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Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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COMMENT

A Letter from Brussels

SWEDEN AND THE COMMON MARKET - II

As we have seen, integration with the Common Market would present no great economic difficulties to either Sweden's industry or her agriculture - less, at all events, than it presents to most other European countries. Indeed, it becomes increasingly apparent that the move is the surest, if not the only way of guaranteeing continued, stable expansion. Why then are Swedish diplomats handling the whole matter so gingerly? The main reason is political, but concerns the economy: this is not the time to cut a dash - the Kennedy Round has yet to reach the decisive stage, and the Wilson administration is still waiting for the right moment to approach the Six, whose own position is in fact uncertain. It is hard enough to sort this out in Brussels, so Stockholm's chances of doing so must be slim indeed.

However, these are but circumstantial obstacles, which will not and cannot last - but there are other, more enduring ones as well. For a start, there is Sweden's membership of EFTA, which cannot be overlooked: at least, this is the official view, the more so because the Minister of Trade, Gunnar Lange, who is the one most concerned with European Affairs, is also one of the leading lights in EFTA. Let us not forget, either, that this association was inaugurated in Stockholm. At the unofficial level, however, comments are more loaded: without going as far as some conservative leaders, who pour scorn on the "solidarity" of the Association, of which recent and current unilateral actions by Britain and Austria make nonsense anyway, it is agreed that loyalty to the "little zone" need only be a minor embarrassment, and then only in certain circumstances. The best way of handling the matter is case by case, country by country, as the questions arise.

Next, there is the "British block". Officially, there is no question of spurning Britain by "going it alone", perhaps with the other Nordic countries, though one might qualify this with a telling phrase that Tage Erlander used after this visit to Jens Otto Krag, when he dismissed such an idea "for the time being". In other words, there is no notion of "short-circuiting" London without first giving it time to sort out its economic difficulties and to unravel the exceptionally tangled politics of Anglo-French relations at the present time. The delay should not go on for too long, particularly if Mr. Wilson pursues it for selfish or partisan reasons. If he were to turn his back on Europe, it would then be Britain who was going it alone. Thus we would be skating on thin ice to suggest that Stockholm will throw in her lot with Britain for all time, and the delay seems unlikely to last longer than a year or so.

Sweden's situation with regard to her Nordic neighbours is very different - as a matter of tactics, there must be a firm demonstration of solidarity in this quarter. The Scandinavian states and Finland as a group would undoubtedly be a formidable pressure group for the EEC to meet in discussions: we need only bear in mind the scale of trade between these two blocs to see this, especially as the Six earn an overall surplus. This is why Swedish diplomats are trying to channel Denmark's "European zest" into the forging of Nordic cohesion. The four countries concerned will present as united a front as possible at the Kennedy Round: this is the most obvious of the effects of Danish restiveness.

What in fact is called for is still more progress towards the sort of solidarity that has been developing in recent years. By virtue of the liberation of trade promoted by EFTA and by policies systematically pursued in Swedish business circles (one assumes with official blessing), trade has expanded enormously amongst the Nordic nations, at the same time as industrial interpenetration has developed. It is thought in Stockholm that, practically speaking, there already exists a Nordic common market - is not Sweden going so far as to pour indirect subsidies into Danish agriculture?

Right now, of course, this desire for cohesion is breeding an attitude of independence towards London, but as far as trade relations are concerned, Denmark and Norway are far more committed to the British market than Sweden. Again, Oslo at least is closely linked with Britain on the political plane. But this is not to say that the position cannot be reversed: quite apart from the sense of frustration born of Britain's indecision and the call of Nordic ties, there should also be borne in mind, 1) that the results of the Kennedy Round may prove extremely unsatisfactory for Norwegian fishing, manganese and aluminium, and 2) that the Nordic states as a group would probably be strong enough to negotiate at Brussels without British support. In that event, the European idealism of the Danes and the European pragmatism of the Swedes might well suffice to allay Norway's last remaining scruples.

Neither EFTA as a whole, nor any of its members believes that the obstacles are insurmountable, but there does remain the question of Sweden's neutrality, which has kept her out of strife for a hundred and fifty years. It was this that prevented Sweden from seeking more than mere association in 1962, but it is quite clear that today, even in official circles, the idea of full membership, with the odd legal and political proviso, is not rejected out of hand - something has obviously come about in the meantime.

Governmental spokesmen seem to attribute the change to the fact that the EEC works: they make much of the Luxembourg compromise, which they believe removed many of the supranational implications of the Treaty of Rome - something which threatened to place neutral countries in compromising situations. Since the main achievement of the Luxembourg talks was the "agreement to disagree", this particular view might well be questioned. One also finds it difficult to see how this "evolution" in the Seven has benefitted the negotiations with Austria, or that it has awakened any enthusiasm in Switzerland. Even in Stockholm, the better-advised would prefer to see this so-called "change" expressed formally on paper when the three Communities are merged. This was the very hope that Edgar Faure and Louis Joxe toyed with in the presence of their Swedish colleagues when they were in the country recently.

The real change, however, has not occurred in internal EEC attitudes at all: its real root is the detente that characterises current East-West relations in Europe. According to the best-informed Swedish observers, the situation of Northern Europe acquired a completely new complexion after the 1961 meeting of Nikita Khrushchev and the Finnish Prime Minister Kekkonnen in Novosibirsk. In support of this theory, they stress the excellent state of current relations between Moscow and Stockholm, and do not draw the line at suggesting that one day Finland may even become an associate member of the Common Market. The Swedes also believe that a parallel change has taken place in Western Europe, and that General de Gaulle's diplomacy is not unconnected with it. It is debatable, whether or not the Community is becoming less "political", but as far as the Swedes are concerned, it is tending to become more neutralist and less of a NATO satallite, and this has made as distinct contribution to the solution of Sweden's neutrality problem.

Briefly, in the Autumn of 1966, the political difficulties which beset the question of Sweden's membership of the Common Market no longer appear insurmountable. The trickiest problems concern internal affairs, and we enumerate these below:

(1) Despite the reverses they suffered in the recent municipal elections, the Social Democrats, largely because they control the masses through the trade unions, are too well organised for one to imagine that they might be excluded from power for any appreciable time by the Right, which itself is split into Agrarians, Liberals and Conservatives, whose solidarity remains doubtful.

(2) To use the Common Market issue as the spearhead of a frontal attack on this political fortress would seem highly inadvisable, especially as the question, apart from the practical advantages the Community offers, seems to evoke little response from the electorate. The Conservative Party discovered this to its cost when, in the last legislative elections, it made a resounding "Yes to Europe" its battle cry.

(3) The Social Democrats are less enthusiastic than members of other Swedish parties about membership of the EEC. Various of their leaders, in the past, have distinguished themselves by their hostile attitude to the Common Market, and by the favourable eye they have cast on EFTA, while the vast majority of the party is, sociologically, the most insular group in the country.

What worries those who favour EEC membership for Sweden, even though they are a powerful group, is that if they follow Edward Heath's example and use the public forum to make an issue of Europe they may awaken old basic reflexes amongst the Social Democrats like: "The capitalists are trying to sell Swedish neutrality down the river". This could be a fatal move for their plans, and this is why "Europeans" in Stockholm are playing their cards close to the chest. There are two motives at work here: first, they want quietly to try to convince the most accessible of the Socialist leaders of the necessity and advantages to be gained from integration with the Six (the idea of a bridge or merger between the two groups is now completely out), and then they want to engineer the succession of the more intractable elements in Mr. Erlander's party.

The second scheme seems to have been made easier by Mr. Erlander's setback in the municipal elections, inasmuch as it undermined the cohesion of the party. But this was as far as it went: the Government did not fall, there was not even a major reshuffle, nor did it prevent Erlander's re-election to the presidency of the Social Democrat Party - though we should not overlook the fact that it stirred up hot controversy within the party, which is still going on. The warring factions are the majority of the leaders, weary after a very long spell in power, and those who stand for the new generation. It is well known that the latter are for co-operation with Europe(although the size of this "Europe" varies from one to the other), and at all events they are not bogged down in the policies of the past, even the recent past, but set their sights on the economic facts of life.

Sweden is not as immovable as she appears to the distant observer, and moves, albeit wary ones, are being made. There will be difficulties, of course, but all roads would seem to lead to Brussels.

VIEWPOINT

THE WORLDWIDE CAPITAL SHORTAGE

by

George Champion
Chairman of the Board
The Chase Manhattan Bank, New York

The worldwide shortage of capital is quite apparent today, and, although many are inclined to dismiss it as a short-term cyclical phenomenon, I believe it is likely to worsen over the next decade unless remedial steps are taken. At the recent Washington meeting of the World Bank and International Monetary Fund, I tested this belief on bankers and financiers from all parts of the globe. It was interesting to find among them a large measure of agreement that a shortage of capital could be a serious brake on the Free World's long-run economic growth. In the years ahead, our countries' economies must grow at a strong rate or suffer some highly unpleasant consequences. And if nations are going to advance rapidly, they need a constant flow of fresh capital - the prime source of new jobs, better products, and higher living standards.

The contours of the capital shortage are most strikingly mirrored in the developing countries. It is estimated that these nations - embracing fully two-third of mankind - could productively use between \$3 and \$4 billion more capital from the industrial countries annually than is now available. In other words, on the basis of a modest improvement in their rate of economic growth, their "capital gap" is \$3 to \$4 billion. In Asia, Africa and Latin America the impoverishing absence of capital pervades almost every economy. What these nations lack is not a supply of human labour or, in most cases, some resources which could be turned to good account. Rather, they lack the educational facilities, machines, power lines, engines, cranes, generators and other capital equipment which enable men to produce more than the tiny flow that nature yields to bare hands and primitive tools. In the industrial nations, it is more difficult to evaluate the demand for capital. Yet we see it reflected in varied ways. Business investment in fixed assets in the United States, for instance, has been rising at an astonishing annual rate of 17%, and is likely to top \$60 billion this year. Again, over the past decade, while sales of U.S. corporations have gone up 50%, total corporate debt has risen more than 100%. Further symptoms are the pressures unsettling our money markets in the United States and Europe, and the fact that there are interest rates on 6% in New York, 6½% in Paris, 7½% in London, and 8½% in Frankfurt - rates that have moved up as the demand for capital has outrun the supply of savings.

In the United States, the situation has been complicated by the government's aggressive competition for savings. In trying to finance a war in Vietnam that is costing some \$2½ billion a month, and at the same time promote the welfare programmes of the Great Society, the government is absorbing huge amounts of funds that would otherwise go into captial formation. The combination of military and civilian demands in a full-employment economy has rekinkled the fires of inflation.

In the name of combatting this inflation, several economists and political figures in the United States and elsewhere have been urging that capital spending be sharply restricted. This was the rationale behind Washington's plan to suspend the 7% tax credit for investment in business equipment. Whatever validity this prescription may have as a short-run expedient, it certainly does not contribute to the longer-run goal of growth for the economy or for the individual company.

A number of companies recognise this fact. To keep themselves competitive, they are pushing ahead with the largest capital spending programmes in their history. For instance, the paper industry is investing $1,300 million this year to modernise. General Motors alone expects to put almost $1,500 million into new plant and equipment. Corporate giants that have not borrowed in years are going to the market to get funds for modernisation.

What is more, there are string signs pointing to a continuing growth of capital demand in the decade ahead. One is the prospective rise in population. Demographic experts tell us that within thirty years, assuming there is no major war, the world will have twice as many people as it has today. The U.S. population, for example, is growing by the equivalent of one city the size of Los Angeles every year.

The fastest growth is among young adults in the 20 to 34 age group. Over the next five years, these young people will account for nearly two-thirds of the total U.S. population growth, as compared with only 15 per cent in the past five years. These young adults will be getting married and setting up families, creating a vast market for homes, furniture, appliances and many other goods and services which, in turn, will require more capital investment on the part of producers.

A second factor is that an increasingly competitive global economy is putting on every country of the Free World to modernise its industrial capacity and commit additional millions to capital investment for plant improvement. More and more companies are finding that their choice is to modernise or lose their markets. The steel industry is a case in point. Until the late 1940's, most steel was made in open hearth furnaces, each batch taking eight to ten hours. Then we saw the beginnings of the basic oxygen furnace, first in Europe and later in the United States. Pure oxygen, injected at supersonic speed from the top of a pear-shaped vessel, raised the temperature and cut the time required to 45 minutes. Now a still newer technique is coming into use - continuous casting. This method of forming semi-finished steel shapes directly from molten metal not only saves more time but may save as much as $5 to $10 a ton on costs compared with conventional methods of steelmaking.

This evolution shows up both in the industry's increasing productivity and in its growing need for capital. Companies are turning out a better product with less manpower. Between 1957 and 1964, American steel production went up 15%, while employment went down 15%. Over the next five years, our specialists estimate that the industry is likely to spend $12,000 million or more for plant and equipment. Looking still further ahead, continued growth and the necessity for maintaining highly efficient plants will call for even greater capital spending - at least $15,000 million in the years 1971 to 1975.

Another example is the race to be first with a supersonic jet transport plane. These planes will be twice as big, three times as fast, and eight times as expensive as present jets. They will cost as much as $40 million each, compared with about $5 million for current models and less than $1 million for the propeller-driven planes of the immediate postwar era.

A similar progression of capital costs is in prospect for the railroads, as well as for petroleum, chemicals and most other industries where the push for modernisation is constantly accelerating. The petroleum industry, in the past decade, spent about $60,000 million improving facilities and seeking new oil and gas reserves in the U.S. In the decade ahead, the best estimates we have indicate that the industry will require $90,000 million in capital, and this increase is typical of many industries.

A third factor of prime importance pointing to heavy demand for capital is the quickening cadence of scientific research activities by government, industry and the universities. For the first time in history, substantial resources - $24,000 million annually now and possibly $30,000 million by 1970 - are being devoted to research and development. Technological change, once the chance result of the basement inventor has become the planned out put of a growing industry of discovery.

Moreover, we are barely beginning to feel the full impact of the research revolution. There are more scientists at work today than the cumulative number of scientists in all the years from Galileo to Einstein. Our research laboratories are spawning a whole new technology which will require incalculably greater sums of capital behind each worker if the patterns of the past prevail.

In U.S. factories, capital per worker has risen from about $550 in the mid-Nineteenth Century to nearly $20,000 today. In some industries it is much higher. For instance, the capital investment per production worker in petroleum refining is estimated at more than $250,000.

This increase in capital per worker is and will continue to be the most effective lever for raising productivity. Since the 1950's, output per manhour of the U.S. industrial worker has been advancing about 3% a year, that of the farm worker about 8%. Today, one manhour of farm labour yields five times as much food as it did in 1920. The farm worker who fed six people then and twelve people in 1945 now feeds 32.

Farm machines do in minutes what used to take farmhands several hours. In a single co-ordinated operation, a tractor pulling a corn drill can put seed in the ground, inject a shot of nitrogen fertilizer, lay down a herbicide chemical to control weeds and an insecticide to kill bugs.

To keep up the momentum of rising productivity, U.S. farmers are spending some $3,000 million this year alone on tractors, machinery and other equipment. The average capital investment in machinery and equipment on a good medium-size farm runs around $80,000, double what it was ten years ago.

The blend of rising population, growing international competition, and, even more important, accelerating research will assure abundant investment opportunities in the decade ahead, but the big difficulty will be to generate a sufficiently steady flow of new capital from business profits and from personal savings. We sometimes lose sight of the fact that profits are really a form of savings, and that in every society saving is the indispensable condition for the accumulation of capital. The money for research and development, for investment in new tools and plants, and for the creation of new jobs can come only from a profit somewhere along the line.

In my judgement, the key factor that will determine the future rate of economic progress - not only in the United States, but throughout the Free World - is the degree to which we keep alive the incentives to save and invest on which growth ultimately depends. If we are going to satisfy the mounting demands for capital, we must provide adequate incentives to savers and safeguard the value of their savings from the erosion of inflation. We must see to it that the government does not drain off savings in the form of wasteful Federal spending that keeps the national budget continually in the red.

In short, we must follow responsible fiscal and monetary policies: growth and expansion depend, in the final analysis, not on soothing government preachments of perpetual prosperity, but on the underlying dynamism of the saving-investment forces. The proper role of government is to set the framework for releasing these forces. In so doing, government has an obligation to provide the economy with a reliable money system in which the value of the dollar or the pound or the franc or the mark is not constantly being dissipated. Over the years, the maintenance of a sound currency, both at home and abroad, should in itself contribute enormously to high levels of output and economic growth.

It takes courage, perhaps, to act on this assumption today. But it strikes me as a much safer assumption than the cynical view that "thrift" is old-fashioned and that a "little inflation" really doesn't matter. The fact is that without thrift no country can add to its capital any more than an individual can add to his. And inflation can radically disrupt the saving-investment process through which capital is accumulated and put to work.

We hear a good deal of talk these days about reforming the international monetary system, and organising a new vehicle to create reserves when needed. In point of fact, however, there is no way to create reserves except through savings. There is no way to create something from nothing. Credit may be made more readily available, but reserves no. While intelligent monetary reforms may help smooth the way to gains in trade, they are not cure-alls for the economic ills that beset us. Nor are they adequate substitutes for common-sense policies.

Karl Blessing, president of the West German Bundesbank, said recently: "No monetary system, however ingenious its technical design, can function satisfactorily unless monetary discipline obtains in the leading countries".

Monetary reform, like charity, must begin at home - in each individual country - with the introduction of good financial house-keeping. Monetary policies must have sufficient flexibility to be responsive to the forces operating in international money markets. The expansion of money and credit must be closely geared to the rise in real production. Sound monetary policy requires widespread acceptance of responsible domestic finance, a firm commitment to stability in prices and costs, and strong encouragement of the saving-investment process.

Such policy must be closely meshed with fiscal policy if we are to meet the enormous demands for capital and not dissipate funds on wasteful spending and higher taxes. Restraint in government spending is immensely important in bolstering any currency and building confidence in its future. Throughout the Free World today, there is a disturbing tendency for governments to live beyond their means, sometimes far beyond. For a while, a nation may not suffer greatly from this practice. But if an economy is to remain healthy and encourage savings, the government must aim over the longer run for a balanced budget, applying any increase in revenues to a reduction of tax burdens on investment and enterprise.

It is up to the larger nations, particularly - to the United Kingdom, Germany, France and the United States - to set an example of responsible fiscal and monetary policies for the whole Free World. It is up to them, too, to take the lead in providing capital for the developing areas on a sensible multilateral basis, rather than the faltering bilateral arrangements that have prevailed up to now. The disparity in living standards between rich and poor is as grave a threat to peace as the arms race, and narrowing the gap as imperative as arms control.

Clearly, it is in the interest of each individual to do what he can to preserve the opportunities, incentives and safety of the saving-investment process. More than that, it is in the public interest, for only as we save and invest can we enjoy the benefits of sustained growth and progress in a free economy.

THE WEEK IN THE COMMUNITY

From our Correspondent in Brussels

November 14 - 20, 1966

THE COMMON MARKET

Must there be a Second Kennedy Round?

Although everyone in Brussels is probably talking about Harold Wilson's intentions, it can hardly be said that much passion or excitement has been aroused. Nobody yet mentions the wider political horizons which would be opened up by the realisation of a Greater Europe, but neither is anyone yet ready to retreat behind the isolationism of a Little Europe. The truth of the matter is that nobody believes that British membership will be achieved quickly, even though it is generally considered that Britain has made a genuine step towards the EEC.

From the tactical standpoint, most believe that the British Prime Minister has improved his position during the past week. Not only did Mr. Wilson manage to keep his cards hidden during the debate on Europe in the House of Commons, but he is now assured of considerable parliamentary support, from both sides of the House, during his tour of the capitals of the Six. His mention during the Lord Mayor's banquet of a "European technological community" is generally thought to have provided him with a useful lever in his talks with the French government, who show more awareness than others of the long term risks involved in the "technological gap" between Europe and the United States. This does not mean that there might be a spectacular advance by the Community in this sphere, where efforts for multilateral co-operation, amongst even the Six, are still fraught with difficulties. But increased Franco-British technological co-operation might well have a certain attraction for Paris.

Naturally, everyone knows that the core of the problem does not lie in that sphere. It seems unlikely that Gaullist diplomacy will deliver a swift death blow to the British Prime Minister's move by stating without further ado that the basic condition for British entry to the EEC is the ending of her "special relationship" with the USA; but it is more than probable that this stage will be reached one day. Maybe the only way for Mr. Wilson to avoid it, is for him to stick resolutely to the legal starting-point: confine negotiations to the Treaty of Rome, as its text contains nothing to bind signatory states to a common defence and foreign policy. But the leader of the British government must still accept all the Treaty and its rules, which have been growing since 1958: herein is his dilemma.

This condition was made quite clear by Maurice Couve de Murville during a recent meeting of the National Assembly Foreign Affairs Committee, and there is no reason to doubt that this point of view is shared completely and just as strongly by the other member countries. The position of the Six could be summed up in the following words: "Non-acceptance of the Rome Treaty, no Britain". The same condition has been repeated by the Union des Industries of the EEC (U.N.I.C.E.) in a recent document, which makes the following statement: "It believes that the Community should welcome negotiations with all European countries willing to accept the Treaty of Rome and all the obligations arising out of it. If it was admitted, however, that certain European countries wishing to join were unable to accept immediately all the regulations of the Treaty of Rome because of economic factors, then if the need arose it might be possible to consider a period of association before achieving full membership. It would only be in the case of an industrialised European country, which for pressing political reasons was unable to achieve membership, that U.N.I.C.E. could accept the formula of association."

There is really nothing new in all this, except that the position of the Six has remained unchanged despite the illusions held, or supposedly held, by a number of British leaders. In fact, the most immediate and original effect of Mr. Wilson's moves is not his approach to the question of British membership of the EEC. It is rather in the repercussions that his approach will have, whether it succeeds or not, on the Kennedy Round. Apart from another failure in the immediate future, which seems most unlikely with both sides trying to outdo the other in caution, the Six and Seven will have to live and act during the coming months, whilst the final stages of the GATT negotiations are taking place, on the assumption that agreement will finally be reached. Will both sides have to fight each other at Geneva for concessions to automatically be given to all members of GATT, and which will be used against them with nothing given in return, the day that Greater Europe is formed? For example, the Norwegians are keen for the EEC to lower the duty on aluminium, but if the EEC accepted their demand, the Norwegians would be the first to complain, as soon as they became EEC members; they would have helped to remove the protection given to their aluminium production.

This aspect of the question has not escaped the American government, which would have preferred Mr. Wilson to put off his moves until after June 30, 1967. By acting sooner, and at the same time expressing the wish to become a member of the EEC and the desire for a successful outcome to the Kennedy Round, the British Prime Minister has to some extent put himself in a contradictory position. If in fact he puts a great deal of pressure on the Six at Geneva, they may think he is not wholehearted in his desire to enter the Common Market. In any case, it seems that certain EEC governments will, when suitable, use the argument about considering "the interests of future members" to limit concessions.

Will the already limited hopes of the Kennedy Round, have to be whittled down even further? Such is the impression prevalent amongst some observers since the idea of Greater Europe has been relaunched. If this is the case, they believe that the United States will apply pressure for a second Kennedy Round, once the Six and the Seven have regrouped themselves, or have clearly taken up separate positions - if they ever do either, unequivocally. Brussels believes Denmark will become an EEC member, whatever the result of Mr. Wilson's moves. As for Austria, the Six have agreed on the text of a partial mandate allowing the Commission to continue negotiations with Vienna. Although progress is slow, the talks seem to be heading towards the aim of association.

Breakdown in the Talks with East Africa

The negotiations between Kenya, Uganda, Tanzania and the EEC broke off on November 17. According to an official communique from the Commission, the talks "provided a useful exchange of views on the possibility of association", but the document goes on to say that "the two delegations hope to resume this phase of the talks in the near future", which is the same as saying that no progress was made.

It is a question of principle, of course, that is holding things up. Armed with the resolutions at UNCTAD, the three East African countries do not think they should be made to pay for having the Common Market opened to their exports by lowering their own tariff barriers in return. For its part, the EEC is asking that some degree of preference be granted, no matter how limited. What makes the problem so annoying is that once it is sorted out, the drafting of an agreement would be plain sailing - and the precedent set by Nigeria shows a perfectly practical way out of it.

The issue, however, is clouded by other factors as well: not least is the fact that the three countries in question have lapsed into protectionism. Again, their community of interests, which is symbolised in the single delegation they have sent to Brussels, has some bearing on the matter, even though the general view is that the tenuous economic and financial co-operation pursued by the three is diminishing rather than strengthening. Finally, there is the possibility that Kenya, Uganda and Tanzania are not so much after an immediate agreement, as angling for a say in the negotiations, when the time comes to renew the Convention associating the African and Malgache States with the EEC.

* * *

The Printed Paper Affair

Not having received any formal information, the EEC Commission services have so far not reacted to to the alleged intentions of the French government to impose, in the near future, a tax on printing executed in other Community countries (particularly Belgium and Italy) on Scandinavian or Canadian paper, imported free of duty because scheduled for re-export. At the same time, the services are aware of the kind of problem facing them, having already been flooded with complaints from the French printing industry which has to buy "foreign" paper with heavy customs duty on top. But they are undecided as to how they can provide a solution, especially a unilateral one. This is because of an extraordinary tariff anomaly. On the whole, finished products cannot enter the EEC without the payment of a duty higher than that affecting the basic raw material. Here, the contrary is the case: the raw material - the paper - is subject to duty, while the finished product - the printed matter - is free of all duty under a UNESCO agreement. So the normal and legitimate method of a compensatory levy, designed to tax improving trade (in this case, printing) cannot be applied. It would imply the existence of a preference system for the finished product between the importing country and the exporting country, both members of the Community. But as has just been said, this does not exist. Furthermore, such a system might have the following practical result: French publishers, who now have their work printed in Belgium and Italy, would move their orders to printers in some other country, Switzerland for example, in which case exports to France could not be taxed unless the Paris government were to break the UNESCO convention. In this way they would be discriminating against partners in favour of "outside" countries.

A solution is even more tricky to find because the printed work escapes all taxation by the importing country, so the Customs of the exporting countries, which check on the destination of the duty-free paper, are satisfied to confirm re-exportation. But no formal Customs document, identifying the product, is issued. So it becomes impossible to discover the origin of the paper exported in the printed form. The most obvious answer to this side of the problem seems to be for the French Customs to force EEC print exporters to provide proof that the paper used by them is of Community origin, or that duty has been paid on entry. But, apart from creating a dangerous precedent, and one hardly in the spirit of the Treaty of Rome, this formula would not solve anything as far as discrimination against EEC exporters in favour of non-member countries is concerned.

In fact, there is reason to wonder if this problem (and there is certainly a problem for French printers who can show distortion of competition) can be sorted out by the EEC, since it arises from a UNESCO agreement. For instance, some agreement could be reached allowing signatories of this convention to tax printed matter, by weight of paper, if it arrives duty-free into the exporting country. At any rate, Brussels considers that no unilateral measures would be justified in this case. Intervention by the Community authorities, or even the Council of Ministers, seems inevitable.

* * *

EURATOM

Cadarache: Plutonium at Last

The "plutonium war" has been averted, but only just. It reached the French Prime Minister, and the matter might well have been taken up by the Elysee if it had continued for much longer. However, on the evening of November 16, the Euratom Commission officially announced that "The plutonium cores destined for the critical stage of the Masurca reactor (now being built at the French nuclear site of Cadarache) will be delivered during the next few days...". The case in question has therefore been resolved, but it remains to be seen whether the principle behind it has been also resolved.

The facts were as follows: Euratom had promised to deliver the cores to France, but the price had risen, as the American suppliers had decided to sell, rather than lease plutonium, to the Six. It was reasonable that France should pay the difference in the cost, as West Germany, the other beneficiary of the common reactor and plutonium programme, had already paid an additional $2.8 million. But was it essential for the supply of cores for Cadarache to be linked with a financial agreement signed beforehand? The Commission, under pressure from Italy, the Netherlands and some of its members had finally replied in the affirmative to this question. It was not possible, however, for Paris to accept this preliminary step, if only for reasons of political prestige. When the matter was finally brought before the permanent representatives, the French argument was accepted. But this still left two problems.

First, acceptance was not unanimous, as the Italians did not agree to it. In reality, the representative of the Rome government would probably have accepted the view of his French colleague if the latter had agreed to help in the development of the Italian PEC reactor under a Community programme. He did not succeed, and even his other partners only gave their approval in principle. It seems extremely likely, however, that the Italians will seize the earliest possible opportunity to press their case strongly.

The second problem left untouched was how should the "French deficit" be resolved. According to the Commission, the memorandum communicated to it by the permanent representatives, allows Euratom "to conclude that the problem of financing plutonium will be regulated separately and as a priority, without affecting the financial basis of the second research programme drawn up in 1965". "As a priority" means that this will not form part of the discussions held by the Six on the 1967 budget of the Five-Year plan. "Separately and without affecting the 1965 decisions", means that the "French deficit" will not be covered by a reduction in the Community's fast reactor programme. Such is the interpretation put upon the permanent representatives' agreement on cores by the Commission, the Benelux countries and West Germany. But the French delegate, without rejecting this interpretation, has not formally approved it. France may therefore accept to pay a further $2.8 million to Euratom. But she may also stick to her former attitude and require a reduction in the work and research planned on fast reactors under the Euratom-France agreement of association, signed as part of the joint programme.

What would such an arrangement add up to? It would mean, of course, that France would pay for her plutonium, but that some research in the vital section of the Euratom programme would be taken out of the Community's hands and "nationalised". This might not be so bad, if the sum involved was only $2.8 million, but unfortunately, if there is to be real progress on fast reactors in the Community in 1967, a quite considerable increase in the credits allotted is called for. If the Six decided to axe a large part of their programme, the whole Community effort would suffer a severe setback. Those countries, like France and Germany, who are already well advanced in the field, would probably not feel the pinch very much - quite the opposite, some say, but such a policy would soon spell doom for Euratom and even, perhaps, for all hope of the sort of technological co-operation in Europe that everyone is talking of these days.

The tide may not all be going France's way, however: for a start, some countries, such as the Netherlands, are flatly refusing to have their researchers' schedules for 1967 clipped one iota, even though they recognise that their interests carry far less weight than the fast reactor programme, unless they receive concrete assurances as to the future Community-orientation of Euratom policy. Furthermore, until things change radically, the Six must continue to rely on American plutonium supplies - and the USA will not countenance dealing with them through any channel but the Euratom Supply Agency, which guarantees the peaceful use of the material. Would French and German reactors have plutonium at all, without Euratom?

EUROFLASH

importers) opens Liege branch. France: The French company ATELIERS GSP takes over the "Gear-Cutting Machinery" division of SPA-STE DE MECANIQUE DE PRECISION DE L'ATLANTIQUE, Paris. Germany: PAKO CORP, Minneapolis (automatic X-ray, cinema equipment, etc.) gains 100% control of its German sales subsidiary. The Rotterdam engineering concern H. W. DEN OUDEN forms Düsseldorf sales subsidiary. Italy: The Paris group ALLINQUANT gives licences for shock-absorbers to Italian companies in BIANCHI and ALFA ROMEO groups. PIAGGIO, Genoa, (transport equipment) gets licence from TRAILMOBILE INC, Cincinnati (PULLMAN group) for manufacture and sale of road trailers and containers. Under the reorganisation of the ANSALDO SAN GIORGIO group, IRI forms industrial companies in Genoa. IRI reorganises its subsidiary FONDERIE OFFICINE DI GORIZIA (foundry-work). Netherlands: The Dutch steel company NEDERLANDSCHE HOOGOVENS & STAALFABRIEKEN will not now expand its Utrecht subsidiary. The Dutch hardware and tool company NEDSCHROEF OCTROOI, Helmond and MACLEAN-FOGG LOCK-NUT, Chicago form joint import and sales subsidiary in Amsterdam. WHITE MOTOR CO, Cleveland, USA forms Amsterdam subsidiary. The Chicago machine-tool company EAST CHICAGO MACHINE TOOL CORP forms EEC subsidiary BALEMASTER INTERNATIONAL (NEDERLAND). South Africa: RHEINSTAHL-HENSCHEL, Kassel, Germany, sells part of its share in AUSTRAL HOLDINGS, Johannesburg to GENERAL MINING & FINANCE CORP. Spain: The Cologne smelting group OTTO WOLFF buys the shares of its Spanish associates in the metal-containers concern UNIMASA, Seville. Switzerland: KAISER ALUMINIUM, California, buys up the capital of the Swiss aluminium sheeting maker NYFFELER, CORTI, Berne.

M FINANCE

France: STE D'INVESTISSEMENT DE PARIS & DES PAYS-BAS will take over STE D'INVESTISSEMENT CHIMIE-PETROLE (both BPPB group). Italy: The Italian motor company MONTE DEI PASCHI, Sienna, gains control of BANCO DI CAVOUR, Cavour. Two Italian co-operative banks BANCA POPOLARE DI NOVARA and BANCA POPOLARE DI FIRENZE, will merge. Luxembourg and Switzerland: FIAT increases the capital of two of its foreign holding companies in Lugano and Luxembourg. Netherlands: The Dutch private bank VAN LANSCHOT signs reciprocal finance agreement with BANKIERSKANTOOR STAAL, The Hague. The Dutch state concern NATIONALE INVESTERINGSBANK, The Hague, (backing for public development, etc.) forms two subsidiaries in The Hague. MENNO-BANK, The Hague, gains control of another financial concern in The Hague, ASSURANTIEKANTOOR J. H. vd HEIDEN. The Dutch bank MEES & HOPE will take over the business of its subsidiary VAN LISSA & KANN, The Hague. LLOYDS BANK, London, makes public bid for ARNOLD GILISSEN'S BANK,

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		Amsterdam. Spain: BANQUE NATIONALE DE PARIS opens office in Madrid.
O	FOOD & DRINK	Belgium: J.T.H. DOUQUE'S KOFFIE-IMPORT, Amsterdam and COFFEX, Neuhausen, Switzerland, become shareholders in COFFEX BELGE, Tessenderlo, which has raised its capital. The American GENERAL FOODS CORP takes over RIJSTPELLERIJEN N & C BOOST, Antwerp, through its subsidiary GENERAL FOODS DEVELOPMENT CORP (coffee and rice). Belgian subsidiary of the Dutch brewing group "DE DRIE HOEFIJZERS" forms sales subsidiary at Auderghem. France: GILBEY-FRANCE signs agreement with Bordeaux merchants for British distribution of CHATEAU BRANIARE DU CRU by WINE SELECTION (INTERNATIONAL), London. Italy: The Italian brewery BIRRA ZIMMERMANN takes over BIRRA AOSTA R. VINCENT (brewers and maltsters). Two Milan firms CISALPINA and UNIPECTINA form UNIGEL to produce foodstuffs and allied products. Luxembourg: SIEZA SA, Luxembourg (subsidiary of the Brussels group ALIMENTS PROTECTOR) increases its capital. Netherlands: The Dutch brewing group AMSTEL BROUWERIJ widens its agreement with GUINNESS, London and Dublin. The Dutch group WESCANEN'S KONINKLIJKE FABRIEKEN unites all animal feedstuffs in one division.
Q	INSURANCE	Italy: UNIONE ITALIA DI ASSICURAZIONE, Rome, will absorb CIA DI ROMA-RIASSICURAZIONI & PARTECIPAZIONI ASSICURATIVE (both ASSICURAZIONE DI TORINO group). UNIONE FINANZIARIA ITALIANA, Rome, will transfer its assets to the insurance group CIA TIRENNA DI CAPITALIZZAZIONI & ASSICURAZIONI, Rome.
Q	OIL, GAS & PETROCHEMICALS	Belgium: STE BELGE DE TRANSPORT PAR PIPELINES, Brussels is formed for two Belgian pipeline projects. France: TEXACO, New York buys all the foreign interests of PETROFRANCE, Paris. Italy: SNAM, Milan (ENI group) buys large share in ITALGAS, Turin. STANDARD OIL OF INDIANA, Chicago forms AMOCO ADDITIVES SERVICES (ITALY) to promote the group's sales of lubricants additives etc. Netherlands: The ROYAL DUTCH SHELL group forms Rotterdam subsidiary PERNEX to deal with petrochemicals in Rotterdam. Switzerland: UFITOUR, Luxembourg buys interest in SOPADI, Geneva ("Eurogas" distribution).
S	PAPER & PACKAGING	Belgium: CHAMPION PAPER INC, Hamilton,Ohio will increase its share in the Belgian paper group INTERMILLS. Germany: The Belgian household paper manufacturer MABELPAP will form German Sales subsidiary. Italy: The Milan group LA CENTRALE FINANZIARIA will merge two associated paper companies SICAR, Milan and RELAC, Cassino. Sweden: The Swedish cellulose manufacturer SVENSKA CELLULOSA gains European rights from CROWN SIMPSON PULP CO, California.

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T	PHARMACEUTICALS	Italy: LEDOGA, Milan will absorb some of its subsidiaries and change its name to LEPETIT SpA. INDUSTRIA CHIMICA & FARMACEUTICA HOLDING, Lugano takes 50% in forming SPARCO, Milan to make and sell chemicals etc.
T	PLASTICS	Belgium: STE BELGE DE L'AZOTE, Liege increases the capital of its subsidiary FILON-AZOTE, Liege (polystyrene panels etc). France and Germany: Co-operation in petrochemicals between SAARBERGWERKE, Saarbrucken and CHARBONNAGES DE FRANCE, Paris will be extended. German: The Belgian plastics and rubber firm CAOUTCHOUTERIE REMI DEJANS-HERMANDS forms German sales subsidiary. Italy: The Milan acrylic fibres concern ACSA increases its production of "Leacril" for export.
U	TEXTILES	Belgium: The Belgian making-up firm KORANIT takes over associated company BULTEEL BREIGOEDEREN and raises its capital. Netherlands: The Dutch group BLYDENSTEIN-WILLINK, Enschede (canvas and heavy-duty cloth) and HEBON-HOLLAND will form joint subsidiary.
U	TOBACCO	Switzerland: The American tobacco company R.J.REYNOLDS forms Geneva company to organise its European business.
V	TOURISM	France: CLUB MEDITERRANEE gains permission to build holiday centres near ports of call used by UTA - subsidiary of MARITIME DES CHARGEURS REUNIS.
V	TRANSPORT	Belgium: INTERFERRY, Brussels takes over the "Road Transport" branch of BELGO-ANGLAISE DES FERRYBOATS, Brussels. Netherlands: Three new Dutch groups buy shares in the Rotterdam bonded and container-freight warehouse EUROPE CONTAINER TERMINUS which is doubling its capital for expansion.
W	VARIOUS	Belgium: STAR DIAMOND CO (BELGIUM), Antwerp forms UNITED INDUSTRIAL DIAMOND NV, to sell and cut industrial diamonds. A merger in the Belgian laundry industry benefits MONPLAISIR & PONTZEN, Brussels. Germany: French and German interests form new personnel agency ECCO GmbH. Italy: A.T. KEARNEY, Chicago (management consultants etc) forms Milan subsidiary. Netherlands: The American company DEKALB AGRICULTURAL ASSN forms Dutch sales subsidiary to import and sell agricultural produce etc. USA: BANQUE DE PARIS & DES PAYS-BAS sells it interest in COLUMBIA PICTURES to two American investment companies.

BUILDING & CIVIL ENGINEERING

** BECKER-BAU HOCH- & TIEFBAU AG, Berlin, recently formed ERDBAU GmbH in Vienna with Sch 100,000 capital and Herr Kurt Becker as manager. The Berlin civil engineering concern has DM 500,000 capital, employs 350 people and has an annual turnover of around DM 5 million. It is controlled by BECKER & KRIES oHG, Berlin, whose other subsidiary is DEUTER INDUSTRIEWERKE, Augsburg.

** The Brussels company CIE IMMOBILIERE EUROPEENNE (of the HALLET group through STE FINANCIERE EUROPEENNE BANCO SA, Brussels - see No 306) has taken an equal 30% interest with SA LES ENTREPRISES ED. FRANCOIS & FILS, Etterbeek, Brussels, in GERANCE A.G. BUILDING SA, Ixelles, a new company formed to manage the "A.G. Building" sky-scrapers at the Porte de Namur, Ixelles. The latter (capital Bf 100,000) is controlled by CIE BELGE D'ASSURANCES GENERALES SUR LA VIE & CONTRE LES ACCIDENTS SA, Brussels (part of the STE GENERALE DE BELGIQUE SA group) which has appointed M. Michel Dachy as president.

** The Dutch building and civil engineering firm VAN HATTUM & BLANKENVOORT NV, Beverwijk (see No 346) has obtained licences from the British company UNIPARK LTD (see No 370) for the construction of its multi-story carparks in the Netherlands. Unipark, which recently granted the same patents in West Germany to B.W.E. BETON, Oldenberg, belongs jointly to the Derby company F.C. CONSTRUCTION CO (part of HEAD WRIGHTSON & CO LTD) and to WILLIAM MOSS & SONS LTD.

** SA HERSENT, Paris (capital Ff 10 million; president M. Pierre Ginier-Gillet), a subsidiary of STE FINANCIERE HERSENT SA (see No 370) has decided to forge financial links with STE DES GRANDS TRAVAUX DE L'EST SA, Paris (see No 326) in addition to the technical and commercial ones already operating between them in some French-speaking African countries. New agreements, now being drawn up, provide for:

1) The transfer by SA HERSENT to its subsidiary HERSENT (FRANCE) SA - which will now become the second company of the name HERSENT SA - of its entire public works and marine industrial and material assets and its 50% shareholding in GEM-CIE GENERALE D'EQUIPEMENTS POUR LES TRAVAUX MARITIMES SA, Paris (see No 315) in which LONG CORP, New York owns the other 50%.

2) The original SA HERSENT being changed into STE DE PARTICIPATION DE TRAVAUX PUBLICS SA (it is now an investment company) which will have around 20% in GRANDS TRAVAUX DE L'EST in return for a shareholding in Hersent.

These moves were organised on behalf of the Hersent group when HERSENT (FRANCE) took over two public works administration companies (see No 370): FRANCE-DRAGAGES SA, Paris and STE J. BETBEDER TRAVAUX PUBLICS SA, Biarritz, and SA Hersent gained 60% control of ENTREPRISE DEUMIER SA, Castelnaudary, Aude.

CHEMICALS

** The Dutch company KEY & KRAMER NV, Maasluis (see No 335) which specialises in the treatment of bituminous products and chemical and plastic materials for floor covering and insulation has signed a technical and manufacturing agreement with, and taken a financial interest in the Amsterdam company INGENIEURSBUREAU J.D. BANTING NV. The latter makes a wide range of enamels and acid-resistant floor coverings for industry and laboratories and ceramic and plastic tiles. The Maasluis company, whose authorised capital doubled in May 1966 to Ff 10 million has several foreign representatives and distributors: MAASPHALT NV GmbH, Vienna (which has taken over the business of ISOKOR GmbH), ISOLATION SYSTEM KEY & KRAMER AG, Zurich (40%), ALBITUM NV, Antwerp and KEY & KRAMER FRANCE Sarl, Paris etc.

** The Ludwigshafen chemical and pharmaceutical group JOH. A. BENCKISER GmbH CHEMISCHE FABRIK (see No 375) has extended its foreign interests by taking a share in the formation of a French tartaric acid plant (which will be extracted from marc). Its associate in the venture is STE DES GRANDES HUILERIES METROPOLITAINES "G.H.M." SA, Marseilles (see No 332). The two companies have a 50/50 interest in a subsidiary TARTRACHIMIE Sarl which will run the tartaric acid plant belonging to BENCKISER-FRANCE Sarl, Maincy, Seine-et-Marne from January 1st, 1967 and will later build a new plant in Southern France.

G.H.M., whose president M. H. Chausse is joint manager of Tartrachimie with Herr A. Reimann, was formed in September 1965 by STE MARSEILLAISE DU SULFURE DE CARBONE SA, Marseilles and CEPRA SA, Beziers, Herault (wholly-owned subsidiary of ROUSSEL-UCLAF SA, Paris - see No 361) to regoup their business utilising and reconstituting by-products of the wine industry.

** RANSBURG ELECTRO-COATING CORP., Indianapolis, Indiana (electrostatic pulverisation processes for paints) has formed a West German manufacturing subsidiary RANSBURG GmbH, Heusenstamm, Frankfurt (capital DM 1 million). The new company will have DM 2.8 million invested in it during the next three years.

The American company headed by Mr Harold Ransburg has a British licensee, HENRY W. PEABODY (INDUSTRIAL) LTD.

** The Swiss holding company GEN-INDUS AG, Mesocco, Gaisons, formed in July 1966 (capital Sf 50,000) has backed the Milanese investment and chemical plant financing company FINCHIMICA Sas. The latter, whose authorised capital amounts to Lire 20 million, has Signor M.L.M. Fussiui, Busto Arsizio as an active partner.

** The French associate of the Italian colorants and inks firm BAGLINI & CO SpA, Florence and a direct shareholder in BAGLINI BENELUX SA, Brussels (see No 292) is called MONDIALCHROME SA, Paris and Brie-Comte-Robert, Seine & Marne and not EUROCHROME SA (see No 363).

** Reorganisation of the French interests of the chemical and pharmaceuticals group SCHERING AG, Berlin (see No 366) has resulted in its almost wholly-owned subsidiary, STE INDUSTRIELLE DE PRODUITS CHIMIQUES-SINPROCHIM Sarl, Paris (capital Ff 50,000) being changed to BERLIMED Sarl (head-office transferred to Roubaix, Nord). The latter is also transferring various assets including goodwill, stock and trademarks to the recently-formed NOUVELLE SOCIETE INDUSTRIELLE DE PRODUITS CHIMIQUES-SINPROCHIM Sarl, Paris, (capital Ff 300,000; sales of chemicals and pharmaceuticals) in exchange for a 33.3% shareholding.

The remaining 66.6% capital of this new company is controlled by Belgian interests: MM Georges and Rodolphe Coles of Woluwe-St-Pierre (16.6% each) and their Luxembourg holding company SOCOSTER SA (capital Lux F 1 million) which holds 33.3%. Socoster (president M. R. Coles) controls the Belgian company RODOLPHE COLES SA, Diegen, Brussels. In 1965, the Coles group sold Schering its controlling interests in the French companies SPEGA Sarl and SOPARPLA-STE DE PARTICIPATION & DE PLACEMENTS IMMOBILIERS SA, Paris, thereby relinquishing its indirect control (95%) in SEPPS-STE D'EXPLOITATION DE PRODUITS PHARMACEUTIQUES SPECIALISES, Paris and Roubaix, Nord, and its 49% shareholding in LABORATOIRES CHUET SA, Roubaix.

ELECTRICAL ENGINEERING

** The Chicago group SUNBEAM CORP has acquired outright control of its 85% Paris sales subsidiary SUNBEAM SA (formerly S.A.R.I.E.). Its other French interests are ROWENTA-FRANCE Sarl, which was formed in July 1965 at Besancon (see No 317) to make electric shavers and lighters, and the electric coffee percolator concern, JEMA SA, Paris.

The group's German subsidiary, ROWENTA METALLWARENFABRIK GmbH, Offenbach, Main, recently commenced negotiations with a view to buying shares in the Yugoslavian concern ELMA, Maribor (see No 381).

** NORMAND ELECTRICAL CO LTD, London and Portsmouth, the British electric motors, magnetic brakes and electro-technical equipment makers and servicers, have made an agreement with VAN GLEDER CO NV, Rotterdam, to have their products made, assembled and sold on the Continent. Under the agreement, there will be formed a new 75-25 joint subsidiary, (Normand majority holder) NECO-EUROPA NV (capital Fl 750,000), which will have a marketing network covering the whole of the EEC, Austria and Switzerland.

Normand employs 700 people, and is linked with the American group SERVO-TEK PRODUCTS CO INC, Hawthorne, New Jersey, in a joint subsidiary SERVO-TEK & NECO LTD, Cosham, Hants.

** MAGRINI FABBRICCHE RIUNITE MAGRINI SCARPA & MAGNO -M.S.A. SpA, Milan (headed by Prof. M. Marconi - capital Lire 4,250 million) and an affiliate of MONTECATINI EDISON SpA (see No 302) has opened a branch in Frankfurt run by Herr H. Losch and Sig. D. Fabrizi and one in Zurich run by Sig. B. Becchio and E. Boschetti. The Italian concern has factories at Savona, Bergamo and Strezzano, where it specialises in the manufacture of electrotechnical control and command material for high and low tension equipment.

** SIEMENS AG, Berlin (see No 381) is negotiating a considerable increase in its Austrian interests. The group has only had branches there since the end of the war. Before then, the German group had interests through a subsidiary of SIEMENS SCHUCKERT WERKE AG, Berlin and Erlangen, SIEMENS-SCHUCKERT GmbH which has since been nationalised and turned into WIENER STARKSTROMWERKE GmbH, Vienna. The latter is intending to regroup its manufacturing and sales business with that of another state-owned electrical engineering company, ELIN-UNION AG FUER ELEKTRISCHE INDUSTRIE, Vienna (see No 324) and is trying to get help from the German company, which will form a special subsidiary for the purpose.

** ROBERT BOSCH GmbH, Stuttgart (see No 370) is concentrating the activities of two French subsidiaries; ROBERT BOSCH (FRANCE) SA, Chatillon-sous-Bagneux, Hauts-de-Seine is taking over LES CONSTRUCTEURS ASSOCIES SA, St.Ouen, Seine-St-Denis. This move is a continuation of the regrouping of their sales departments carried out in the spring of 1966 (see No 360). The German group had strengthened the financial position of the two French companies in 1965 (see No 328), when their respective capital was reduced to Ff 10 million and Ff 18.75 million before being raised to Ff 25 million and Ff 37.5 million.

The Stuttgart group's other interests in France are STE DES ATELIERS DE CONSTRUCTION LAVALETTE SA, St.Ouen (see No 268), CEPRO-CIE ELECTRO-PLASTIQUE DE ROUERGUE SA, Onet-le-Chateau, Aveyron (see No 360) and ROBERT BOSCH METROLOGIE Sarl, Massy, Essonne; whose capital was raised in June 1966 from Ff 10,000 to Ff 5,000,000.

** The domestic appliance firm IGNIS SpA, Comerio, Varese (see No 350) has formed a subsidiary in Sienna, IGNIS-SIENA SpA, directed by Sig G. Borghi to take over the business of another company in the group ABRIL SA. This firm has been running the group's factory in Sienna since it was formed in April 1965 (see No 333).

Abril SpA (capital Lire 400 million; managing director Sig Borghi) bought the industrial installations of the local firm FRATELLI TORTORELLI SpA, and converted them for the production of refrigerators.

** Now that the minority shareholders have accepted the share-exchange offer proposed by the AEG-TELEFUNKEN, Berlin group (see No 381), the group will have absolute control of the electric cable firm VEREINIGTE DRAHT- & KABELWERKE AG, Duisburg. This company (capital DM 19 million) was the result of a takeover last May (see No 358) when KABELWERK DUISBURG, Duisburg absorbed NORDDEUTSCHE KABELWERKE AG, Berlin. It now employs 3,000 workers and has a turnover of around DM 160 million.

ELECTRONICS

** MANAGEMENT ASSISTANCE INC (MAI), New York (see No 363) is continuing the expansion of its Common Market sales network by forming MAI NEDERLAND NV, Amsterdam, headed by M. J.T. Wiewel with an authorised capital of Fl 200,000, control of which it shares with its subsidiary MAI INTERNATIONAL CORP, New York.

The American company, which makes electronic machinery and equipment for computers already has one subsidiary at Brussels, MAI BELGIUM SA and another in Frankfurt, MAI INTERNATIONAL GmbH, formed in May and March 1966 respectively.

** In reorganising its structure, STE D'INSTRUMENTATION SCHLUMBERGER SA, Paris, has absorbed two of its wholly-owned subsidiaries, ROCHAR ELECTRONIQUE SA, Montrouge, Hauts-de-Seine (see No 340) and TOLANA SA, Bagnolet, Seine-St-Denis, as well as the engineering concern F.R.E.M. SA, Clichy, Hauts-de-Seine (capital Ff 20, 000). Schlumberger is linked with SCHLUMBERGER LTD, Houston Texas, through STE DE PROSPECTION ELECTRIQUE SCHLUMBERGER SA of Clamart, Hauts-de-Seine.

Rochar Electronique, which has Ff 1.5 million capital, came under the group's control in 1960: it produces a wide range of measuring and control apparatus (electronic and ultra-sonic). Tolana, which has Ff 2, 964, 000 capital, specialises in recording equipment and high-speed cameras (flight recordings and ground analysis of data received in space vehicles). The company making the present moves already absorbed seven subsidiaries in 1965 (see No 305), the business of which it has shared between three new divisions: "Applied Physics", "Industrial Control" and "Electronics".

** FOXBORO ITALIA SpA, Milan (see No 282), a subsidiary of the FOXBORO CO group of Foxboro, Massachusetts specialising in automatic controls and electronic measuring equipment, will not be fully operational until early 1967. It was formed recently with Mr. A.E. Isaac as president and Sig. Francesco Pirrone (working director of SMERI DI F. PIRRONE Sas, Milan) as managing director.

The new company will have branches in Rome and Genoa and will take over from SMERI as Italian representative of the American group, which has three factories in Europe: FOXBORO FRANCE SA, Arras, Pas-de-Calais; FOXBORO NEDERLAND NV, Soest; and FOXBORO-YOXALL LTD, Redhill, Surrey.

ENGINEERING & METAL

** The German civil engineering plant concern, GEORG STETTER BAUMASCHINENFABRIK KG, Memmingen (factories at head office and Mindelheim - concrete-making and transport equipment) has formed a subsidiary in Vienna, AUTOMIX BAUMASCHINEN GmbH (capital Sch 100, 000), with Messrs Georg Stetter and Johan Winischlofer as managers.

** The Cologne smelting group OTTO WOLFF AG (see No 360) has bought up the shares held by its Spanish associates (44.25%) in the metal containers concern UNIMASA-UNION METALGRAFICA ANDALUZA SA, Seville. The German group's other interest in Spain is in the lead-mining concern CIA MINERO-METALURGICA "LOSS GUINDOS" SA (see No 283), through STOLBERGER ZINK AG FUER BERGBAU & HUETTENBETRIEB, Aachen: it is linked in the Spanish company with the South American HOCHSCHILD group.

** The Dutch firm KON. NEDERLANDSCHE HOOGOVENS & STAALFABRIEKEN NV, Ijmuiden, for both financial and practical reasons (insufficient profitability for some years to come, and the likelihood of over-production in the Common Market), has decided not to expand its Utrecht subsidiary KONINKLIJKE DEMKA STAALFABRIEKEN NV (see No 293) for special and stainless steels. The latter will continue to produce rolled steel but will give up its technical and manufacturing cooperation agreements with CARPENTER STEEL CO, Reading, Pennsylvania, though it will continue to represent it in the Common Market and EFTA for special steels.

** PAKO CORP, Minneapolis, Minnesota (automatic equipment for photography, X-rays, cinema and the graphic arts - see No 281) has gained 100% control of its West German sales subsidiary PAKO GmbH, Darmstadt, which was formed as a 59% subsidiary in 1962.

The American group, which is linked for sales with the Italian concern FERRANIA SpA, Milan, is also represented in West Germany by GEVAERT-TECHNIK VERTRIEBS GmbH, Braunschweig (a subsidiary of the Belgian GEVAERT group, which has since merged with AGFA AG). Since June 1964, it has had a British subsidiary, PAKO LTD, Southampton, which makes most of its main products.

** The Paris ALLINQUANT SA group has made a new agreement in Italy for the manufacture of shock-absorbers, the licence for which was long held by OFFICINE METALLURGICHE EDOARDO BIANCHI-VELO (BIANCHI VELO) SpA of Milan (of the group ED BIANCHI SpA). The latter will now make RIO shock-absorbers (under a French licence) for motor vehicles, washing machines, railways, etc., while SPICA SpA, Leghorn (see No 329), a member of the Milan ALFA ROMEO group (see No 364) will now produce Alfa Romeo's entire requirement of "Rio" shock-absorbers under an Alliquant licence.

** The Dutch hardware and tools company NEDSCHROEF OCTROOI MIJ NV, Helmond (formerly NEDERLANDSE SCHROEFBOUTENFABRIEK NV - see No 249) has made an agreement with MACLEAN-FOGG LOCKNUT CO, Chicago, Illinois, whereby a 50-50 joint subsidiary, NEDSCHROEF-MACLEAN INTERNATIONAL (NEDERLAND) NV, Amsterdam, (capital Fl 100,000) will import, sell and make stainless steel, copper and aluminium bolts, screws, rivets, etc.

The American firm already has a number of distributors or agents in Europe, in particular A.P.H. PEARSON, Beckenham, Kent for the United Kingdom. The Dutch firm itself has a wide network of sales subsidiaries in the Common Market, including MASCHINENFA-BRIEK HERENTALS NV for Belgium and NEDSCHROEF FRANCE SA, Chatou.

** The merger announced some months ago (see No 363) between the two Belgian firms FORGES DE LA PROVIDENCE SA, Marchienne-Au-Pont and COCKERILL-OUGREE SA, Seraing is about to take place: Cockerill-Ougree will absorb the former. The concern will now be called COCKERILL-OUGREE-PROVIDENCE SA and the capital will be increased to Bf 6,325.5 million.

The two firms, who produce a range of mainly complementary products, already sold some (wire rods and commercial iron) on a joint basis and had a number of joint foreign agents. The new group will have an annual production capacity of 5 million tons of steel, frozen assets valued at Bf 17,000 million and Bf 15,000 million funds.

** The manufacturer of aircraft, railway and road transport equipment, PIAGGIO & CO SpA, Genoa, has signed a licensing agreement with the TRAILMOBILE INC Division (Cincinnati, Ohio) of PULLMAN INC, New York, for the exclusive manufacture and sale within the Common Market for road trailers and containers for sea transport. Three years ago the Genoese company regrouped all its aircraft business under a company called INDUSTRIE AERONAUTCHE MECCANICHE RINALDO PIAGGIO SpA. Its president is Sig. Umberto Agnelli (of the FIAT group) and it is run by Sig. N. Vallecchi (of the AUTOBIANCHI SpA group - see No 330).

** F.B. LEHMANN MASCHINENFABRIK GmbH, Aalen, Württemburg (machinery for the food - especially chocolate preparation, chemicals and paint industries) has opened a sales office in the Benelux at Kraainem, Brussels, headed by M.J. Frisque. The German company is controlled by ARNO HOLDING AG, Zurich and it has a Viennese branch headed by Herr Karl Jenner.

** WHITE MOTOR CO, Cleveland, Ohio (see No 356) has formed a wholly-owned subsidiary in Amsterdam, WHITE MOTOR INTERNATIONAL NV (capital Fl 250,000) responsible for the manufacture, assembly, production, import and sale of all the group's products, ranging from motors and compressors to heavy vehicles and agricultural machinery.

The group's most recent move within the Common Market was the acquisition of control (a 75% interest) in ARBOS SpA, the Italian manufacturer of agricultural machines (formerly ARBOS-BUBBA; factory at Piacenza)which employs some 450 people and has a capital of Lire 1,072.5 million. White Motor holds the second place in American production of heavy lorries (after INTERNATIONAL HARVESTER CO) with factories at Cleveland, Lansing, Michigan and Exton, Pennsylvania. It makes agricultural machinery at Oliver, Minneapolis, Maline and Cockshutt and it is the fourth American producer behind DEERE & CO, MASSEY-FERGUSON CO (originally Canadian) and International Harvester.

** The Belgian group PIETOCO SA, Trazegnies, Charleroi (see No 374) has taken over the light stamping company ENBOUTRA SA, Trazegnies, which it has controlled almost entirely since 1964. The capital has remained unchanged at Bf 26 million. Pietoco formed PIETOCO-FRANCE Sarl, Sars-Poteries, Nord in 1960 and was associated in France with the German engineering group GRAUBREMSE GmbH, Heidelberg (see No 317) in GRAU-FRANCE Sarl, Paris, a tyre and brake sales company which was dissolved in 1964.

** The Rotterdam concern H.W. DEN OUDEN NV (civil engineering equipment) has formed a Düsseldorf sales subsidiary H.W. DEN OUDEN VERTRIEBSGESELLSCHAFT FUER DEUTSCHLAND mbH (capital DM 40,000) with M. Willem Hendrik den Ouden and Herr Gerhard Purwin, Düsseldorf (a 25% associate) as managers.

** RHEINSTAHL -HENSCHEL AG, Kassel (see No 371) is negotiating the sale of 60% of its 90% interest in the Johannesburg company AUSTRAL HOLDINGS PTY to GENERAL MINING & FINANCE CORP LTD. The latter is linked with the ANGLO-AMERICAN CORP. OF SOUTH AFRICA LTD, (chairman Mr H.F. Oppenheimer - see No 382) which controls a large number of local mining concerns, mainly interested in gold-mining.

The German group has considerable South African interests with shareholdings in AUSTRAL IRON & ENGINEERING WORKS LTD, Boksburg, BERNHARD LITSCHER LTD, Windhoek, HENSCHEL SOUTH AFRICA LTD, Wadeville and WADEVILLE PROPERTIES PTY LTD, also of Wadeville.

** Messrs H.A. Raab, J.L. McElroy, East Chicago, Illinois and M. W.F. van Vliet, Wassenar, Netherlands are the members of the first board of BALEMASTER INTERNATIONAL (NEDERLAND) NV, the first subsidiary within the Common Market of the Chicago machine-tools firm, EAST CHICAGO MACHINE TOOL CORP. The new company (offices at Amsterdam - authorised capital Fl 500,000) will be responsible for making and selling cutting, stamping and packaging machines, and machine-tools.

** Under the reorganisation of the ANSALDO SAN GIORGIO SpA group of Genoa (see No 381 and above), the Italian group IRI-ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA has just formed several industrial companies in Genoa. These will receive various assets from the group connected with nuclear research and construction and machine-assembly.

Sig Arnaldo Giannini is president of the first of these, ANSALDO MECCANICO NUCLEARE SpA and Sig E. de Vito is managing director. It is controlled 49% by IRI and 51% by its subsidiary FINCANTIERI SpA and will take over the factory at Sampierdarena (turbines and turbo-alternators for nuclear power stations) and the Multedo foundry (which will receive further investment of Lire 3,000 million) which belonged to Ansaldo. The GENERAL ELECTRIC CO group, New York will provide the technical assistance which Ansaldo has been receiving since 1950 for hydroelectric and ordinary thermo-electric power stations. It will be supported by a new engineering company PROGETTAZIONI MECCANICHE NUCLEARI, Genoa; for the alternators and auxiliary components by ANSALDO SAN GIORGIO CIA GENERALE; and for reactor vessels by TERNI SpA.

IRI and its subsidiary Finmeccanica also controls another new company (49-51): CMI-COSTRUZIONI MECCANICHE INDUSTRIALI GENOVESI SpA, Genoa (president also Sig Giannini) which will have Ansaldo's CMI factories specialising in machinery assembly.

** KAISER ALUMINIUM & CHEMICAL CORP, Oakland, California which in June decided against linking up with TREFIMETAUX SA, Paris to build an aluminium factory in Curacao (see No 332) intends to increase its industrial holdings in Europe by buying up - through its holding company in Zurich - the entire capital (Sf 2 million) in the Swiss aluminium-sheeting manufacturer NYFFELER, CORTI AG, Kirchberg, Berne. Since 1960 this company has had a subsidiary in Milan, NYFFELER CORTI ITALIANA SA (capital Lire 2 million).

In this sector, the American group already has an industrial subsidiary in Europe, PHENIX ALUMINIUM SA, Ivoz-Ramet, 50-50 with PHENIX WORKS SA, Flemalle-Haute, Liege.

** At the same as it is making over its shipbuilding interests to ITALCANTIERI, Trieste (see No 381), I.R.I.-ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE SpA, Rome is going to change the work carried out by its subsidiary FONDERIE OFFICINE DI GORIZIA-S.A.F.O.G. SpA, Gorizia (see No 278) and regroup the latter's foundry interest with another company in the group.

SAFOG (controlled 49-51 by IRI and its subsidiary FIMECCANICA) will make over its textile machinery division to NUOVA SAN GIORGIO SpA, Genoa, Sestri (see No 324) whose capital (at present Lire 3,500 million) will be increased. It will acquire the foundry division of FMI MECFOND-AZIENDE MECCANICHE RIUNITE SpA, Naples - formed by the recent merger between two IRI subsidiaries in Naples: MECFOND-OFFICINE MECCANICHE & FONDERIE NAPOLETANE SpA (see No 346) and FMI FABBRICA MACCHINE INDUSTRIALI SpA (see No 344). The latter works under licence from several American concerns including AETNA STANDARD, Pittsburgh and CANTOP INC, Bala Cynwyd, Pennsylvania.

** The French company ATELIERS G.S.P. SA, Courbevoie, Hauts-de-Seine, is going to increase its manufacturing capacity considerably by taking over the "Gear-Cutting Machinery" division of S.M.P.A.-STE DE MECANIQUE DE PRECISION DE L'ATLANTIQUE SA, Paris, which in turn will take 6.2% in G.S.P.'s capital, raised from Ff 8.58 million to Ff 9.15 million. S.M.P.A., whose Ff 9.7 million capital is almost entirely held by CIE INDUSTRIELLE & FINANCIERE DES CHANTIERS & ATELIERS DE SAINT-NAZAIRE SA (see No 356), was loaned $3 million in 1964 by the BANQUE EUROPEENNE D'INVESTISSEMENT for the construction of its factory employing around 500 workers at Montoir-de-Bretagne, Loire-Atlantique.

Ateliers G.S.P. is the second largest French machine-tools concern (after H. ERNAULT-SOMUA SA, Paris - see No 359) with factories at Albert, Somme, Chateaudun, Eure-et-Loire, and Courbevoie, and it is a 29.4% affiliate of GAZ & EAUX SA, Paris. It is linked by manufacturing agreements with MOTEURS PERKINS SA, Saint-Denis, Seine-St-Denis (part of the MASSEY-FERGUSON LTD group, Toronto - see No 380) and has complete control of FONDERIES DE JEUMONT-ANC. ETS ARTHUR FONTAINE Sarl, Jeumont Nord. In Brazil it has interests in PROMECA, which manufactures machine-tools under licence.

** INTERTUBES SA (capital Bf 1 million) the Luxembourg steel products importing concern formed in March 1966 by private Belgian interests headed by M. G. Jans, Eibenbilgen, has opened a Liege branch directed by M. Gustaaf Jans.

FINANCE

** One of the main Dutch private banks, FIRMA F. VAN LANSCHOT, 's-Hertegenbosch (see No 374), the head partners of which are Messrs. J. M. van Lanschot and J. C. van Lanschot, has made a reciprocal financial agreement for co-operation with the Hague bank BANKIERSKANTOOR STAAL & CO NV, in which it will also take a large holding of shares.

Bankierskantoor (directed by Mr. F. Staal), which has just celebrated its jubilee, has Fl 5 million authorised capital (40% paid up) and in 1965 its assets amounted to about Fl 72.5 million.

Van Lanschot has Fl 30 million capital and assets of 540 million. A few months ago it strengthened its links with the Amsterdam banking house VERMEER & CO, which is underwritten by its own subsidiary VERMEER & CO'S BELEGGINGS-COMPAGNIE NV (see No 348). More recently, the group went into financial co-operation with H. J. VAN OGTROP & ZOON, the Amsterdam security dealers, and also formed a finance subsidiary with Fl 1 million capital, PARTICIPATIE- & FINANCIERINGSMIJ BOSCHLANDT NV, 's-Hertogenbosch.

** The Dutch state concern DE NATIONALE INVESTERINGSBANK (HERSTELBANK) NV, The Hague (see No 312), which gives financial backing to public utility development and building schemes has formed two subsidiaries in The Hague, each with Fl 100,000 capital. These will administrate a number of public investment schemes in the Dutch territories of Latin America and the Gulf of Mexico. They are called NEDERLAND-SEPARTICIPATIE MIJ. VOOR SURINAME NV and NEDERLANDSE PARTICIPATIE MIJ. VOOR DE NEDERLANDSE ANTILLEN NV.

** FIAT SpA, Turin (see No 381) has given two of its foreign holding companies increased financial means: INTERNATIONALE HOLDING FIAT SA, Lugano, Ticino (see No 347) has had its capital doubled to Sf 100 million, while INTERNATIONAL HOLDING & INVESTMENT CO SA, Luxembourg (see No 350) has had its capital raised to $2 million: both increases have been underwritten by the Turin holding company I.F.I. - ISTITUTO FINANZIARIO INDUSTRIALE (see No 383).

I.F.I.'s main interests abroad are in FINPAR NV, Amsterdam, CINZANO LTD, Montreal, WARBURG & CO, London, GENERAL SHOPPING SA, Luxembourg, and MINNESOTA MINING & MFG CO, St. Paul, Minnesota.

** MENNO-BANK VOOR ASSURANTIES AND BEHEERS SINDS 1886 NV, The Hague, has gained control of another financial concern in the Hague, ASSURANTIEKANTOOR J.H. vd. HEIDEN, with which it will merge and increase its own authorised capital to Fl 2.7 million.

MENNO-BANK acquired the business of the former private bank MENNO & CO at the beginning of 1965. The main shareholders in the latter were Messrs P. Brans, M.H. Lichtendahl and C.L. Charlouis.

** The Rotterdam and Amsterdam bank MEES & HOPE (see No 382; an affiliate of MORGAN GUARANTY TRUST CO, New York - see No 372) is going to merge the business of its subsidiary BANKIERSKANTOOR VAN LISSA & KANN NV, The Hague with its own activities. The move will come into effect at the beginning of 1967.

As part of its internal reorganisation Mees & Hope recently changed one of the group's investment companies BELGEGGING MIJ.R.MEES & ZOONEN NV into NV BELEGGING MIJ. ARFA, Rotterdam.

** STE D'INVESTISSEMENT DE PARIS & DES PAYS-BAS SA (capital Ff 80 million) is taking over STE D'INVESTISSEMENT CHIMIE-PETROLE SA (capital Ff 150 million) and the former's capital is being raised to Ff 170 million. Both companies are Paris based, and affiliated with BANQUE DE PARIS & DES PAYS-BAS SA (34.4% and 6.9% respectively - see No 380).

Chimie-Petrole (investments of Ff 116 million at the end of 1965) was formed by CREDIT LYONNAIS, Paris (see No 359) and several insurance companies (including L'UNION-VIE and L'UNION - I.A.R.D. - see No 319). Its most important shareholdings are: 7.9% in CIE GENERALE DE GEOPHYSIQUE SA, Paris (see No 356), 7.5% in FINALENS-STE INDUSTRIELLE & FINANCIERE DE LENS SA, Lille (see No 376) 3.8% in PIERREFITTE-STE GENERALE D'ENGRAIS & DE PRODUITS CHIMIQUES SA, Paris (see No 373) and 2.8% in ENTREPRISES ALBERT COCHERY SA, Paris. Ste d'Investissement de Paris et des Pays-Bas has a wider range of interests worth some Ff 129.5 million at the end of 1965 (22.63% in banking, 15.47% in the petroleum industry, 13.21% in printing and paper, 10.1% in the electrical engineering industry, 7.87% in chemicals, etc...), and these are in the petroleum nd chemical sectors of S.N.P.A.-STE NATIONALE DES PETROLES D'AQUITAINE SA, PIERREFITTE SA, CIE DE SAINT-GOBAIN, SA.

** BANQUE NATIONALE DE PARIS SA (see No 374) has opened an office in Madrid headed by M.H. Lamarlene. The move had been decided on by BNCI-BANQUE NATIONALE POUR LE COMMERCE ET L'INDUSTRIE SA, Paris before its merger a few months ago with CNEP-COMPTOIR NATIONAL D'ESCOMPTE DE PARIS (see No 360) formed the Banque Nationale de Paris.

** The Italian company MONTE DEI PASCHI DI SIENA, Siena, has gained control of BANCO DI CAVOUR SpA, Cavour and Turin, (capital Lire 200 million) which is headed by Dr. M. Dante, has five branches in the provinces of Turin, Cuneo and Piedmont. A new president, Sig. Guido Jappini, has been appointed to replace Sig. Ajmone Altissimo, and the new managing director is Professor M. Mancianti.

** Following negotiations concluded last June (see No 362) between LLOYDS BANK LTD, London and ARNOLD GILISSEN'S BANK NV, Amsterdam, the British bank has made a public offer for the assets of the Dutch bank. The latter controls BAX' BANK NV, The Hague and has paid-up capital of Fl 1 million with branches and offices in Amsterdam, Rotterdam and The Hague.

** A merger is to take place between two Italian co-operative banks in Lombardy and Tuscany: BANCA POPOLARE DI NOVARA SCrl, Novara will absorb BANCA POPOLARE DI FIRENZE SCrl, Florence. The first (president Sig S. Sozzetti) was formed back in 1871 and has some 70 branches and 170 agencies of which 40 or so are in Novara.

FOOD & DRINK

** PROTECTOR ITALIA SpA, Cinisello Balsamo (see No 364) was the only shareholder which did not subscribe to the recent capital increase of Lux f 1 million, issued by SIEZA SA - STE INTERNATIONALE D'ETUDE & DE ZOOTECHNIE APPLIQUEE. The latter is the Luxembourg subsidiary of the Anderlecht, Brussels group ALIMENTS PROTECTOR SA: it specialises in dietary feeds for livestock. The Brussels firm subscribed pro rata its original 26% interest, while its three other subsidiaries supplied the balance of Sieza's increase: these were PROTECTOR SA, Saint-Ouen, Seine-St-Denis; PIENSOS ESPANOLES, Madrid, and PROTECTOR SA, Lucens, Vaud.

** J.T.H. DOUQUE'S KOFFIE-IMPORT & EXPORT NV, Amsterdam, and COFFEX AG, Neuhausen-am-Rheinfall, Switzerland, have become direct shareholders in NV COFFEX BELGE at Tessenderlo (see No 298), which has raised its capital to Bf 7.5 million to finance expansion. Its main line is decaffeinated coffees, and it was formed early in 1965 by the Swiss group and placed under the direct control of its Amsterdam subsidiary COFFEX NV.

Coffex AG's other Common Market interests are COFFEX-FRANCE SA, Strasbourg (linked with UFIMA SA) and COFFEX ITALIANA SpA, Trieste, which was formed in June 1962.

** The brewing group AMSTEL BROUWERIJ NV, Amsterdam has widened the scope of the agreement signed a year ago (see No 332) with ARTHUR GUINNESS SON & CO LTD, London & Dublin concerning the exclusive import and distribution in the Netherlands of "Guinness Extra Stout". The new agreements allow the Dutch group to bottle beers for the Dutch, German and Italian markets (they are already processed at Eu, Seine Maritime for France and in Antwerp for Belgium). Arthur Guinness has formed a sales subsidiary in Amsterdam, GUINNESS EUROPA NV (president Mr E Bentley and director Mr D. Lawson).

** GENERAL FOODS CORP, White Plains, New York has extended its interests in the Benelux countries by taking over control of RIJSTPELLERIJEN N. & C. BOOST NV, Berksem, Antwerp through its subsidiary GENERAL FOODS DEVELOPMENT CORP. It already controls GENERAL FOODS NEDERLAND NV, Weesp headed by M. R. O. Blench.

The new subsidiary of the American group (known in Belgium for its coffee and "Minute Rice") processes and sells nearly half the rice eaten in Belgium, and it also makes desserts. General Foods' most recent moves in Europe were the takeover of CIA GENERAL DE SOLUBES-COGESOL SA, Madrid and the transfer of work done by ALFRED BIRD & SONS LTD from Birmingham to a new plant at Banbury, Oxfordshire. It also has subsidiaries in France, Italy and West Germany.

** BRASSERIE DE LA CHASSE ROYALE SA, Auderghem-Brussels (see No 292) a 75% Belgian subsidiary of the Dutch brewery group BIERBROUWERIJ "DE DRIE HOEFIJZERS" NV, Breda (see No 366) has formed a sales subsidiary called FRESH DRINKS CO SA, at Auderghem with M. Antoon van Spaendonck as manager. It controls almost all of the new company's Bf 100,000 capital while most of the balance has been put up by four companies in the group, U.B.I.C.-UNION BELGE IMMOBILIERE DE CREDIT SA, Auderghem, BRASSERIE EMERI CARLIER SA, Auderghem, DE ZEEMEEUW NV, Stene, Ostend and TROPHEE SA, Schilde.

** As part of its moves to specialise its activities the Dutch group WESCANEN'S KONINKLIJKE FABRIEKEN NV, Wormerveer (see No 369) has united all its foreign animal feeding stuffs interests (Nukamel heifer's milk and compound fodders) in one autonomous division called WESSANEN ANIMAL FEED INTERNATIONAL.

This will include the heifer milk plants at Olen, Belgium and Villanova d'Ardenghi, Pavia and the one built at Nantes by WESSAFRIC SA, Paris (capital recently increased to Ff 3.5 million) a joint subsidiary with CIR FRANCO-INDOCHINOISE SA, Paris (see No 258). It also includes the German milk sales of WOEHRMANN, Apeldoorn and the group exports of this product. Apart from its Common Market plants, Wessanen has sales subsidiaries in Milan (recently formed) and Cologne (see No 271).

** GILBEY-FRANCE Sarl, Chateau Loudenne, St-Uzan-de-Medoc, Gironde (a subsidiary of INTERNATIONAL DISTILLERS & VINTNERS LTD - see No 352) has signed an agreement with a group of Bordeaux wine merchants giving the right to distribute the CHATEAU BRANAIRE DUCRU, St-Julien, Gironde wines in Britain to WINE SELECTION (INTERNATIONAL) LTD, York Gate, London. The latter was formed in 1965 (with Mr G. Hallowes as chairman) as a subsidiary of International Distillers & Vintners and it already distributes other Bordeaux wines, CHATEAU LOUDENE (which another of the group's subsidiaries W. & A. GILBEY had represented for 90 years) and it has acquired from GILBEY TWISS LTD, London (see No 326) the right to distribute Burgundy from MAISON F. CHAUVINET, Nuits-St-Georges and PIAT & CO SA, Macon.

** The Italian brewery BIRRA ZIMMERMANN SpA, which was formed recently at Aosta with Lire 1 million capital and Sig L. Ferretti as managing director, has taken over the brewing and maltstering business of BIRRA AOSTA R. VINCENT & CO and thus raised its capital to Lire 160 million.

** Two Milan firms, CISALPINA SpA and UNIPECTINA SpA, have formed UNIGEL SpA 50-50 in Milan to produce foodstuffs and (mainly chemical) allied products for the food industry. The most important members of the new board are Messrs. L. Lipo (Netherlands), R. Hefti (Switzerland) and B. B. Davies (Britain); its initial capital has been fixed at Lire 30 million.

INSURANCE

** Two associated Rome insurance companies are to be merged: UNIONE ITALIA DI ASSICURAZIONE SpA will absorb CIA DI ROMA- RIASSICURAZIONI & PARTECIPAZIONI ASSICURATIVE. These companies have a capital of Lire 600 million each, and have the same president, Sig. F. Santoro Passarelli, and managing director, Prof. B. De Mori. They are both part of the Turin group CIA ANONIMA D'ASSICUARAZIONE DI TORINO (see No 336).

** UNIONE FINANZIARIA ITALIANA SpA, Rome, will shortly transfer its assets to the insurance group CIE TIRENNA DI CAPITALIZZAZIONI & ASSICURAZIONI SpA, Rome (branches in Paris, Brussels, London, etc. - see No 344).

The latter also signed an agreement earlier this year with ISTITUTO FINANZIARIO ITALIANO SpA, Rome (branches in Naples, Bari, Palermo, etc.) which gave it control of this company's property assets.

OIL, GAS & PETROCHEMICALS

** The New York TEXACO INC group (see No 373) has further strengthened its position in Europe by buying all the foreign interests of PETROFRANCE SA, Paris (see No 378). The American group recently gained control (91.5%) of DEA-DEUTSCHE ERDOEL AG, Hamburg (see Nos 357 and 367).

These foreign interests include: 1) almost complete control of PETROFRANCE BELGE SA, Brussels (capital increased last March to Bf 24 million); 2) PETROFRANCE ITALIANA SpA, Genoa (capital Lire 626 million); 3) PETROFRANCE (SCHWEIZ) AG, Zurich (capital Sf 5.5 million), a distribution company with a 6% interest in RAFFINERIE DU SUD-OUEST, Collombey-Muraz, Valais (see No 362) and a 4% interest in MITTELLAND RAFFINERIE AG, Schötz (see No 294); 4) a 50% interest in TEXACO-S.M.P.P. SA, Casablanca, Morocco, where the other 50% was already held by the American concern.

Petrofrance (capital Ff 20 million and part of the NAHMIAS group) will now confine its activities to ship-owning (two oil-tankers, "De Baif" and "Du Bellay" and the administration of its French shareholdings: 51% in PETROREP SA-STE DE RECHERECHES PETROLIERES DANS LA REGION PARISIENNE SA (see No 362), 60% in PETROSAREP SA, Paris, 40% in PROPETROL-LES CONSUMMATEURS DE PRODUITS PETROLIERES SA, Strasbourg (see No 254), 75% in STE DES PRODUITS HOUGHTON SA, Puteaux, Hauts-de-Seine (the remainder is held by E. F. HOUGHTON & CO, Philadelphia) 15% in SOCANTAR SA, Paris (see No 362) and 32% in PETROLYS SA, Paris (formerly CICOL-CIE INDUSTRIELLE & COMMERCIALE DES COMBUSTIBLES LIQUIDES - see No 290) which controls ANTAR PETROLES DE L'ATLANTIQUE SA (see No 382).

** Under two oil-pipeline projects now being considered in Belgium, one from Antwerp to Brussels and the other from Antwerp to Liege and Namur through the Meuse Valley, twelve of the largest Belgian oil-refining and distribution companies (the majority under foreign control) have formed STE BELGE DE TRANSPORT PAR PIPELINES SA, Brussels. This is an administration company (initial capital Bf 1.8 million) for the transport of refined oil products.

In decreasing order of importance the founders are: TRADING NV, Antwerp; ESSO BELGIUM SA (15.8%); FINA SA, Brussels (13.7%); BELGIAN SHELL CO SA, Brussels (12.4%); BP BELGIUM, Antwerp (11.3%) and SA BELGE CALTEX PETROLEUM CO, Brussels; ALBATROS SA BELGE POUR LE RAFFINAGE DE PETROLE, Antwerp; RAFFINERIE BELGE DES PETROLES-RBP SA, Antwerp; TOTAL BELGIQUE SA, Brussels; GULF OIL (BELGIUM) NV, Antwerp; GIP-GROUPEMENT DES IMPORTATEURS INDEPENDANTS DES PRODUITS DU PETROLE SA, Brussels, and the Brussels subsidiary of MOBIL OIL NV, Rotterdam.

** UFITOUR-UNION FINANCIERE INTERNATIONALE POUR LES INDUSTRIES DU TOURISME SA, Luxembourg (see No 378) has purchased an interest in STE PETROLIERE D'APPROVISIONNEMENT & DE DISTRIBUTION "SOPADI" SA, Carouge, Geneva (capital Sf 2 million - president M. Marc Saugey). Sopadi exploits the "Eurogas" trademark, and since July 1961 has had a distribution subsidiary in Krefeld with DM 20,000 capital.

Ufitour was formed in January of this year with F Lux 1 million capital (since raised to 78 million) to finance the European tourist industry. Its main shareholder (with 32%) is UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA, Paris (see No 354), both directly and through its Genevan subsidiaries PARAMER SA and FORCES MOTRICES DE CHANCY-POUGNY SA. Other shareholders include banking concerns, BEYROUTH RIYAD BANK, Beirut, LOMBARD, ODIER & CIE Snc, Geneva, and BANQUE INTERNATIONALE A LUXEMBOURG; financial groups like COFININDUS SA, Brussels, and LA CENTRALE SpA, Milan, and oil groups like STE FRANCAISE DES PETROLES BP SA, Courbevoie, and the NAHMIAS group (represented by PETROFRANCE SA, Paris).

** S.N.A.M. SpA, Milan (see No 376 - a member of the ENI-ENTE NAZIONALE IDROCARBURI SpA group, Rome) has acquired from another state-owned organisation, I.C.C.R.I. (the Institute of Credit for Savings Banks) a large shareholding in ITALGAS-SOC ITALIANA PER IL GAS SpA, Turin (see No 333). It now becomes the main shareholder, followed by the pension fund of the BANCA D'ITALIA.

Italgas (capital Lire 37.400 million) annually sells more than 650 million cubic metres of gas through its distribution network in various regions of Italy and several important towns: Rome, Turin, Florence, Venice, Leghorn, Genoa and Cremona. It has numerous subsidiaries and affiliates who specialise in tarring, coal, heating installation, storage and liquefied gas. It has a 50-50 interest with STANDARD OIL CO OF NEW JERSEY (see this issue) in SUBALPINA GAS SpA, Genoa, formed in 1965. Standard Oil controls Liquigas SpA in Italy, whilst ENI controls AGIPGAS SpA.

** The ROYAL-DUTCH SHELL group (see No 382) has formed a Rotterdam subsidiary, PERNEX NV, to deal with the charging and discharging of petroleum, petrochemical and chemical products at Pernos, Rotterdam. Headed by Messrs. H. Maier and van Pesch, the new company has a capital of Fl 10,000, shared equally between SHELL NEDERLAND NV, The Hague, and SHELL NEDERLAND CHEMIE NV, Rotterdam.

** STANDARD OIL CO OF INDIANA, Chicago (see No 379) is continuing the expansion of its Common Market technical assistance and marketing network with the formation of AMOCO ADDITIVES SERVICES (ITALY) Srl which will be responsible for the sales promotion on the Italian market of lubricants additives and terephthalic acids made by the group. Mr W. H. Magill is the head of the new concern (capital Lire 900, 000) which is under the direct control of AMOCO INTERNATIONAL SA, Geneva.

A few weeks ago the American group formed a Belgian company AMOCO ADDITIVES SERVICES (BELGIUM) SA, Brussels under similar conditions.

PAPER & PACKAGING

** The largest Swedish cellulose manufacturer, SVENSKA CELLULOSA A/B, Sundsvall, has gained the representation rights for the whole of the Ruropean market from CROWN SIMPSON PULP CO, Eureka, California. The latter has an annual productive capacity for celulose sulphate of 190, 000 tons, and is a 50-50 joint subsidiary of SIMPSON TIMBER CO and CROWN ZELLERBACH CORP of San Francisco, which is the second largest American paper and card company (a 1965 turnover of $709 million).

The Swedish company itself has a 40% interest in a Canadain firm: SKEENA KRAFT LTD, Prince Rupert, British Colombia (cellulose sulphate), and reckons to make a turnover in the current financial year of Kr 1, 000 million. By a recent agreement, (see No 379), it is to acquire a 40% interest in the West German ASCHAFFENBURGER ZELLSTOFFWERKE AG, Aschaffenburg, which is to reduce its capital from Dm 50 million to 37. 5 million, and then raise it to 57. 5 million.

** The Milan group LA CENTRALE FINANZIARIA GENERALE SpA, is going to merge two associated paper companies in which it has interests: SICAR-SOC. INIZIATIVE CARTARIE SpA, Milan and RELAC SpA, Cassino. The latter (whose capital of Lire 4, 000 million was reduced a few months ago to 2, 100 million and then increased) will take over the former (capital reduced to Lire 3, 000 million). In 1965 REED PAPER GROUP LTD, London (see No 315) sold its shareholdings in three paper groups to La Centrale Finanziaria Generale.

** The Belgian household paper manufacturer MANUFACTURE BELGE D' ARTICLES EN PAPIER-MABELPAP SA, Arlon which recently formed a sales subsidiary in Paris called DOREX-FRANCE Sarl (see No 363), is now about to repeat the operation in Germany where it is forming DEUTSCHE MABELPAP GmbH, Wiesbaden (Capital DM 20, 000).

The Belgian company is owned 42. 5% by the Swedish group MO OCH DOMSJO A/B, Ornskoldsvik - 20% directly, and through its subsidiaries NORDSVENSKA BRUK A/B (20%) and MODOCELL A/B (2. 5% - see No 274).

** The cooperation in the use of patents and in sales (see No 363) which has existed since 1949 between CHAMPION PAPER INC, Hamilton, Ohio (see No 371) and the Belgian paper group INTERMILLS SA, Malmedy will shortly be strengthened. The American company is making a considerable increase in the size of its minority shareholding in the Belgian company - through its Lucerne subsidiary THE CHAMPION PAPER CO LTD - and the board of Intermills will now include representatives of the American group.

PHARMACEUTICALS

** LEDOGA SpA, Milan, further to its internal retionalisation programme (see No 363), is to absorb a number of its subsidiaries: ANTIBIOTICI LEPETIT SpA, MERIDIONALE PER L'INDUSTRIA & IL COMMERCIA DEI PRODOTTI CELLULOSI, CHIMICO & PHARMACEUTICI SpA and LEPETIT SpA. After the programme is complete Ledoga will change its name to LEPETIT SpA.

Ledoga's most recent moves, by way of simplifying its administrative organisation, were the takeover of eight chemical companies by LEDOGA CONCIANTI SpA, Milan, and its merger with two other affiliated companies, SOGIF-SOC GARASSINA INDUSTRIA FURFUROLO Srl, Garessio, and INDEL-INDUSTRIA DERIVATI LEGNO Srl, Castelnuovo Garfagnana.

** INDUSTRIA CHIMICA & FARMACEUTICA HOLDING SA, Lugano (capital raised recently to Sf 3 million) has taken 50% in forming SPARCO SpA in Milan (capital Lire 1.5 million) to make and sell chemical, pharmaceutical and veterinary products etc. Messrs C. Ferrari and H.G. van den Heuvel are directors of the new company, and STA PRODOTTI ANTIBIOTICI SpA, Milan, holds a 10% interest, while the balance of the capital has been put up by RHEINGOLD SA, Glarus, Switzerland.

Sig Ferrari is also a director of the Lugano firm, where his colleague is Mr P. H. Helon of Bayreuth: it was formed as a holding company early in 1963, has Sf 500,000 capital and Dr Nello Celio as president.

PLASTICS

** Cooperation already started in the petrochemical sphere between two State coal groups, SAARBERGWERKE AG, Saarbrucken (see No 382) and CHARBONNAGES DE FRANCE, Paris (mainly through HOUILLERES DU BASSIN DE LORRAINE, Merlebach, Moselle - see No 359) is going to be taken a stage further with the participation of the former in the construction and later on, the exploitation of a steam-cracking plant at Carling, Moselle which is due to enter service in 1969. The Saar company will have a 12.5% interest, and this will be complemented by the acquisition of a 25% interest in the butadene plant at Carling. This will supply the synthetic rubber factory at Wantzenau, Strasbourg belonging to POLYMER S.A.F. (part of the POLYMER CORP group of Sarnia, Ontario - see No 356).

The German and French groups are already linked with each other in SAARLAND RAFFINERIE GmbH, Klarenthal, STE DE L'OLEODUC DE LA SARRE Sarl, Paris, AMMONIAC SARRO-LORRAIN Sarl, Saint-Avold, Moselle and HARNSTOFF- & DUENGEMITELFABRIK SAAR-LOTHRINGEN GmbH, Perl.

** The Belgian manufacturer of plastics and rubber products CAOUTCHOUTERIE REMI DEJANS-HERMANDS NV, Lauwe, Courtrai has extended its interests to West Germany with the formation of a sales subsidiary "SOLIDOR" VERTRIEB VON FORMGUMMISOHLEN IN DEUTSCHLAND GmbH, Letmathe, Sauerland (capital Dm 20,000) whose manager is M. Remi Dejans.

The Belgian concern already has two foreign subsidiaries: SOLIDOR NV, Waalwijk in the Netherlands and SOLIDOR-FRANCE SA, Tourcoing (see No 308).

** The Milanese acryllic fibres concern, A.C.S.A.-APPLICAZIONE CHIMICHE SpA (see No 362) is going to expand its foreign marketing operations, having increased the production capacity for "Leacril" (35,000 tons p.a. in 1967) of its plant at Porto Maghera, Venice. A.C.S.A. is a 40/60 subsidiary of THE CHEMSTRAND CORP, New York (part of the MONSANTO Co, St Louis, Missouri - see No 381) and MONTECATINI-EDISON SpA, Milan.

Through its Zurich subsidiary A.C.S.A. INTERNATIONAL SA, the Italian company, has recently opened a Munich branch run by its own sales manager. In France its chief agent is KRELINGER S.A.F., Paris, part of the Antwerp KRELINGER group.

** STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA, Liege (see No 373) has increased to Bf 25 million the capital of its 50% subsidiary FILON-AZOTE SA (see No 298) formed in March 1965 at Liege to manufacture polystyerene panels and sheets reinforced with fibre glass. This move is aimed at financing the expansion of the subsidiary, but it will not affect the interests of the two shareholders - the other 50% belongs to the American company FILON CORP, Hawthorne, California.

TEXTILES

** Two Belgian making-up companies have merged: KORANIT NV, St-Niklaas, has taken over the associated company NV BULTEEL BREIGOEDEREN, St-Niklaas-Waas. Koranit, which has thus raised its capital to Bf 13.5 million, was formed three years ago under the name of FASHIONIT NV, when CAROLAN INC of Panama took a minority interest.

** The Dutch group BLYDENSTEIN-WILLINK NV, Enschede (see No 274), a manufacturer of canvas and heavy-duty cloth for clothing and industrial use, has made an agreement with HEBON-HOLLAND NV, Boxtel for the manufacture and sale of cloth for clothing purposes. This agreement has led to the formation of DELTA NEDERLAND NV, Boxtel (capital Fl 250,000) headed by M. D.K. Hersberger. The new company will start with a small number of employees, and will specialise in the manufacture of tents and similar camping equipment.

Hebon-Holland and Blydenstein-Willink already share common interests in HOLLAND CANVAS TRADING NV and NEDERLANDSE ZEILDOEK MIJ. NV, and the Boxtel firm also has a Durban subsidiary. KON. TEXTIEL-FABRIEKEN NIJVERDAAL-TEN CATE NV, Almelo is an associate of the Enschede firm in PERMESS NV, Borne (see No 267) and another associate is CHARBERTING, New York in CHARBERTING-BLYDENSTEIN NV, (see No 274).

TOBACCO

** R.J. REYNOLDS TOBACCO CO, Winston-Salem, North Carolina (see No 354) has formed a company in Geneva to coordinate the group's European business, called R.J. REYNOLDS SA (capital Sf 500,000 - president M. Jacques Borin of Belgium).

The American group, which employs more than 14,000 people and had a 1965 turnover of $1,690 million, has other manufacturing interests on the Continent: REYNOLDS CIGARETTE CORP AG, Zug (formed in March 1966 with Sf 1.5 million capital), and REYNOLDS NEUERBURG GmbH, Cologne (100% subsidiary of REYNOLDS TOBACCO LTD, Nassau, Bahamas), which itself controls ZIGARETTENFABRIK HAUS NEUERBURG KG, Cologne.

TOURISM

** CIE MARITIME DES CHARGEURS REUNIS SA (see No 381) and CLUB MEDITERRANEE SA (see No 309) have signed an agreement in Paris which will allow the latter to build holiday centres near the ports of call used by UTA-UNION DE TRANSPORTS AERIENS SA, Paris, a 60.8% subsidiary of the former. This agreement has resulted in the formation of SODECOTOUR-STE DE DEVELOPPEMENT & DE COORDINATION DU TOURISME SA, Paris (capital Ff 500,000; president M. Jean Combard).

Club Mediterranee, which handled around 520,000 visitors in its centres in 1965 (with a turnover of over Ff 75 million), also recently formed CLUB MEDITERRANEE ISRAELIAN LTD, signed a cooperation agreement with AGENCE HAVAS SA, Paris (see No 373) with which it has now set up a joint committee, and launched a loan of Sf 7 million (at 6%).

TRANSPORT

** Three new Dutch groups have bought shares in the Rotterdam bonded and container-freight warehousing concern, EUROPE CONTAINER TERMINUS NV (see No 364), which is doubling its authorised capital to Fl 5 million to finance expansion. Its property is in the Beatrix Basin of the port. The three companies concerned are all in Rotterdam: STUWADOORS MIJ MUELLER-PROGRESS NV (18.5%), PAKHUISMEESTEREN NV (14%) and CORNS SWARTTOUW'S STUWADOORSMIJ NV (12.5%).

After the move is complete, the three original shareholders' interests will have been altered as follows: THOMSEN'S VERENIGDE BEDRIJVEN NV (see No 381), 48% to 25.5%; STEVEDORE CO QUICK DISPATCH NV (see No 364), 48% to 22.5%, and NV NEDERLANDSE SPOORVEGEN NV, Utrecht (see No 377), 4% to 10%.

** STE BELGO-ANGLAISE DES FERRYBOATS SA, Brussels (director M. G de Kimpe) has made over its "Road Transport" branch and its 10% interest in TRANSPORTS FROGORIFIQUES BELGES-TRANSFRIBEL SA to INTERFERRY - STE BELGE DE TRANSPORTS ROUTIERS INTERCONTINENTAUX SA, which was formed recently in Brussels for transporting all kinds of merchandise by rail, containers and lorry.

MM Max Crem and F. Dautrelop are respectively president and managing director of the new concern (capital Bf 35 million), which is controlled by S.N.C.B. - STE NATIONALE DES CHEMINS DE FER BELGES, Brussels, a public company directed by M. L. Letaire: M. Crem directs its "Exploitation" department.

VARIOUS

** STAR DIAMOND CO (BELGIUM) NV, the Antwerp subsidiary of STAR DIAMOND CO LTD, London (see No 372), has formed UNITED INDUSTRIAL DIAMOND NV (capital Bf 100,000) for trading in, selling and cutting precious stones for industry. An Antwerp diamond merchant, M. S. Wechsler, is the chief minority shareholder of the new company.

The Antwerp firm already has a number of subsidiaries in the home town, such as GEMSTAR NV, GLASOL NV, and ANTWERP INDUSTRIAL DIAMOND CO NV.

** The American company DEKALB AGRICULTURAL ASSOCIATION INC, Dekalb, Illinois, has formed a new sales subsidiary in the Common Market, DEKALB NV, Amsterdam (capital Fl 400,000) headed by Mr. E. D. Wilson. The new company will import and sell agricultural products and seed grains.

In Europe, the American company has controlled since 1963 DEKALB ITALIANA SpA, Mestre, Venice, and DEKALB GmbH, Buchschlag, Hesse, near Langen, also headed by Mr. Wilson.

** The group of French interests headed by M. Philippe Destezet, Lyon, and German interests headed by Herr Wolfgang Beyer, Berlin, have formed a new personnel agency called ECCO GmbH. 76% of the capital Sf 50,000 is held by the Vaduz holding company ECCO INTERNATIONAL AG. The same interests formed a similar company in Zurich in April 1964 called ECCO GmbH (capital Sf 10,000).

** BANQUE DE PARIS & DES PAYS-BAS (see FINANCE) has sold to two American investment companies, DREYFUS FUND CORP. and MADISON FUND INC(10% and 5.2% respectively) part of the interest it recently acquired (see No 380) in the film distribution company COLUMBIA PICTURES CORP, New York (see No 378) and thus keeps only 20%. The American group controls a radio station through its 88% subsidiary SCREEN GEMS INC and has a licence giving it the right to operate three television stations. It will remain under the direction of the existing management with Mr. A. Schneider as chairman.

** An important merger has taken place in the Belgian laundry industry which has strengthened the position of MONPLAISIR & PONTZEN REUNIS SA, Schaerbeek-Brussels. A European-scale firm has been thus formed under the name EUROBLAN-STE EUROPEENNE DE BLANCHISSERIE, APPRET & NETTOYAGE A SEC SA (capital Bf 151.95 million) which has M. Pierre Warnant as president and M. R. Fontaine as managing director. The new company also has offices in Merksem, Antwerp, Vilvorde and Aarschot. The move involved three associated companies: GRANDE BLANCHISSERIE DE FOREST SA, Forest-Brussels, its affiliate U.B.T. PINGOUIN-ZONNEKLAAR-CLAIRETTE SA, Molenbeek-St-Jean and the latter's subsidiary BLANCHISSERIE DES TROIS FONTAINES SA, Vilvorde. The latter, too, held minority shareholdings in the absorbing company. The total assets of the three companies have been respectively estimated at Bf 70.02 million, Bf 57.76 million and Bf 43.38 million.

** A.T. KEARNEY & CO, Chicago (management consultants and staff-finding) has formed a Milan subsidiary A.T. KEARNEY SpA (capital Lire 50 million) in association with its own subsidiary A.T. KEARNEY INTERNATIONAL INC, Chicago.

Tirenna di Capitalizazioni	Q
Tolana	I
Total	R
Trading N.V., Antwerp	R
Trailmobile	J
Transfribel	V
Ufitour	R
Unimasa, Seville	I
Union de Transports Aeriens	V
Unione Finanziaria Italiana	Q
Unione Italiana di Assicurazione	Q
Unipark	E
Unipectina	Q
Vereinigte Draht & Kabelwerke	H
Waite Motor	K
Wessanen	P
Wiener Starkstromwerke	H
Wine Selection (International)	P
Wolff, Otto	I
Zimmermann, Birra	P