöndelen as manager.

The British company is a 22% interest of I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD, London (see No 354) and it manufactures textile machinery under the "Pinlon" trademark. It recently formed KLINGER EUROPE Sarl, (61% - see No 334) in association with CARRINGTON & DEWHURST LTD, Eccleston, Chorley, Lancashire (39%). The French company has Ff 500,000 capital. Klinger has subsidiaries in Sweden, SKANDINAVIAN KLINGER A/S and in the United States, KLING-TECS. INC, New York.

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A 20% affiliate of CIE FINANCIERE DE SUEZ (see No 259), CIE FRANCAISE D'ENTREPRISES SA, Paris, a civil engineering and metal structures concern (capital Ff 37.520,000) is going to make over its "Foundry, General Engineering and Metal Structures" Department to a new company called C.F.E.M. - CIE FRANCAISE D'ENTREPRISES METALLIQUES (initial capital Ff 23,115,000). The new company will form the basis of a merger between S.T.P.F. - STE DES PONTS & TRAVAUX EN FER SA (see No 337) and CIE DE TRAVAUX METALLIQUES SA (see No 259). At the same time DENAIN-NORD-EST SA, LONGWY SA (see No 359) and U.C. P.M.I. - UNION CENTRALE DE PARTICIPATIONS METALLURGIQUES & INDUSTRIELLES SA will become shareholders in C.F.E.M. through contributions in kind. When these moves are completed the breakdown of shares in C.F.E.M.'s Ff 50 million capital will be as follows: Cie Francaise D'Entreprises about 45%, the three big steel groups about 42%, ETS BAUDET-DONON-ROUSSEL SA, Paris 10% (47.33% parent company of Travaux Metalliques - see No 259), and 3% for the other shareholders. The new company, with an annual production capacity of around 60,000 tons, will control about one-tenth of the French metal market, with factories at Blanc-Misseron, Nord; Montataire, Oise; Maizières-les-Metz, Moselle, and Lanterbourg, Bas-Rhin.

S.T.P.F. is at present a 74% interest of STE DE PARTICIPATIONS INDUSTRIELLES POUR LA METALLURGIE & LE BATIMENT SA, itself a 81.6% subsidiary of SPAFI-STE LORRAINE DE PARTICIPATIONS FINANCIERES & INDUSTRIELLES SA, the joint holding company of CIE DE PONT-A-MOUSSON SA and FORGES & ACIERIES DE LA MARINE, DE FIRMINY & DE SAINT-ETIENNE SA.

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TREFILERIES LEON BEKAERT Sprl, Zwevegem (see No 354) which is controlled by the Velge and Bekaert families (see No 227) and covers more than one-third of Belgian production of drawn and spun steel, has formed LEON BEKAERT (UK) LTD, London to look after sales in Britain and Ireland. The new company (capital £5,000) has been set up by Mr D.W. Cornforth and Mrs S.R. Jeffery.

The Belgian group, which took over its subsidiary BEKAERT STEEL CORD NV a few months ago and raised its capital to Bf 1,623.6 million, has several foreign subsidiaries including: BEKAERT NEDERLAND NV, The Hague; STE BEKAERT FRANCE Sarl, Paris; LEON BEKAERT SpA, formerly FIBLA SpA, Treviglio; LEON BEKAERT VERTRIEBS GmbH, Frankfurt; and BEKA FRANCE, Le Coteau, Loire. It also has industrial holdings in Chile, Spain, Portugal, etc.



\*\* SFAC-STE DES FORGES & ATELIERS DU CREUSOT SA (SCHNEIDER SA group) intends to merge its paper machinery business with those of ETS NEYRPIC SA, Grenoble (see No 354) - whose main shareholders are STE GENERALE DE CONSTRUCTIONS ELECTRIQUES & MECANIQUE ALSTHOM SA (30.65%), STE GENERALE D'ENTREPRISES SA (4.1%) and the CIE DE PONT-A-MOUSSON SA group (3.1%). The two partners will transfer their respective installations in this field (Nantes and Grenoble) to a joint subsidiary which has formed under the name of NEYRPIC-BMB. At the same time SFAC is negotiating with CAFL-CIE DES ATELIERS & FORGES DE LA LOIRE SA for a link-up in the special steels sector (see No 361).

\*\* A licensing agreement has been signed in Argentina between FIAT SpA, Turin (see No 261) and the state-run enterprise AFNE-ASTILLEROS & FABRICAS NAVALES DEL ESTADO, Buenos Aires, giving the latter the right to the Italian group's patents for the manufacture of high-powered two-stroke marine engines.

Fiat is already linked with the Argentinian firm FIDEMOTOR SA for marine engine repairs, and has granted a licence for high-powered four-stroke marine engines to FABRICA GRANDES MOTORES DIESEL, Cordoba.

\*\* After joint investigations lasting several months, the ROYAL DUTCH SHELL group and the salvage and civil engineering firm MICOPERI SpA, Milan have agreed to form a joint service subsidiary in Italy which will carry out under-water surveys and research for oil-drilling under the "Capshell" project.

Over two years ago, the Anglo-Dutch group instituted a programme under the direction of Mr John R. Carr (with technical assistance from MM Albert A. Buhlmann and H. Keller in Zurich) with a view to building a diving bell for deep-water operations. RDM-ROTTERDAMSCH E DROOGDOK MIJ NV, Rotterdam (see No 350) has been given the contract to build a "Capshell" capsule which has been tested to depths of 1,000 feet off Milazzo, Sicily with the cooperation of Micoperi.

\*\* The merger of the Paris companies RATIER-FIGEAC SA (capital Ff 4.64 million), FOREST & CIE SA (capital Ff 2.7 million) and NORSEN SA (capital Ff 10,000), all headed by M. Gabriel C. Forest, will result in the formation of RATIER-FOREST SA. Ratier-Figeac makes propellers, mainly for turbo-jets and since 1960 has been 15% owned by UNITED AIRCRAFT CORP, East Hartford, Connecticut (see No 359). Forest & Cie, which produces milling machines at its plant in Capdenac, Aveyron is linked with VALLOUREC SA, Paris (see No 361) - directly and through ETS DUJARDIN & CIE SA, Lille - and STE MINIERE & METALLURGIQUE DU PERIGORD SA, Paris (see No 333), a member of the CIE DE PONT-A-MOUSSON SA, Nancy group.

\*\* STRAN-STEEL CORP, Detroit; Terre Haute, Indiana, and Houston, Texas (see No 227), a member of the NATIONAL STEEL CORP, Pittsburgh (see No 236) has appointed two Dutch civil engineering firms to represent it in the Netherlands for its prefabricated metallic plant and scaffolding. These are: RUTZ BOUW- & MONTAGEBEDRIJF, Tilburg and KON ROTTERDAMSCH E BETON- & BANNEMINGMIJ v/h VAN WANING & CO NV (see No 353). The American firm has already been represented in the Common Market for six years by COMMERCIAL HYDRAULICS SA, Diekirch, Luxembourg.



\*\* WARNER & SWASEY CO, Cleveland (chairman James C. Hodge), which is a large manufacturer of machine-tools, automatic lathes and raw materials for civil engineering ("Hopto" and "Gradall" mechanical-shovels) is taking 50% control of the Belgian company FORGES, USINES & FONDERIES DE GILLY SA, Gilly (see No 276) which will be receiving another financial boost with its capital being first reduced to Bf 35 million and then raised to Bf 100 million.

Gilly (president M.A. van Wassenhove - honorary manager of DUMONT FRERES Scs, Chassart, one of the principal shareholders) also has FABRICOM NV (ELECTROBEL group) and SNI-STE NATIONALE D'INVESTISSEMENT SA, Brussels as shareholders. It is mainly engaged in heavy and precision engineering and foundry work and operates under licence from WAFLOS MASCHINEN WAGNER, FICKER & SCHMID, Reutlingen, ERNEST BOHLE & CO GmbH, Derschlage, Rhineland and MEEHANITE METAL CORP, White Plains, New York. The American group has agents in France (R.S. STOCKVIS & FILS SA, Paris), Germany (FRIED. BILGER, Ulm, Donau), Britain (CROWTHER LTD, Thurmaston, Leics). Its only European associate was ASQUITH MACHINE TOOL CORP LTD, Halifax, Yorkshire in a joint subsidiary, WARNER SWASEY ASQUITH LTD, whose products are also marketed by DRUMMOND-ASQUITH LTD, London and JOHN BLACKWOOD HODGE & CO LTD, Northampton.

\*\* The Düsseldorf mining and steel group MANNESMANN AG (see No 260), which had a consolidated turnover of DM 4.3 million in 1965 (with a production of 6 million tons of coal and 2.6 million tons of raw steel) is going to take over five of its subsidiaries (three of which are a 100% owned and the other two 99.93% and 99.54%): ESSENER STEIN-KOHLBERGWERKE AG, Essen (capital DM 21 million) which is a coal-mining and coking enterprise; MANNERS-MANN-MEER AG, München Gladbach (capital DM 20 million) - engineering and sheet metal production; LOHMANN & STOLTERFORT AG, Witten, Ruhr (capital DM 1.5 million) which makes clutch-plates and gear-boxes; KRONPRINZ AG, Solingen-Ohligs (capital DM 72 million) which specialises in steel processing (sheets and seamless tubes); KAMMERICHWERKE AG, Brackwede (capital DM 25 million) which manufactures tubes, steel plating, stampings punched and drawn pieces etc.

The group has sold its 34% holding in the assembly and conveyor-belt sales firm DMB-DEMAG-MANNESMANN-BOEHLER GESELLSCHAFT FUER STRANG-GIESSANLAGEN mbH, Duisburg (capital DM 2 million - see No 332) to DEMAG AG, Duisburg (see No 358) which will now have full control, having also bought up the 17% owned by the Austrian state-run group GEBR BOEHLER & CO AG, Vienna (see No 332).

\*\* PITTSBURGH METALLURGICAL, which specializes in ferrous alloys (chromium and silicium) and has works at Niagara Falls, New York; Calvert City, Kentucky, and Charleston, North Carolina, has formed a sales subsidiary in Cologne, PITTSBURGH METALLURGICAL GmbH (capital DM 100,000; manager Mr Gary McFarlane). The American company has been a Division of AIR REDUCTION CO INC, New York (see No 299) since October 1962. This group employs 13,000 people and about 15% of its business (\$ 376 million in 1965) is in sales of ferrous alloys.



\*\* IDEAL STANDARD SA, Paris (capital Ff 52.5 million) - a member of the New York group AMERICAN RADIATOR & STANDARD SANITARY CORP, New York (see No 342 - has signed an industrial and sales agreement with USINES & FONDERIES ARTHUR MARTIN SA (see this issue). This agreement and the joint subsidiary being formed under the name of ERCICO-STE D'ETUDES & DE REALISATIONS POUR LE CONFORT INDIVIDUEL & COLLECTIF will enable the two groups, while remaining independent, to operate joint finance schemes for investment needed to manufacture foundry or metal products for heating plant, cooking apparatus or sanitary installations.

IDEAL STANDARD, with a Paris subsidiary IDEAL-STANDARD INDUSTRIAL SA (capital Ff 0.5 million), is the largest French manufacturer of heaters and radiators and also makes a range of plant for air-conditioning, industrial refrigeration, plumbing and sanitation (factories at Dammarie-les-Lys, Autun, Aulnay-sous-Bois, Blanc-Mesnil, Argenteuil, Clichy and Dole). Arthur Martin has six production units (domestic household equipment, large-scale kitchen installations and equipment) and inside France controls STE FAURE & CIE SA, Revin, Ardennes; SAPRIME-STE AN. DE PRODUCTION INDUSTRIELLE DE MATERIEL ELECTRO-MENAGER, Rheims; SAGAM SA, Paris and SECOMAM Sarl, Revin. The company also has associates in Belgium, Netherlands, Switzerland, Spain, Germany, Italy, Japan, Argentina, etc.

#### FINANCE

\*\* In order to exchange 7% of its crossed shareholdings with BANQUE DE L'INDOCHINE SA, Paris (see No 252) ELECTRO-RAIL SA, Brussels (the main holding company of the EMPAIN group - see No 359) has divided up various shareholdings between its subsidiary STE FRANCAISE DES DISTILLERIES DE L'INDOCHINE SA, Paris (see No 341) and Banque de L'Indochine.

Distilleries de L'Indochine has received shares (nearly 40% altogether) in STE HAINAULT LIEGE POUR LE DEVELOPPEMENT INDUSTRIEL & COMMERCIAL - H.L.I.C. SA (see No 346) from Electrorail, S.D.I.C. and from BRUXELLOISE DE DEVELOPPEMENT INDUSTRIEL & COMMERCIAL - B.D.I.C. SA. Banque de L'Indochine has received; 1) from Electrorail - minority interests in S.D.I.C., H.L.I.C., and FINANCIERE DU LITTORAL SA (see No 346); 2) from S.D.I.C. a token share in H.L.I.C.; 3) from Financiere du Littoral, a similar share in S.D.I.C. In exchange for these assets, Electrorail (as well as its two subsidiaries, Financiere du Littoral and S.D.I.C. - which are shortly to be taken over with H.L.I.C.) will have 31,000 shares in Banque de L'Indochine.

\*\* LLOYDS BANK (EUROPE) LTD - chairman Viscount Runciman of Doxford, which has numerous subsidiaries and branches on the Continent (Brussels, Cannes, Paris, Monte Carlo, Antwerp, Geneva and Zurich - see No 234) is taking over ARNOLD GILISSEN'S BANK NV, Amsterdam. The latter has an authorized capital of Fl 5 million with a branch office in Rotterdam and controls BAX' BANK NV, The Hague. The British bank, a subsidiary of LLOYDS BANK LTD, London (see No 357).



\*\* STE CENTRALE DE BANQUE SA, Paris (see No 347), president M. G. de Lavernette, has taken indirect shareholding (through its subsidiary CREDIT FONCIER DE MONACO SA - see No 273) in CIE GENERALE DE CREDIT-COGENEC SA, Monte Carlo (see No 307) which finances cars and plant, formed in 1938 and headed by Mr Walter Lippeno. This company is linked with STE PRIVEE DE PLACEMENT & DE CREDIT SA, Monte Carlo which is taking part in building several underground parking lots in Paris.

Centrale de Banque is linked mainly with BANQUE DE L'INDOCHINE SA (10.3%) and has numerous interests in promotion and property finance (STE FINANCIERE SOFAL SA, CIC-UNION INDUSTRIELLE DE CREDIT SA, etc) and in recent months formed SOP-ARIGEP-STE-PARISIENNE DE PARTICIPATION & DE GESTION SA - in association with CIE FINANCIERE DE TRANSPORTS & DE PARTICIPATIONS SA - for short-term letting of developed property. In banking as such, it recently increased its provincial interests by taking control of BANQUE DE PROVENCE SA, Toulon and BANQUE AGRICOLE COMMERCIALE & INDUSTRIELLE-BACI SA, Luc-en-Provence.

\*\* CIE FINANCIERE HAUSSMANN SA, Paris (formerly CIE FRANCO-HELVETIQUE DE MATERIEL DE CHEMIN DE FER SA) - in which the finance group PINTO & CIE SA, Paris recently bought 41% from the Paris bankers SELIGMAN & CIE SCS, Paris (see No 357) - will strengthen its links with the promotion and building and property group headed by STE FONCIERE TIFFEN SA, Paris (see No 290): it will take almost complete control of two of the latter's subsidiaries, TIFFEN PROMOTION SA (capital Ff 3 million) and JOHN ARTHUR & TIFFEN Sarl (capital Ff 1 million) which had a joint turnover of about Ff 8.5 million in 1965 (commission on property sales and fees for technical management of building companies). In return the TIFFEN group will subscribe the increase from Ff 5.04 million to Ff 11.79 million capital of FINANCIERE HAUSSMANN in which it will now be the majority shareholder.

# FOOD & DRINK

\*\* The largest French maker of yoghurt DANONE SA, Levallois - Perret, Hauts-de Seine (see No 354) has formed a manufacturing and sales subsidiary in Cologne, DANONE JOGHOURT-PRODUKTE GmbH (capital DM 300,000, manager M. Bernard Treizenem).

The French company also controls the Belgian firms STE DANONE EXTENSION BELGE SA, Rotselaar 50-50 with FROMAGERIES CHARLES GERVAIS SA, Paris and CIE DE PRODUITS LACSOONS SA, Rotselaar (a member of the BEATRICE FOODS CO group of Chicago) and DANONE-MAROC SA (with CENTRALE LAITIERE MAROC-LAIT).

\*\* FRUCTAMINE Snc, Milan which makes fruit juices (mainly lemon juice) has formed a subsidiary in Munich, FRUCTAMIN ESSENZEN (capital DM 20,000). The manager will be Sig Guido Rovesti, a chemical engineer in Milan.



## OIL, GAS &amp; PETROCHEMICALS

\*\* Two French companies, PETROREP-STE DE RECHERCHES PETROLIERES DANS LA REGION PARISIENNE SA and RECHERCHE & EXPLOITATION DE GAZ & DE PETROLE -REGAP SA, both controlled by the SCHNEIDER SA group, Paris have sold their shareholdings (7% and 9% respectively) in EMPRESA-NACIONAL DE PETROLEOS DE NAVARRA SA-ENPESA (an oil-prospecting company in Navarre) to I.N.I. -ISTITUTO NACIONAL DE INDUSTRIA SA, Madrid. The latter already owned 51% of ENPESA's shares.

\*\* RAFFINERIES DU RHONE SA, which is being wound up, leaves a refinery in Switzerland at Collombey-Muraz, Valais: a company has been formed to take this over, called RAFFINERIE DU SUD-OUEST SA - the name having been changed from the provisional one, RAFFINERIE ROMANDE - see No 354. The Sf 60 million capital of the new company is controlled as follows: the chief shareholder, ESSO STANDARD (SWITZERLAND), Zurich, holds 35%; other interests are held by BP BENZINE & PETROLEUM AG, Zurich (23%); AGIP SA, Lausanne (20%); PETROFRANCE (SCHWEIZ) AG, Zurich (of the Nahmias group - 6%); AVIA MINERALÖL AG, Zurich (5%); MARATHON INTERNATIONAL SA, Geneva (MARATHON OIL CO group - 5%); CFP - CIE FRANCAISE DES PETROLES SA, Paris (3%), and PETROFINA SA, Brussels (3%).

## PAPER &amp; PACKAGING

\*\* Negotiations are taking place in West Germany for closer cooperation between the two leading cellulose producers, ZELLSTOFFFABRIK WALDHOF, Mannheim (and ASCHAFFENBURGER ZELLSTOFFWERKE AG, Aschaffenburg (see No 309) who together control about two thirds of the German market.

Waldhof (capital Dm 78 millions) had a 1965 turnover of Dm 510 million (20% from cellulose and the rest from paper and paper products); it employs some 10,000 persons in fifteen factories, and its interests are concentrated in West Germany where it has twenty subsidiaries. Four factories are involved in cellulose production (Mannheim-Waldhof, Wiesbaden-Kostheim, Kelheim, Bavaria, and Mayen, Eifel) and the other eleven are engaged in paper production, etc (Mannheim-Rheinau, Minden, Weser, Unterkochen, Aalen., Eislingen, Oker, Harz, Frankenthal, Pfalz, Holzminden, Bergisch-Gladbach).

Aschaffenburg (capital Dm 43 million) has two Munich banks as its main shareholders, BAYERISCHE HYPOTHEKEN- & WECHSEL BANK (25%) and BAYERISCHE LANDE-SANSTALT FUER AUFUBAUFINANZIERUNG (16%) as well as MARGARINE-UNION GmbH, Hamburg (6%) part of the UNILEVER NV group of Rotterdam (see No 361) and the American businessman Mr K.F. Landegger (7%). It had a 1965 turnover of Dm 184 million and employs some 5,000 persons, in factories at Aschaffenburg, Stockstadt (Europe's largest fine paper factory), Redenfelden, Miesbach, Obb; Hoven, and Walsum, Nordrhein. In 1965 it sold its 75% interests in the kraft paper and cardboard concern NIEDDERHEINISCHE PAPIER- & PAP-ENFABRIK AG, Neuss, Rhein, to DUETSCHKE ZUNDHOLZFABRIKEN GmbH, Neu-Isenburg, a member of the Swedish group SVENSKA TANDSTICKS A/B, Jönköping. Aschaffenburg has interests in ten West German concerns including PARSONS & WHITTEMORE ASCHAFFENBURG GmbH, Aschaffenburg.



\*\* The Swedish firm A/B BILLINGSFORS LANGED, Billingsfors (cellulose, kraft paper and card etc), is making its Neuilly, Hauts-de-Seine branch a full subsidiary and calling it BILA INTERNATIONAL SA (capital Ff 50,000).

The Swedish firm is a member of the Stockholm group BONNIERFORETAGEN A/B (see No 280), which itself is headed by the Stockholm holding company GRAFOPRINT A/B. Billingsfors already has one subsidiary at Neuilly, DUNI-FRANCE Sarl (capital Ff 300,000), which both makes and sells cellulose wadding. Five years ago, there was a plan to build a factory on the Nantes industrial estate. Other overseas interests are: DEUTSCHE DUNI GmbH, Hamburg (called, until June 1965, BILLINGSORS PAPIER); DUNI (GREAT BRITAIN) LTD, London, formed in April 1965 (capital £100); BILLINGSFORS HANDELS AG, Zug (formed in 1958; capital Sf 50,000); and DUNI TOOTTEET OY, Finland. Its largest Swedish subsidiary is GUSTAFSFORS FABRIKERS A/S, Billingsfors.

\*\* AVERY PRODUCTS INC, San Marino, California has opened a branch of its Dutch subsidiary, ROTEX NV, Leiden (see No 348) at Boulogne-sur-Seine, where it already has a subsidiary, ORGANISATION DE VENTE DES PRODUITS FASSONS Sarl (see No 344). The Dutch concern (president Mr. R.A. Nelson, general manager M. J.C. Smit: capital Fl 500,000) is a wholesale distributor for self-adhesive materials and tapes, labelling and packaging machines.

\*\* MIJ. TECHNICAL PACKAGING NV. (see No 358) has been formed in The Hague by two American groups, HERCULES INC, Wilmington, Delaware and RIEGEL PAPER CORP, New York (see No 357). The new concern has Fl 50,000 capital, shared equally between the founding companies, and it will manufacture and market in Europe packaging materials made from paper and wood pulp. The directors are Mr. W.C.N. Edgar, Brussels for Hercules, and Mr. R.L. Kenidge, Riegerville, Pennsylvania for Riegel Paper.

#### PHARMACEUTICALS

\*\* The Rotterdam group KON FABRIEK VAN VERBANDSTOFFEN v/h UTERMOEHLN NV (dressings, bandages, sticking-plaster and other pharmaceutical and surgical adhesive products - see No 293) is investing Bf 25 million in the building of a factory in Belgium. This will be run at Dendermonde by a subsidiary formed for the purpose, UTERMOEHLN INTERNATIONAL NV (capital Bf 6 million).

Through its subsidiary CELLAM INTERNATIONAL NV, Amsterdam, the Dutch concern also produces baby-napkins and other hygienic textile products: Cellam was formed in 1965 50-50 with the Stockholm company CELLVABRUKEN A/B. The latter, which is a sales agency for several Swedish groups (in particular PAULISTROEMS BRUK A/B, Janforsen), used to be a joint subsidiary of KUPPANS FINPAPPERBRUKS A/B, Klippan, and MO OCH DOMSJO A/B, (see No 335), before the latter took it over a short time ago.

\*\* ARMOUR BIOCHIMIQUE FRANCE SA, Gennevilliers, Seine (capital Ff 100,000) has taken a 58% interest in LABORATOIRE MONTAGU SA, Paris (president M. H. Montagu) which produces various brands (Bromeine, Carbarseno, Genacide) of tranquillizers, indigestion remedies and tonics. Armour is jointly owned by ARMOUR & CO, Chicago and IBF-INDUSTRIE BIOLOGIQUE FRANCAISE SA, Gennevilliers and was formed last year.



## PLASTICS

\*\* ATLAS CHEMICAL INDUSTRIES INC, Wilmington, Delaware has granted a manufacturing and sales licence for "Atlac" polyester resins to PRODUITS CHIMIQUES PECHINEY-SAINT-GOBAIN SA, Neuilly (see No 359). This group's interests in Europe include ATLAS-GOLDSCHMIDT AG, Essen (with its own subsidiary in Milan ATLAS-GOLDSCHMIDT ITALIANA Srl - see No 317); ATLAS EUROPOL SpA, Ternate, Varese (formed in 1965 - see No 324) and HONEYWILL-ATLAS LTD, Carshalton, Surrey - 50-50 with HONEYWILL & STEIN LTD, London (THE DISTILLERS CO LTD, Edinburgh - see No 345).

\*\* An agreement has been signed in Belgium between COOPPAL & CIE-POUDRERIE ROYALE DE WETTEREN SA, Brussels (capital Bf 100 million; factories at Wetteren and Kaulille - see No 241) and POUDRERIES REUNIES DE BELGIQUE SA (part of the STE GENERALE DE BELGIQUE SA group - see No 347) for the manufacture at Wetteren of rigid and pliable polymethane foam and, under licence from the SCOTT PAPER CO, Philadelphia (see No 283) compressed and spun foam. A common subsidiary has therefore been formed, EUROFOAM SA, Brussels with M. E. Raskin as president. The new concern, the largest in this field in Europe, will specialise in the production of basic materials for filters, impregnated fabrics and high quality foam for the textile industry.

Scott Paper Co is an equal partner with PAPETERIES DE BELGIQUE SA (part of the STE GENERALE DE BELGIQUE SA group - see No 344) in SCOTT CONTINENTAL SA, which has just begun operating a domestic paper factory (daily output 45 tons) at Duffel (see No 256). Poudreries Generales de Belgique is affiliated to OLIN MATHIESON & CHEMICAL CORP, New York, STE CENTRALE DE DYNAMITE SA, Paris, UNION FINANCIERE & INDUSTRIELLE LIEGEOISE SA, Liege (see No 338), and already has close links with Cooppal & Cie in several joint subsidiaries, SA DES EXPLOSIFS D'HAVRE SA (liquidated 1963) and SOCOPOUDRE & CIE Snc.

\*\* PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma (see No 360) has made an agreement with BASF - BADISCHE ANILIN & SODA FABRIK AG, Leverkusen (see No 358), whereby the two companies will jointly manufacture polyvinyl chloride at Antwerp. Base materials for the project will be furnished by the caprolactam and phosphate fertilizer factory being built in that city by the Dutch subsidiary of the German group, BASF ANTWERPEN NV (see No 327). A 50-50 joint subsidiary has just been formed by the two groups at Antwerp, called BADISCHE PHILLIPS PETROLEUM NV (capital Bf 100 million). This is to build a PVC factory on the site occupied by BASF - Antwerpen. Its capacity, initially, will be 50,000 metric tons a year (as from 1968), though this will later be increased to 75,000 tons.

Phillips is already well established in Belgium: both it and PETROFINA SA, Brussels, hold 41% in PETROCHIM SA, Antwerp: it is linked in POLYOLEFINS SA, St-Gilles, Brussels, with RHONE-POULENC SA, Paris (40%), and Petrofina (20%), and is associated 50-50 with NATIONAL DISTILLERS & CHEMICAL CORP, Richmond, Virginia, in ATLANTIC POLYMERS NV, St-Josse-ten-Noode.



PRINTING & PUBLISHING
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\*\*                   ENCYCLOPAEDIA BRITANNICA INC, Chicago (see No 214) has opened a branch in Hamburg for its subsidiary, ENCYCLOPAEDIA BRITANNICA (GERMANY) LTD formed at Dover, Delaware with \$ 25,000 capital.

The American group, which has just gained control of the publishing concern FREDERICK A. PRAEGER INC (and its British subsidiary, PALL MALL PRESS LTD, London) has numerous European interests: five of its subsidiaries are ENCYCLOPAEDIA BRITANNICA (ITALIA) SpA, Rome, ENCYCLOPAEDIA BRITANNICA (NEDERLAND) NV The Hague, ENCYCLOPAEDIA BRITANNICA SA, Carouge, Geneva, and ENCYCLOPAEDIA BRITANNICA LTD, London; and there are also branches in Brussels and Vienna.

\*\*                   The HEARST CORP, New York (see No 276) has formed a wholly-owned Italian subsidiary in Milan, HEARST ITALIA Srl (capital Lire 900,000) for marketing, manufacturing and financial operations connected with publishing, especially of periodicals and illustrated magazines. M.C. Beltrami is president of the new company, and the directors are Messrs J. Miller and R. Deems (director of the HEARST MAGAZINES Division).

The Hearst Corp has had a Paris office since 1964 and is represented in West Germany by INTERNATIONALE PRESSE IMPORT & EXPORT GmbH, Frankfurt. There is a London branch of its "K.F.S. "Division (KING FEATURE SYNDICATE) and it controls THE NATIONAL MAGAZINE CO LTD (headed by Mr M. Morris). The main publications of Hearst's "Magazine" Division are Cosmopolitan, Good Housekeeping, Harpers Bazaar, House Beautiful, Bride and Home, Science Digest, Popular Mechanics, Sports Afield, Town and Country, and Motor Boating.

\*\*                   HEINRICH BAUER VERLAG, the Hamburg publishing house, following recent negotiations, has, for the sum of Dm 65 million, taken over a similar concern, VERLAG TH. MARTENS & CO GmbH, Munich. The Hamburg group AXEL SPRINGER & SOHN KG (see No 313) kept right out of the negotiations.

The Munich firm (managers were Herren Th. Martens and D. Kenneweg) employs more than 400 people, publishing illustrated national weeklies: "Quick" (circulation 1.7 million); "Revue" (1.2 million), which it bought in July 1965 from KLINDLER & SCHIERMEYER VERLAG GmbH, Munich (see No 102); "Twen" (a magazine for teenagers); and "Der Kicker" (football magazine). For its part, Bauer, with a turnover in excess of Dm 80 million, brings out such weeklies as: "Neue Illustrierte" (1.6 million copies); "TV-Hören & Sehen" (radio and television guide); teenage publications, like "OK", "Wir", "Musikparade" and "Rasselbande", the women's illustrated, "Praline", and the general weekly magazine "Neue Post".

The plan is to blend "Revue" and "Neue Illustrierte", and publish a single magazine in Cologne, by the name of "Neue Revue": this will bring it a circulation that will place it first amongst the German weekly magazines, before "Stern" (circulation 1.9 million), which is published by the Hamburg house GRUNER & JAHR & CO (see No 313). The latter also produces "Die Zeit", "Constanze", "Brigitte", "Petra" and "Schöner Wohnen", as well as "Bunte Illustrierte" (1.6 million copies), which it prints for BURDA DRUCK & VERLAG GmbH, Offenburg, Baden.



TEXTILES
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\*\* As a result of a series of moves, PELTZER & FILS SA, Verviers (see No 326) has taken over the production and manufacturing assets of its 68% subsidiary, IWAN SIMONIS SA, also of Verviers. Peltzer has had its capital increased to Bf 344.22 million, and it has acquired assets valued at Bf 227.8 million. These include a twisted yarn mill at Verviers (whose brands include Diaby, Jessyl, Lanery and Castora), installations at Diest and Molenstede, and various shareholdings in EIGEN HAARD SA, Tirlemont, and COMPAGNIE BELGE D'ASSURANCE CREDIT.

\*\* The Dutch ready-made clothing group CONFECTIE-ATELIERS CHAS MACKINTOSH NV, Terwinselen (see No 340) is continuing its expansion in the Benelux countries by taking over the coat manufacturers NEDACO NV, Amsterdam and Heerlen, whose work-force will be doubled to 120. Confectie has recently acquired the patent rights for making cloth crease-resistant by oven-baked impregnation from KORATRON INTERNATIONAL CORP. The latter is linked with two other American groups UNITED MERCHANTS & MANUFACTURING INC and DUBIN HASKELL JACOBSON INC.

MACKINTOSH (M.A.C.J. Rottier and J.P. Beijer are directors) has also expanded its Belgian interests: it now possesses five workshops, employing some 400 persons, and a new factory is being built at Stein to manufacture clothes under the licences granted by Koratron. Last year, the group took over the rainwear manufacture, DURACO, Bergen-op-Zoom (see No 326) and since then has acquired two ready-made clothing concerns (mens and childrens clothes): KLEDINGINDUSTRIE DE VRIES & SUSAN NV, Amsterdam (with several subsidiaries and affiliates in Belgium and France) and BECE ATELIERS HEREN- & JONGENS CONFECTIE - INDUSTRIE NV, Maastricht.

\*\* A.K.U. - ALGEMENE KUNSTZIJDE UNIE NV, Arnhem (see No 349) hopes, over the next two years, to increase the Enkalon fibre, yarn (nylon) and Terlinka (polyester) production capacity of two Spanish subsidiaries: LA SEDA DE BARCELONA SA, Barcelona (see No 333) and PEROFIL SA, Alcala de Henares, Madrid (see No 348). The necessary investments (about Fl 60 millions) will be supplied by the group, and it should double the output of yarn for textiles and tyre-cords.

A.K.U. has a 62% interest in the Barcelona firm (capital Pts 317.2 million - of which 24% is held direct and the rest through the Breda holding company INTERNATIONAL VISCOSE NV. La Seda itself has a 30% interest (and its parent company a 25% interest) in CHANENKA SA, Barcelona (in which AMERICAN CYNAMID holds 40%) as well as a minority shareholding in FIBRAS TEXTURADAS SA, Mollet, Barcelona, formed in association with BURLINGTON INDUSTRIES INC, which has since sold its 50% interest to the Basle holding company SCHAPPE-TEX ENTREPRISES SA (see No 340). Since 1961, the group has had a 45% interest in Perlofil (capital Pts 300 million) formed in 1951 by BANCO URQUIJO SA and BANCO HISPANO-AMERICANO SA.

\*\* The Dutch textiles company LINNENWEVERIJ v/h VAN DIJK & ZONEN NV, Waalre, headed by Mr F. van Dijk, has formed a sales subsidiary in Brussels, KENDIX NV (capital Bf 200,000). Van Dijk shares control of the new company with a number of companies in the group, including MI TOT EXPLOITATIE VAN AANDELEN IN TEXTIELBEDRIJVEN EURODOMUS NV, Eindhoven (majority shareholder).



## TRADE

\*\* After buying control of A. GERNGROSS KAUFHAUS GmbH Vienna (see No 338) from HERTIE WAREN & KAUFHAUS GmbH, Berlin, the groups GENERAL SHOPPING SA, Luxembourg, GRANDS MAGASINS JELMOLI SA, Zurich (through TURICUM AG, HOLDING GESELLSCHAFT FUER WARENHAUSWERTE, Zurich which is also linked with GENERAL SHOPPING) and CREDITANSTALT-BANKVEREIN AG, Vienna have made it responsible for running and coordinating their Austrian department stores business.

A. Gerngross Kaufhaus will shortly become a limited company and will be quoted on the Bourse. Under the presidency of Herr Heinrich Stiefelmeyer, Zurich, it heads a group of firms whose turnover will reach about Sch 1,500 million in 1967 and which includes WAR-ENHAUS STEFFL AG, Vienna, A. HERZMANSKY KAUFHAUS GmbH, Vienna, GEKA KAUFHAUS GmbH, Vienna, PASSAGE KAUFHAUS GmbH, Linz, WARENHAUS KRAUS GmbH, Innsbruck and EWAG AG, Vienna.

\*\* GROSSVERSANDHAUS SCHOEPFLIN GmbH, Haagen, Baden (formerly TEXTIL-MANUFAKTUR HAAGEN WILHELM SCHOEPFLIN KG) has increased its store-chain, at the moment consisting of 13 units, by six points of sale (area of about 8,000 sq.yds.) in Southern Germany on taking control of MAUER & FRITZ, Schwäbisch Hall. In June 1964 The Hague firm came under the 75% ownership of the German mail-order group GROSSVERSANDHAUS QUELLE GUSTAV SCHICKEDANZ KG, Fürth (see No 319) which had a turnover of Dm 2.17 million in 1965.

## VARIOUS

\*\* MANAGEMENT COUNSELLORS INTERNATIONAL SA, Saint-Josse-ten-Noode (capital Bf 1 million) has been formed by an American business consultant, resident in Uccle, Brussels, Mr J.A. James, who will also act as director. He is associated in the venture equally with Messrs W.C. Turner, Phoenix, Arizona; W.W. Mauritz, Brussels, and E.S. Gardner, New York. The new company will act as an agency for marketing and management consultancy, personnel selection etc.

\*\* The Belgian firm MEGAVOLT SA (capital Bf 1 million), which was recently formed at Embourg, Seraing, by M.R. Frausen (holding 52%) to represent and sell imported electrical equipment for industrial use (mainly from Scandinavia), has opened a branch at Maastricht, in the Netherlands.

\*\* The Birmingham manufacturer of competition and sporting guns, WEBLEY & SCOTT LTD, a member of the London group GENERAL & ENGINEERING INDUSTRIES LTD, is establishing a continental sales network to expand its markets. It is concentrating mainly on France and the Scandinavian countries, where it has already set up a general agency in Oslo.



\*\* MANAGEMENT SELECTION LTD, London (through its Paris subsidiary M.S.L. FRANCE SA - managing director M. B. Mangou) has agreed with STE GENERALE DE PUBLICITE CONTESSE & CIE Sarl, Paris (capital Ff 40,000) to form a personnel selection company for private and public organisations, and companies. A joint subsidiary has been formed, P.S.L. SA (capital Ff 60,000) with M. H. Migeon as president. The British group has a 50.8% interest in the new company through its Paris subsidiary, whose president is also M. Migeon.

The MSL GROUP LTD (headed by Mr. H.E. Roff) includes MSL EXPORT SERVICES LTD (formed in September 1965 - capital £5,000, whose directors include Messrs H.E. Roff, A. Tessler, and E.D. Kamm as directors) and HAY-MSL LTD, formed in association with the American management consultants EDWARD H. HAY & ASSOCIATES, Philadelphia, Pennsylvania. MSL has a 65% interest in M.S.L. ITALIA SpA, Milan (M. R. Dizier is managing director) formed in January 1964 in association with ORGANIZZAZIONE PAUL PLANUS ITALIA Sprl, Milan (see No 352).



June 23, 1966

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		Hewlett Packard	G
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		Klinger	J
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