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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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THE WEEK IN THE COMMUNITY

March 27 - April 2, 1967

From Our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

Two Major Issues in the Spring

The imminent approach of free circulation of goods in the Community and changes in the pattern of world competition (especially in technology and industrial concentration) are, of course, major problems for the EEC, but even these do not pose such an immediate and dangerous threat to its solidarity as do the need to get the issues of the Kennedy Round and the common agricultural policy settled once and for all:

I: The Kennedy Round

After the minor summit in Geneva, the Commission will draft the final package to be put before the Six for adoption on April 19. Things have been fairly peaceful on this front just lately but there is no guarantee that all the arguments have been settled. Mr Hubert Humphrey, Vice-President of the United States has gone to great lengths to impress on Bonn the importance attached by the Americans to the success of the GATT negotiations, while in Geneva the US delegation has fought strongly for a food aid programme to be incorporated into the world cereals agreement. In her present economic state, Germany must certainly be tempted to ensure the success of the Kennedy Round. However, the acceptance of a food aid programme would again raise the problem for the Six of sharing financial burdens between exporting and importing countries, a subject which has long been a source of bitter wrangling.

II: The Common Agricultural Policy

The Time Factor: The EEC Council has now less than three months left in which to decide on the final shape of the common cereal markets and their satellites. This involves not only organisation, but other common agricultural policy fields, such as subsidies. According to the official interpretation of the 1966 agreement, the financial burden of this policy can vary and administration can be shifted from one institution to another: this gives ample scope for doctrinaire or practical controversy, and progress to date has been little short of dismal. The current president of the EEC Agricultural Council, M. Charles Heger (Belgium) has been urging the Six to make April 10 the day they really get down to business.

Inertia: Doubt cast on the 1966 compromise, the governmental hiatus in France and the Netherlands, and the danger of an open crisis in Euratom are all factors of the current political malaise in the Community which is well marked by the uncertainty as to the date and purpose of the Rome summit. A few weeks ago it looked as if this meeting would

provide an overall view of the EEC and an opportunity to give European co-operation a more political flavour. The merger conflict was settled; the major political arguments of the past seemed to have blown over. On the one hand, there seemed to be tacit approval of sharing Community responsibility between the Council and the Commission; and on the other, all six partners seemed to have developed their foreign policies along the same broad lines. All were agreed on a softer line towards the East and that new roles should be found for the Atlantic Alliance. Moreover, Mr Humphrey's assurances of American support for a united Europe and the improvement of relations throughout the continent were expressly intended to dispel any doubts on the part of those who feared that Washington might frown on a too "European" Europe. Again, the structure of the future single Commission is supposed to be more or less decided, but still a haze of gloom seems to hang over the Rome summit.

"Burial"? Perhaps there is some fear that old antagonisms may be aroused if action is taken in haste, and it looks very much as if the Six have not really lived down the effects of past crises. While Germany, Belgium and Luxembourg are prepared to put up with the Fifth Republic, the Netherlands are far from satisfied, and Italy is becoming increasingly prickly. The "Man from Messina", Sig Gaetano Martino, seemed to sum up his compatriots' attitude when he said "The Rome summit is more likely to lead to burial than recovery".

Deadlines: These still remain, and there is little time left to camouflage differences with postponements. Those who attribute these to French domination fear the EEC's inability, with only Six members, ever to solve all the problems. This smacks of the situation existing in 1962 when the Netherlands refused to form a political union without Britain. The problem was contained then in the Fouchet Plan. It is raised now by the Community's advance to a further stage in its development, which does not make the situation any less delicate.

* * *

Dutch Natural Gas and Unfair Competition

The Accusation: According to Herr Burgbacher, the German Christian Democrat representative at the European Parliament, the NAM company exploiting the Dutch natural gas deposits should be condemned under the anti-cartel laws of the Treaty of Rome. In his opinion, this company holds a dominating position within the Common Market or a part of it; it takes unfair advantage of its dominating position on the market by discriminating between its Dutch clients and those from other EEC countries; and its abusive price policy is likely to affect competition between the member states. On all three counts, Article 85 of the Treaty is invoked. In a written question addressed to the Commission, Herr Burgbacher bases his accusation on the fact that the transport costs of the natural gas depend much more on the amount of gas transported than on the length of the pipelines, that is on the distance between the final user and the source of production. However, according to the German Member, the prices paid for comparatively small quantities of gas by Dutch users are very different from those paid by foreign users for comparatively large quantities.

The Reply: The Commission admits that the size of a delivery is an effective factor in transport costs but it is not the only one. It does not rule out the possibility of measures being taken under the ruling on agreements but it points out that it has not yet fully studied the problem. It also emphasises the fact that it cannot act in cases of this kind without taking the interests of both sides into account, that is, unless a contradictory statement has been submitted.

Background: The Commission is more inclined to insist on this point of order than to get embroiled over the Noordwijk agreement. This agreement was signed between the Belgian, German and Dutch cement companies and it was intended to split the market between those concerned. The agreement was notified to the Commission, and this prevents those involved being subject to fines as the agreement was not then formally condemned. However, in January 1956, the Commission's Director General on competition informed the firms concerned that the Noordwijk agreement was illegal, that they had six weeks in which to end it and that after this date they would lose the immunity gained by notification.

A Legal Point: The firms opposed this judgment before the Court Of Justice. They pleaded not on substance but on its form. They pointed out that this was not just a communique but a decision as such, involving legal consequences (mainly fines) and that under the terms of the Community regulation no decision can be taken without observing certain formalities (grounds, hearing of the parties concerned etc) which had not been so in this case. The Court found in favour of the plaintiffs. As a result the Commission can no longer use the communication short-cut in trying to solve problems arising from agreements. Hence the Commission's caution in the NAM affair.

* * *

ECSC

SCRAP-IRON: Survey and Outlook

In the past few years, scrap consumption in the Community has remained static or even dropped, with the slow-down in the steel market and relatively lower consumption of scrap in steel works and blast furnaces. At the same time, the total collection continues to increase and supplies imported from other countries are very satisfactory for both quantity and price.

The following table shows the trends in scrap supplies and requirements in the Community steel industry (excluding independent steel-foundries) - unless otherwise indicated the quantities are in millions of tons:

<u>Requirements</u>	<u>1965</u>	<u>1966</u>	<u>Difference</u>
Production of pig-iron	62,793	61,344	-2.3%
Consumption of scrap in blast-furnaces	1,498	1,354	-9.6%
Consumption of scrap per ton of pig-iron produced	(23.9 kg)	(22.1 kg)	(-7.5%)
Production of crude steel	85,220	84,365	-1.0%
Consumption of iron in steel-works	34,348	33,938	-1.2%
Consumption of scrap per ton of steel produced	(403.1 kg)	(402.1 kg)	(-0.2%)
 Total Consumption of Scrap Iron	 35,846	 35,292	 -2.5%

Supplies Available

Recovery from the steel industry (sales deducted)	20,080	20,193	-7.2%
Recovery of bought scrap - from the EEC collection	13,659	14,060	+2.9%
From non-member countries	1,324	0,628	-52.6%
 Total Supplies Available	 35,791	 34,881	 -2.5%

Variation in stocks held by steel industry -0.06% -0.398%

The fall in relative consumption of scrap in steel-works follows the advent of new processes for producing crude steel. While the Thomas process (using little scrap) is gradually going out of use, the Siemens-Martin process, which consumes a relatively large amount of iron is also being cut back. The share of SM steel works in the total EEC production of crude steel has fallen from 38% in 1950-60 to 31% in 1965 and according to the High Authority's overall targets for steel for 1975 the SM steel-works will by then be responsible for only 25% of the crude steel produced, whereas the oxygen steel works will increase their share, as can be seen from the following table (in thousands of tons and in %):

	1950		1960		1965		1975	
	1,000 t	%	1,000 t	%	1,000 t	%	1,000 t	%
Thomas + Bessemer	17,772	55.9	36,105	49.4	32,263	37.6	19,000	17.3
Siemens-Martin	11,900	37.5	27,538	37.7	26,874	31.2	27,000	24.6
Electrical Steel	2,091	6.6	7,832	10.7	10,354	12.0	13,000	11.8
Oxygen Steel	-	-	1,593	2.2	16,501	19.2	51,000	46.4
 Total	 31,763	 100	 73,068	 100	 85,991	 100	 110,000	 100

Consumption Will Rise Until 1970

Although the relative consumption of scrap fell in 1966 this trend will not continue in the next few years because installations producing steel by oxygen (which use considerably less scrap than the SM plants) are generally replacing not SM but Thomas plants, which also use very little scrap. So for all installations, the theoretical relative consumption of scrap-iron has risen in the last few years, from 366 kg in 1950 to 408 kg in 1965. By 1970 the relative consumption of scrap could reach 414 kg per ton of crude steel produced, after which the importance of scrap in Community steel mills will decline to around 411 kg in 1975.

In its General Objectives for 1975, the High Authority has evaluated the total consumption of scrap at from 54.05 to 58.9 million tons, including 7.1 million tons of scrap pig, the remainder being scrap steel.

Surplus in 1975: The Community's internal scrap resources will increase satisfactorily in the course of the next few years. At the same time the experts feel that the Community must expect a supply shortage in 1970 of perhaps as much as a million tons. A surplus of a million tons within the Community is expected for 1975.

Restrictions: This is why the High Authority feels that the restrictions on exports, imposed in 1964 when the experts feared that an increase in Community scrap exports could cause a rise in prices, should not yet be lifted. The danger of an increase in prices will still occur in the next few years, so the High Authority has rejected any suggestion of an unconditional freeing of exports.

Low Quality Scrap: The situation is however somewhat different in the case of low quality scrap, for which it is becoming increasingly difficult to find buyers in the Community, but which can find outlets in some other countries which are not too far from the collecting centres. There is therefore a possibility that exports will be freed for this type of scrap, especially turnings and faggots. The establishment of export quotas is being studied for old pig-iron. Finally, some liberalisation of exports could be considered for regions situated well away from the Community consumer centres but well-placed as regards certain third countries. This is the case, for example, in south-west France which could easily find buyers in Spain.

Within the Community Scrap Prices Tend to Standardise

When the Common Market was formed in 1952, the price of scrap in the various member countries varied considerably. For no. II category, the prices were 20.3 dollars in the Netherlands, 21 dollars in Germany, 32.6 dollars in France, 71 dollars in Belgium and over 80 dollars a ton in Italy. By a system of equalisation for imported scrap, fixed minimum prices and prohibition of exports to non-member countries, prices were gradually standardised within the Community and at the end of 1963, these stood at around 30 dollars a ton.

The Price-Span: On the whole, French scrap prices are the lowest in the Community, while those quoted on the Italian market are usually 7 to 10 dollars above French prices. Between these two extremes lies the German price (usually two dollars above the French price). The widest price differences in time are on the Belgian market while the Dutch market usually follows the fluctuations of the German market. At the beginning of the current year, the prices were as follows in the various member countries:

France (Paris region)	23.80 dollars/ton
Belgium	24.00 dollars/ton
Netherlands	26.30 dollars/ton
Germany	26.75 dollars/ton
Italy	34.40 dollars/ton

These are prices for no. II category scrap produced in the Community. The price of imported scrap is at present the same as the composite-price of American scrap plus transport costs. During the first ten months of 1966, the prices asked for imported scrap were 42.30 dollars a ton, or 39.80 dollars a ton for US scrap and 44.37 dollars a ton for British scrap.

Import Prices: The experts also consider that there will be no significant increase in the price of imported scrap in the next few years, especially if the Community scrap market becomes more balanced. With supplies from the United States and Britain increasing steadily, the Community scrap iron trade will only be able to export profitably to Western Europe. As this market can only take 1.5 million tons a year, shared between American, British and African exporters, the Community can look for exports of not more than 300,000 to 400,000 tons a year.

A basic problem in the Community scrap market at the moment is how to improve quality, as modern steel-works require a higher and more consistent quality of scrap. The High Authority intends to study this question jointly with the governments of the member countries to see what can be done to achieve this.

* * *

German Steel Sales Agencies

The four steel sales agencies recently authorised by the High Authority (see Community, 401), are comprised as follows:

1. Group West: August Thyssen Hütte, Friedrich Krupp Hüttenwerke, Mannesman, Otto Wolff, Stahlwerke Bochum, Rasselstein, Theodor Wuppermann, Felten Guillaume, Eisen- und Stahlwerke Rötzel, Ohler Eisenwerk, Ibach Stahlwerke, Walzwerk Neviges, Eschweiler Bergwerksverein, Fürstlich Hohenzollersche Hüttenverwaltung.

This group produced 15.14 million metric tons crude steel in 1965 (17.6% of ECSC crude steel output), and provides up to 29.3% of total wide strip production in the Community.

2. Group Westphalia: Hoesch, Dortmund Hörder, Hüttenwerke Siegerland, Friedrichshütte, Dörker, Trierer Walzwerk, Schwerter Profileisen, Rhestahl Hüttenwerke, Gusstahlwerk Oberkassel, Gusstahlwerk Gelsenkirchen, Edelstahlwerk Witten, Kuhbier u. Son, Siegener AG, Arnold Georg AG.

This group produced 9.89 million metric tons crude steel in 1965 (11.6% of ECSC crude steel output), and provides 22.1% of EEC tinplate output.

3. Group North: Klöchner Werke, Hüttenwerk Oberhausen, Salzgitter Hüttenwerk, Ilseder Hütte.

This group produced 7.9 million metric tons crude steel in 1965 (9.2% of ECSC crude steel output), and provides 14.7% of medium plate output in the EEC.

4. Group South: Röchlingsche Eisen-und Stahlwerke, Neunkircher Eisenwerk, Dillinger Hüttenwerk, Arbed-Burbach, Hadi-St. Ingbert, Schwäbische Hüttenwerke.

This group produced 8.17 million metric tons crude steel in 1965 (9.5% of ECSC crude steel output); it covers 20.3% of heavy section production in the Community.

* * *

EURATOM

Cause For Alarm

Budget Quarrel: The position of Euratom is at present even more precarious than that of the Community, and it, too, is faced with two major issues: it is not just a matter of formulating the next five year programme (1968 - 72), but also of settling the argument which has so far blocked any agreement on the 1967 research budget. This is the row over incorporating the Italian PEC reactor into the joint programme, the financing of the plutonium cores for the French fast reactors and the deficit occurring in the association contracts signed by Euratom, France and Germany in the fast reactor field. Financially these difficulties are not insurmountable but they are bristling with political thorns made all the more formidable by the fact that a unanimous vote is required.

Expediency versus Solidarity: Preparation for the debate arranged for April 10 have prevented any compromise being reached, and indeed, the prevailing opinion is that several delegations are preparing an about-turn which would virtually dissolve all basis for Community action. The future of the joint ISPRA centre, Euratom's main establishment, will also be discussed. There is increasing doubt as to whether the research firms for rapid reactors, which are the best prospects for the future of nuclear power can continue under the Community banner. In short, present multilateral co-operation which is the whole basis of the Community idea may be superseded by bilateral co-operation. And Euratom will be just a co-ordinating force except for some necessarily joint operations such as supplies or security.

The N.P.T.: This threat of dissolution from within comes to Euratom at the very time when the NPT (non-proliferation treaty) is causing it problems from outside. Vice President Humphrey's assurances are almost certain to win France's partners over to the NPT, not least because amendments to the original draft have largely covered the Commission's and the Six's main objections. Nevertheless, there is likely to be a very ticklish political, not to say legal situation arising if all of the Six do not reach a common stand before the treaty is signed, and as yet there has been no concerted effort to achieve this.

* * *

AID TO ASSOCIATED STATES

Oil-Seed Cultivation in Africa

The EEC Commission's latest memorandum to the Council on aids to Associated African States and Madagascar in the oils and fats sector concerns the extent and financing of these. The system is scheduled to come into operation at the same time as the common market organisation of this sector, i.e. July 1, 1967, but for legal reasons, it cannot be financed under the same system as oils and fats in general, revenue for which is to come from a tax on edible vegetable oils and from contributions from the common agricultural fund (FEOGA).

The memorandum therefore proposes a special heading in the Community's budget, to cover this outlay, and the burden will be shared as follows:

Belgium	8.1%	Italy	20.3%
Germany	31.2%	Luxembourg	0.2%
France	32.0%	Netherlands	8.2%

The Commission also proposes that this form of aid should be limited to \$2 million for the second half of 1967, and then to \$7 million, 6 million and 6.5 million respectively for the following three six-months periods.

* * *

SOCIAL FUND GRANTS

The Commission recently approved grants from the European Social Fund for vocational training and resettlement schemes being carried out by member states, and affecting nearly 7,000 workers. The grants cover 50% of the cost of approved government schemes, and were distributed as follows:

Belgium	2,001 dollars	5 workers affected
West Germany	32,322 "	64 "
Italy	775,466 "	5,630 "
Luxembourg	4,035 "	4 "
Netherlands	1,087,831 "	1,106 "
	<hr/>	<hr/>
Total:	1,901,685 dollars	6,809

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EUROFLASH

ADVERTISING

** The New York COMPTON ADVERTISING INC group, further to the agreement it made in February 1966 (see No 345) with the German agency CLAR GmbH & Co KG, Heidelberg, in which it now holds shares, has formed a new Heidelberg agency in association with it under the name of Compton-Clar International Werbeagentur GmbH (capital DM 800,000; manager Dick Zuver).

Elsewhere in the Common Market, the American group holds 13% in Publi-Synthese & R. L. Dupuy SA, Brussels, and has a Rome subsidiary called Compton Cueto Advertising SpA. In 1966 its Paris subsidiary Contact-Compton SA passed to the control of the Paris advertising agency Sodipa SA, and had its name changed to Contact SA (see No 392). It also has a British subsidiary called Garland Compton Ltd., London.

** The two advertising agencies of PRESSAG GmbH, Munich, and GRANBY PUBLICITY LTD, London, have made a co-operation agreement.

The German agency has for two months (see No 395) been linked with the French Hommes-Idees-Creations-H.I.C. Publicite SA, Paris (headed by M. Antoine Haffner) in a 50-50 joint subsidiary called H.I.C.-Strasbourg Sarl (Ff 10,000 capital).

AUTOMOBILES

** The American PLUMBIUM MFG CORP, Bristol, Tennessee has made its first establishment move in the EEC by setting up a 75% subsidiary called DYNACLIF Sarl at Issy-les-Moulineaux, Hauts-de-Seine (capital Ff 100,000; manager/partner M. J. Spirytus). Plumbium has granted licences to the new subsidiary for its automobile parts and accessories, such as wheel-balancing weights. The parent company already has one European subsidiary in London, and another in South Africa.

BUILDING & CIVIL ENGINEERING

** HESSEL'S NATURSTEENHANDEL NV, Amsterdam (headed by M. W. Hessels) which supplies materials for the building industry, such as granite and marble, has formed a Düsseldorf subsidiary HESSELS' NATURSTEINE GmbH (capital DM 50,000) with M. Cornelis Stedehouder, Hierden, Netherlands, as manager.

** INCISA Srl, Parma (specialists in the laying of pipelines for the gas, petroleum and other industries) has opened a Brussels branch headed by Sig. Claudio Secchi. The Parma concern was formed some six years ago by Dr. Claudio Corini (the sole head) and Sig. V. Cuccurullo; in July 1962 it opened a Swiss branch at Zug.

** Two Milan property companies, STA COSTRUZIONI GESTIONI IMMOBILIARI-COGIM SpA (headed by Sig F. Maspoli) and VERBENES SpA (headed by Sig A. de Zordo) have formed Impresa Lavori Ingegneria Civile SpA in Milan (60-40). The new company is for all types of building and civil engineering contracts (road and harbour works, tunnels, railways etc), has Lire 100 million capital and will be directed by Sig G. del Gaudio.

CHEMICALS

** The large French contract for materials to deal with the oil threat to the French coast, after the Torrey Canyon disaster, has been awarded to EKOPERL GmbH, Dortmund. This company will supply a powder, made from volcanic ash, which will absorb the oil, and facilitate its disposal by fire or by dredging from the surface of the water. Ekoperl uses processes developed three years ago by EKOF-ERZ & KOHLEFLOTATION GmbH, Bochum (a 100% subsidiary of WEDAG), and is a 50-50 joint subsidiary of Wedag-Westfalia Dinnendahl Gröppel AG, Bochum (see No 381) and DEUTSCHE PERLITE GmbH, Dortmund (see No 312). The latter itself is a subsidiary of C.E.C.A. - Carbonisation & Charbons Actifs SA, Paris (see No 373), which is controlled by the Belgian EMPAIN group, in association with the Paris Companies Ugine-Kuhlmann SA and Progil SA.

** The French manufacturer of glues and resins CEGECOL-STE CHIMIQUE GLAUBERT SA, Paris (factory at Damville, Eure) has formed 51% Italian subsidiary ITALGLAUBER SpA (authorised capital Lire 50 million) which will make and market "Carrofix" glues for floor tiles. The new company is at Mason Vicentino, Vicenza and is headed by the minority shareholder Sig. Mario Cavolo, with M. Gerad Glaubert as president.

CEGECOL makes "Armstrong" epoxy resins, glues for the building industry, "Isofix", "Super Bond 70", "Tapifilm", "Dall'Stick", floor-tile adhesives "P.K.F.", Thirkoll mastic, "Isofix" anti-corrosion "Cotflex" coverings, as well as "Corrofix W" and "Carro 99" glues.

** The French company DEGREMONT SA, Rueil-Malmaison, Hauts-de-Seine (see No 394) has run into difficulties over the expansion of its German interests, and has therefore decided to link with a German firm, to take advantage of the latter's experience. Degremont has acquired an 80% interest in PHILIPP MUELLER oHG, Stuttgart to whom it will make over the assets of its wholly-owned subsidiary Degremont Wasseraufbereitungs GmbH, Düsseldorf, formed in September 1959, whose capital was raised in May 1966 from DM 1 to DM 1.5 million.

The French company is Europe's leading water-treatment concern and through the holding company Traction & Electricite SA, it is a member of the Ste Generale de Belgique SA group of Brussels. Outside France it has long had interests in Belgium, Italy, the Netherlands, Switzerland, Spain, the USA, Latin America and Japan. (see No 363).

COSMETICS

** The German manufacturer of aromatics, essential and synthetic oils, HAARMANN & REIMER GmbH, Holzminden (see No 376) which has been represented in France for many years by M. G. de Georges, Antives, Alpes Maritimes, has now formed a sales company in Paris called HAARMANN & REIMER Sarl. The new firm will be run by Herr Kraft von Richthofen. It has a capital of Ff 300,000, ten per cent of which is held by the parent firm - a wholly-owned subsidiary of FARBENFABRIKEN BAYER AG, Leverkusen - and the remainder by the Canadian holding company Bayforin - Bayer Foreign Investment Ltd, Toronto, Ontario (see No 397).

This holding company heads a large proportion of the Leverkusen group's foreign interests and is principally a shareholder in the Barcelona company Haarmann & Reimer SA,

formed in 1966 in association with the Spanish companies Bayer Hispania, Barcelona and Productos Electricos SA (see No 339) to market the Holzminden firm's oils and aromatic products. This company has a capital of DM 10 million and is directed by Herren R. Groger and G. Kerschbaum.

** The French food flavourings firm headed by M. Max Sebban, SEBALCE SA, Nice, Alpes Maritimes (capital Ff 1 million) intends to set up in Spain by establishing a subsidiary called SEBALCE IBERICA SA to produce essences and aromatics for the food and cosmetic industries.

ELECTRICAL ENGINEERING

** INDOHEEM NV, The Hague (see No 355) has formed E.M.I. FRANCE Sarl in Paris to distribute electric fans and motors made by one of its subsidiaries in Utrecht, ELEKTROTECHNISCHE MECHANISCHE INDUSTRIE-E.M.I. NV. The new firm has Ff 20,000 capital and M. Marcel Gouge as manager: 90% of the capital is held directly by Interheem NV of the Hague and Scheveningen(see No 355).

Indoheem itself is an investment company with Fl 50 million authorised capital, and it heads a considerable number of companies and affiliates of the Indola NV and Van Der Heem NV groups, which decided to merge late in 1964 (see No 287). The group has factories in The Hague, Rijswijk, Voorburg, Utrecht and Putte (North Brabant), and branches in France, Italy, Belgium, West Germany, Norway, Ireland and South Africa. It produces the "Solex" moped under French licence (see No 317), and companies within the group include Eerste Nederlandse Autorijweizfabriek NV, the hair-care and cosmetics concerns Indola NV and Chemische Fabriek Indola Cosmetics NV, Rijswijk; the hairdressing salon furnishings firm Vikap NV, The Hague; the plastics manufacturer NV Gebr Van Niptrik, Putte and the electrical, domestic appliance and hairdressing equipment concerns of E.M.I. (taken over in 1963) and NV Industriële Onderneming W.H. Braskamp, Rijswijk. The radio, TV and electronics business built up by the group through Van der Heem and Van der Heem Electronics was made over in 1966 to Philips of Eindhoven (see Nos 306 and 355): this included rights to the "Erres" trademark, which the Rotterdam group R.S. Stokvis & Zonen, continues to distribute (see No 402).

** The British makers of electrical tools WESTOOL LTD, Bishop Auckland, Co. Durham (headed by Mr. A. L. Hunking) has opened a Paris branch.

It is a licensee of Controls Co of America, Melrose Park, Illinois, and Delevan Manufacturing Co, Des Moines, Iowa, and since the end of 1964 has been a 30% affiliate (previously 13%) of the American company Warner Electric Brake Clutch Co, Beloit, Wisconsin, has been under the direct control, since 1963, of the London group Kayser, Ullmann Ltd., which previously controlled it through its associate investment company Hochroft Trust Ltd.

ELECTRONICS

** The American electronics group LITTON INDUSTRIES INC, Beverly Hills, California (see No 392), has established direct links between two European subsidiaries of its HEWITT ROBINS INC Division, Stamford, Connecticut (see No 380): HEWITT-ROBINS EUROPA NV, Amsterdam, has completely backed the doubling of the capital (to Ff 100,000) of Hewitt-Robins Europa Sarl, Paris (offices next to those of Litton France SA) and its director has become a joint manager of the Paris concern. This was formed in November 1965 by Hewitt-Robins (France) Sarl, whose manager is also M. Haner (a resident of The Hague). It is concerned with research, manufacture and marketing of industrial vibration equipment.

The Beverly Hills group recently gained two further European interests, with its subsidiary LITTON PRECISION PRODUCTS INTERNATIONAL INC, Wilmington, Delaware, opening a British branch at Hayes, Middlesex, and the other at Zurich. Both will be responsible for distributing the group's electrical, electronic and electro-mechanical products. Litton's are at present negotiating a merger with the Pittsburgh mechanical engineering company THE RUST ENGINEERING CO (see No 362).

ENGINEERING & METAL

** The French investment and management company S.E.A.B.-Ste d'Etudes & d'Applications Industrielles de Brevets de Conditionnement, Villejuif, Val-de-Marne, has taken a 45% interest through its subsidiary PREPAC FRANCAISE Sarl, Villejuif, in the formation of PREPAC ESPANOLA SA (capital Pts 2 million), which will be headed by M. Pablo Poch, and will sell and carry out after-sales servicing of "Prepac" machinery. The patents for these packaging machines (mainly for liquid food stuffs) are held by S.E.A.B.

The latter (president M. Roland de La Poype) has an Italian subsidiary, Prepac Italiana Sarl, Milan, and since the summer of 1966, a West German subsidiary, Deutsche Prepac GmbH, K rchingberg Kr. Julich (capital DM 20,000), which manufactures and sells packaging machinery and materials (mainly plastic sheets).

** The Berlin company BORSIG AG (see No 390) has granted the British company AUDCO LTD, Newport, Shropshire, its licences for the manufacture and sale in Britain and the Commonwealth of its circular valves for the gas and petroleum industries. The wholly-owned subsidiary of the state-concern Salzgitter AG, Salzgitter and Berlin, the German company (capital DM 35 million) is in the process of merging with Deutsche Industrieanlagen GmbH, formed some six months ago in order to regroup the main mechanical engineering concerns in Berlin (see No 370). The British company is the agent of the American group Rockwell Manufacturing Co, Pittsburgh, Philadelphia (see No 393), and it is controlled by the Birmingham concern Serck Ltd, which shares several joint European subsidiaries with Rockwell (see No 344).

** The French and West German clock and watch making groups JAZ SA, Paris, and PETERUHREN GmbH, Rottweil, have completed the technical and sales co-operation agreement signed recently (see No 402) with the acquisition of minority crossed shareholdings.

** A technical, sales and servicing agreement has been concluded between two major French heater and burner concerns, IDEAL STANDARD SA, Paris (see No 362) and STE DES EQUIPEMENTS CHARMILLES SA, Annemasse, Haute Savoie.

The former (capital Ff 52.52 million) is a subsidiary of the industrial heating and plumbing group American-Standard-American Radiator & Standard Sanitary Corp, New York: it recently joined the Paris group Usines & Fonderies Arthur Martin SA, Paris (see No 389) in forming a firm called ERICICO-Ste d'Etudes & de Realisations Pour Le Confort Individuel & Collectif Sarl, Paris. It has a sister firm in Brussels, IDEAL STANDARD SA which recently changed its name to Ideal Standard Industrial & Export Division SA. Another two sister firms in Milan, Ideal Standard SpA and Ideal Standard Industrial SA recently merged leaving only the former. Ste des Equipements Charmilles (capital Ff 3.48 million; branch in Toulouse) is a wholly-owned subsidiary of the Swiss group Ateliers Des Charmilles SA, Geneva, which runs a "Heating Installations" Department producing water-heaters, heater-pumps and "Cuenod" industrial and domestic burners, and a "Turbines" Department with its own branch in Paris. In the hydraulic equipment sphere, where the trend is towards large scale machinery, it is linked with Brown Boveri & Co AG, Baden, Aargau (see No 401) by an agreement whereby it can make larger units in the latter's factories.

** Herr Werner Voeth, the German industrialist who until now controlled TANK-BAU WEILHEIM AH, Weilheim, Obb (service-station equipment, petrol tanks, cranes, hydraulic presses, welding apparatus etc), has made over his majority interest to the Luxembourg holding company INTERVALOR SA. This was formed in June 1966 (see No 367) by Banque Internationale a Luxembourg SA on behalf of Bank Paravicini AG (Parabank), Berne, and Bankhaus Kirchholts & Co KG, Frankfurt.

The German company, which was formed in 1945, has DM 2.4 million capital, employs 400 people in its factories at head office and Dettingen bei Urach and makes an annual turnover in excess of DM 20 million. For a number of years it has been a manufacturing licensee (petrol pumps) for the American Tokheim Corp of Fort Wayne, Indiana, which itself has important interests in Europe: Tokheim NV in The Hague, Tokheim (UK) Ltd at Fife, Scotland, and Tokheim International AG, Lucerne.

** The Italian nuclear research and engineering firm SORIN-SOC RICERCHE IMPIANTI NUCLEARI SpA, Saluggia, Vercelli (see No 381 - capital Lire 2,500 million) - a joint subsidiary of the FIAT and MONTECATINI EDISON groups - is to absorb its Milan affiliate ITALATOM SpA, Milan (capital Lire 400 million).

This firm was established in 1960, jointly by SORIN and an international group led by the Toronto subsidiary of Engelhard Industries Inc, Newark, New Jersey (see No 375). It manufactures refined uranium oxide nuclear fuel "pellets" at the atomic power station in Saluggia. The State organisation CNEN-Centro Nazionale Energia Nucleare (formed in 1952) transferred to it - in return for a 20% holding - its fuel element manufacturing plant in 1963.

** CADRANS FOMEC SpA has just been formed at Como-Camerlata in Italy with Lire 1 million capital to make and sell material for the clock-making industry (especially "Fomec" dials). The first directors of the new company are Messrs Lars Tholstrup, a Dane living in St-Tropez, E. Ryser and K. E. Brunschwiler of Zurich.

A similar company was formed a few months ago in Switzerland under the same directors, and called Fomec SA, Mondrisio (capital Sf 100,000).

** The Paris LE NICKEL SA group (see No 390) has taken 24% in the formation of NIPPON NICKEL OXIDE CO LTD at Kyoto, Japan: the balance of the 125 million yen capital remains with local interests: the non-ferrous metals concerns Nippon Yakin Kogyo Co Ltd, Tokyo (see No 265), the Nippon Mining Co and Taiheiyo Co. This move follows the recent formation in Japan of Tokyo Nickel Co by the Copper Cliff, Ontario group, International Nickel Co of Canada Ltd (see No 354) in association with two local Japanese firms. The latter venture is for the construction of a nickel oxide factory with an output of 4,500 tons a year.

Le Nickel's new Japanese project is for the construction of a refinery to the north of Kyoto, which will process nickel concentrates (up to 70%). This calls for an investment of almost 500 million yen (about £500,000), and the annual capacity will be around 5,000 tons of nickel oxide. The new company will receive technical assistance from the French group, which will also supply it with raw material from New Caledonia: this will be transported by ships from the associated company of Nippon Yakin.

The latter is one of Japan's "big three" stainless steel producers, and in Europe has a subsidiary in Geneva and a branch in Düsseldorf. For its part, Nippon Mining is involved, along with three other Tokyo companies, in feasibility studies for mining the Mauritanian copper mine at Akjoujt. The three other firms concerned are Overseas Mineral Resources Development Co, Mitsubishi Metal Mining Co Ltd (Mitsubishi Heavy Industries group - see No 385) and Sumitomo Metal Mining Co Ltd (see No 397), which had originally planned to take part in the new Nippon Nickel venture.

Le Nickel is also negotiating with the Philippino Government for the purchase of an interest of around 40% in a company to be formed to exploit the laterite (iron clay) deposits at Surigao, with a plant for making steel using nickel. Le Nickel recently had its capital raised from Ff 145,294,000 to Ff 181,617,000.

** As the result of the technical and sales agreement signed between the American company SCRIPTO INC, Atlanta, Georgia (see No 388) and the French company ATELIERS ROGER POUILLAIN, Les Murcaux, Yvelines, the latter will make gas and petrol lighters under American licence: until now it specialised in car accessories.

The Atlanta company, known for its lighters and smokers' requisites, as well as its pens and pencils, will thus continue a Common Market expansion programme, which has already led to the creation of a West German sales network and the formation, last year, of Scripto Europa Srl (capital Lire 50,000) specialising in the manufacture and assembly of pens. Through its London subsidiary, Scripto Pens Ltd, the American company has a factory at Monaco, which supplies the French and Italian markets.

** The American company CATALYTIC BELGIUM INC, Philadelphia, a member of the AIR PRODUCTS & CHEMICALS INC group, Allentown, Pennsylvania, through the chemical and petrochemical engineering company CATALYTIC CONSTRUCTION CO has set up a subsidiary in Brussels to be directed by Mr. P. M. Chetwode-Barton.

The Allentown group also has Air Products SA at Schaerbeek-Brussels - formed at the end of 1964 in association with Ste Generale de Belgique to produce gaseous and liquid oxygen at Salzate (see No 283) - and a branch in London (director Mr. L. C. Knox) of Catalytic International Inc, in addition to its other subsidiaries, Air Products Ltd and Houdry Process & Chemical Co.

** FEREMBAL SA, Paris (see No 326), a joint subsidiary of the French groups Cie Des Forges & Acieries De La Marine, De Firminy & De Saint-Etienne SA, Saint-Chamond, Loire (see No 396) and SIDELOR-Union Siderurgique Lorraine SA, Metz, Moselle (see No 397), is about to absorb the metal packaging firm KAAS & CIE SA, Strasbourg-Meinau. This company (president M. P. Cahuzac) produces cans for the food and paint industries, etc.

This reorganisation move, involving Ferembal (which is raising its authorised capital to Ff 25 million) will be accompanied by the transfer of control in Alutol-Audincourt SA, Paris (see No 351) to Ferembal by Cie Des Forges d'Audincourt & Dependances SA, Paris. Alutol (capital Ff 2.25 million) was formed in 1961 when the assets of its parent firm were divided and it took over the "Alutol" metal box and stamping Department.

** The Austrian timber and plastic tooling firm WILHELM STEHLE KG, Wolfsegg has formed a German sales subsidiary called Wilhelm Stehle Vertriebs GmbH, Oberkochen. The new firm (capital DM 20,000) is run by Herr Engelbert Balle, Oberkochen.

** The Belgian company FORGES DE ZEEBRUGGE SA, Herstal (capital Bf 75 million), affiliated to the Brussels holding companies Cofinindus SA and Brufina SA, which until now was directly controlled (78%) by the steel group COCKERILL-OUGREE-PROVIDENCE SA, Seraing (see No 400), has become a subsidiary of POUDRERIES REUNIES DE BELGIQUE SA, Brussels (see No 397), and will serve to widen the latter's highly specialised powdered metal activities.

Under its growth and diversification policy, Poundreries Reunies recently increased its majority shareholding in the mining company Sertra SA, Mons (see No 338) to some 61%. In 1966, it took up interests in: Euroform SA, Brussels which operates under American licence (see No 390), making polyurethane foam in its factory at Wetteron; and Almet SA where it is associated with Albion Malleable Iron Co (see No 365) for research connected with malleable iron.

** Due to its inability to overcome its financial difficulties, the German metallurgical firm GEBR. GLITTENBERG GmbH, Velbert, Rhineland (plumbing sundries and castings) has come under the control of BfG-BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt (see No 391) through Gesellschaft Für Giesserei & Eisenverarbeitung mbH, Frankfurt at a cost of some DM 30 million. At the end of 1966, BfG had assets totalling DM 5,800 million, an increase of 14.5% over 1965.

** EURO CONTINENTAL INDUSTRIES INC, Miami, Florida, specialists in vending-machines for drinks, has expanded its Dutch sales network by forming EURO CONTINENTAL AUTOMATIC NV, Amsterdam to administrate the American company's three branches at Rotterdam, Breda and Oosterhout. The new firm will be run by Messrs J. M. van der Hout, J. C. Thole, P. J. Luteyn and H. J. Wijs. It has a capital of Fl 100,000 and is controlled by the Swiss holding company E.C.A. Handels AG, Stans.

This holding company was formed last June by the American company and it also heads the German subsidiary formed at Neuss a few months ago with a capital of DM 50,000 and directors Messrs J. E. Deckard, Dordrecht and H. J. Wijs, Breda.

FINANCE

** AKTIONSGEMEINSCHAFT DEUTSCHE STEINKOHLNREVIERE GmbH has now been formed in Düsseldorf with DM 64.4 million capital, as was decided by the Federation of German Industry (the BDI). Managers are Herren Siegfried Eichler of Cologne and Jochen Seeliger of Essen, and the new company is to receive state support in promoting the industrial conversion of the Ruhr Coalfield, mainly by buying up exhausted coal-mining sites for the building of new factories (see No 351).

** M. Gaston Vandamme, president of S.A.G. VANDAMME, Jussy, Aisne (see No 244) which was formed in 1963 with some of the assets of the ETS VANDAMME SA food group which did not transfer to Ste Generale Alimentaire (GASA), Neuilly-sur-Seine (see No 387), has formed an investment company in Luxembourg called AFRAMI SA (capital Lux F. 18 million). He will share control with his son Jacques Vandamme after contributing their shareholdings in the shipping concern A. Guelfi & Cie-Survif Srl, Port-Etienne, Mauretania and in SOMAC Sarl, Port Etienne which runs the former.

In 1965, A Guelfi, headed by M. Andre Guelfi, backed the frozen foods firm Sofrima Sarl (capital Ff 400,000) in which MM G. and J. Vandamme each have 25% interests.

FOOD & DRINK

** GIO & F.LLI BUITONI-SANSEPOLCRO SpA, Perugia (president Sig Marco Buitoni), a subsidiary of Finanziaria Buitoni SpA, Rome (see No 400) and its sister firm PERUGINA CIOCCOLATO & CONFETTURE SpA, Perugia (see No 386) have taken over BUITONI FOODS CORP, New York (see No 363). This firm which is currently being reorganised, was formed in 1939 at South Hackensack, New Jersey (see No 352). Sig Giovanni is the president of the American company, which will have a branch in Los Angeles and which specialises in pasta, pre-cooked meals and dietary products.

The Italian group recently established a London branch (see No 394). It has had a subsidiary in France since 1934, Buitoni SA, St Maur-des-Fosses and Camaret, Vaucluse.

** The Belgian group IMPERIAL PRODUCTS NV, Antwerp (see No 396) which specialises in baking products (flour, puddings etc) has provided the finance to expand its French subsidiary by raising this company's capital to Ff 700,000 and renaming it Imperial France SA.

The French company was formed in 1956 (president M. G. Kreuzsch) at Loos-les-Lille, Nord under the name of Ste Francaise Des Produits Imperial Sarl. Its Belgian sister firm is Impy NV, Antwerp and in the Netherlands it has Imperial Produkten NV, Amsterdam and Puddingfabriek Vertrix B.G. Godijn NV, Alkmaar (recently acquired).

FURNITURE

** The Rome furniture group MOBILI MIM SpA (see No 361) plans to conclude an association agreement in France similar to the one it made in Belgium in 1965 for its representation throughout the Benelux countries, and which led to the formation of Mim International Benelux SA at Uccle, Brussels. The agreement will be reciprocal, and negotiations are already under way in France.

The Italian group is headed by Sigs V. and E. Fazioli: it has a subsidiary at Frosinone called Mim-Sud SpA, and in 1966 invested some Lire 350 million in a modernisation scheme for its factories: its turnover was around Lire 2,000 million. It handles sales for thirteen associated furniture companies.

INSURANCE

** Further to the internal reorganisation programme aimed at converting it into a holding company, the French LA PATERNELLE insurance group (which is linked by crossed shareholdings with Banque de l'Indochine, Paris - see No 393) has made over its direct and indirect interests in the insurance sector to an administrative investment company formed for the purpose in December 1966 (see No 398). The latter is called Les Assureurs du Groupe de Paris - A.G.P. SA and has Ff 1 million starting capital (see No 387), shared 60-40 between La Paternelle and its subsidiary La Prevoyance (see No 386).

An international group will join with A.G.P. (see No 386) in the new scheme, with reciprocal benefits, and this comprises COMMERCIAL UNION ASSURANCE CO LTD, London MUNCHENER RUECKVERSICHERUNGSGESELLSCHAFT AG, Munich and ALLIANZ VERSICHERUNGS AG, Berlin and Munich. The chief moves will be: 1) La Paternelle's contribution of its interests in La Paternelle Risques Divers SA (itself 20% linked with Banque de l'Indochine) and in La Paternelle-Vie SA: 2) The division and merger of La Prevoyance SA. After these moves, La Paternelle will have 78% control of A.G.P., and Banque de l'Indochine will have a 15% interest in La Paternelle. A.G.P. will further receive various other assets and thus bring its total capital up to the Ff 100 million mark: those concerned here are La Minerve SA, Paris (a 96% subsidiary of La Paternelle Risques Divers - see No 275) and Cie Financiere Hausmann - C.F.H. SA, Paris (see No 362), which is closely linked with the finance group Pinto & Cie SA and the property group Ste Fonciere Tiffen SA (see No 383).

** Several French insurance brokers, in association with the British concern NUNES (UNDERWRITING AGENCY) LTD, Byfleet, Surrey, have formed HUBERT DES COURTIS COURTAGES D'ASSURANCES & DE REASSURANCES Sarl in Paris with Ff 25,000 capital. This is managed by M. Hubert des Courtis, a Paris reinsurance agent, and partners include MM H. and Pierre des Courtis and J. C. de Lavalette.

** The Dutch insurance group NATIONALE NEDERLANDEN NV, Delft - closely linked with the British insurance industry through crossed shareholdings in the ORION INSURANCE CO LTD, London (see No 258) and two of its subsidiaries in Australia and Canada (see No 323) - has opened a London branch based with the broking firm A. M. MARRS & CO LTD. This is a branch to one of its own subsidiaries, Levensverzekering Mij Van De Nederlanden Van 1845 NV, The Hague (capital Fl 20 million), specialising in life insurance and reinsurance.

Nationale Nederlanden is affiliated to the Zurich group Schweizerische Rückversicherungs-Gesellschaft AG (see No 390) and its chief subsidiaries are Assurantie Mij De Nederlanden Van 1845 NV, The Hague and three sister companies of Levensverzekering Mij Van 1845, namely: Transportverzekering Mij Van de Nederlanden 1845 NV; Brandverzekering Mij Van de Nederlanden 1845 NV; and FATUM-Ongevallenverzekering Mij Van de Nederlanden 1845 NV, all in The Hague and directed by Mr Pieter Heering.

OIL, GAS & PETROCHEMICALS

** The New York oil group TEXACO INC has formed a company in Brussels, similar to the one set up recently in West Germany, and called TEXACO PETROLEUM NV (see Nos 401 and 402). This move is a further stage in the reorganisation, agreed nearly two years ago, of the European network of CALTEX - California Texas Oil Corp, New York (a joint subsidiary with the San Francisco Standard Oil of California group). In Belgium, the reorganisation programme includes the construction of a 5 million tons p.a. refinery near Ghent to cover the whole of the group's supply requirements for the EEC from 1968 onwards.

The new Brussels subsidiary has Hector F. Brown as president and is directed by Mr. Donald E. MacCoul. It has Bf 50,000 capital, directly controlled by SA Belge, Caltex Petroleum Co, Brussels (see No 384), which, as a wholly-owned subsidiary of California Texas Oil Corp, had its capital raised to Bf 125 million late in 1964. The latter's main interests in Belgium are in Ste Belge de Transport par Pipe-Line SA, Brussels, and Protane SA, Brussels, which, together with Comprigaz Sprl of Brussels, controls S.I.A.M.-Ste Industrielle d'Appareillages Mecaniques SA. Texaco, for its part, also controls the Brussels company Texaco Belgium NV (through Texaco Panama Inc), the capital of which was raised a few months ago to Bf 150 million.

** PARCHEMIE SA, Geneva, a newly formed oil and chemical trading firm, has opened a branch in Paris. It will be directed by Mme Gilles.

The president of the Swiss firm (capital Sf 50,000) is M. Rene Burrus, a Frenchman living in Rome, who is also president of the Extension De Marques de Parfumerie SA, Geneva (capital Sf 150,000) and director of the holding company Balinar SA, Basle (capital Sf 250,000).

PAPER & PACKAGING

** The American paper group headed by Mr. A. Goldstein, TRI-WALL CONTAINERS INC, Plainview, New York, has formed another link with Europe by deciding to set up a factory at Tilburg to make cardboard for packaging. This will involve an investment of Fl 5 million and with a payroll of 200 at full capacity will supply the Common Market, Switzerland and Austria and have an annual turnover of around Fl 10 million by 1970. Its administration will be handled by another company being formed by the American group, jointly with the Dutch paper firm Papierfabriek De Hoop NV (director Mr. J. B. Bos). This new subsidiary will be named Tri-Wall Containers (Europa) NV.

De Hoop employs some 750 workers and since 1962 it has had the first unit to be built in the Netherlands making cellulose from wood-shavings and transforming it into semi-chemical pulp for corrugated cardboard. It is associated with several local paper factories in Industriewater Eerbeek NV, which is engaged in purifying water used in paper-making and with Vromen & Papierfabriek Doetinchem NV, Doetinchem, in the cardboard manufacturers Fabriek Voor Papierverwerking FAMEZA NV, Brielle.

The American group has been associated for the last three years with the British company Tillotson's Corrugated Cases Ltd, Burwell, Cambridge, in a joint subsidiary in London, Tri-Wall Containers Ltd (directed by Mr. Ch. Kinsman), which, like the new Dutch subsidiary, specialises in three-ply "Tri-Wall Pak" corrugated cardboard for industrial packaging.

** The Düsseldorf paper group FELDMUEHLE AG (see No 401) has finally established the new company scheduled for Vienna, FELDMUEHLE WIEN GmbH (capital Sch 100,000; manager Herr Wolfgang Scheuba). It will liaise on the German company's behalf in developing relations with Eastern Europe.

** I.C.N. SA, Brussels (see No 394) formed in 1966 under a joint Franco-Belgian-American link-up has opened a British branch in Finsbury, London under Mr Basil L. Evans.

ICN (capital Bf 30 million) is responsible for the European sales operations of its three founders: PAPETERIES NAVARRE SA, Paris, INTERMILLS SA, Malmedy, and U.S. PLYWOOD CHAMPION PAPER INC. The last of these was formed by the recent merger of U.S. Plywood Corp, New York and Champion Paper Inc, Hamilton, Ohio which was a major shareholder in Intermills (see No 384).

PHARMACEUTICALS

** The French pharmaceuticals group ROUSSEL-UCLAF SA, which has about 40 foreign subsidiaries and affiliates, and made a consolidated 1966 turnover of more than 740 million francs (see No 384) has increased to over 75% its interest in its Madrid sales and manufacturing subsidiary, LAGSA-LABORATORIOS AMOR GIL SA. The increase was made when Amor Gil raised its capital to Ptas 12 million, the Spanish authorities having relaxed former legislation, which prohibited foreign companies from holding interests of over 50% in Spanish concerns.

** The Italian chemicals and pharmaceuticals group CARLO ERBA SpA, Milan is pursuing the reorganisation of its infrastructure which began in 1966 with the take-over of five of its wholly-owned subsidiaries (Diet-Erba SpA, MEVE SpA, Carlo Erba Internationale, Imprese Industriali Sind Srl and Erbazoo SpA, all in Milan - see No 351) and their merger with the natural and dietetic food products firm SAGRA-SOC ALIMENTARI GRAZZANO VISCONTI SpA, Milan, which it controls 100%. This company (capital Lire 1,130 million) has a large canning unit at Grazzano Visconti supplied mainly from its property at Montagnana.

Carlo Erba is linked with SAFFA-Fabbriche Fiammiferi & Affini SpA (see No 401) and American Home Products Corp (see No 346) and maintains close technical co-operation with Wyeth Inc, a Division of American Home Products (see No 317) in equal association with another American group Armour & Co (see No 391).

** STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA, Liege (see No 384) having sold out its 28% interest in STE BELGE SOCOPHAR SA, Brussels (capital Bf 35 million), the three directors which had been representing it on the board, MM G. Pirlet, A. Braconier and A. Ch. Pulinx have now resigned, and M. Albert Deligne has replaced the first.

Through its subsidiaries Socophar Congo Scrl, Elizabethville, and PHAPEC Scrl, Belge Socophar handles African sales of chemicals, pharmaceuticals and optical and photographic equipment. Its main shareholders are Cometra SA, Brussels (of the Brufina group - see No 385) and Cie de Plantations SA, Antwerp (of the Banque d'Anvers group).

** SENTIPHARM AG, Lucerne which was formed in February 1967 to trade internationally in chemical, biological and veterinary products has opened an Antwerp branch with M. A. de Belie as managing director. The Swiss company (capital Sf 100,000) has Messrs A. Pestalozzi (president) R. Huber and M. Hegener as directors.

PLASTICS

** Under an expansion plan recently marked by the formation of subsidiaries in Zurich, Kevelaer, Germany and Lichtaart, Belgium, the Dutch plastics and polyurethane foam producer RECTICEL NV, Kesteren (see No 399) has formed Recticel France SA, St-Barthelemy, Maine & Loire. The new subsidiary has a capital of Ff 500,000 and it makes, processes and sells plastic and rubber products.

PRINTING & PUBLISHING

** Two German publishing houses, ECHTER-VERLAG GmbH and VERLAG JOHANN WILHELM NAUMANN, both of Würzburg, have made an agreement whereby, as from July 1 this year, the thrice-weekly "Deutsche Tagespost" published by the second will be incorporated into the daily "Fränkischer Volksblatt" printed by the first, thus increasing its circulation to 55,000 copies.

This move closely follows the merger of two other German publishing concerns, Münchener Zeitungverlag KG, Munich, and Buchdruckerei & Verlag Oberbayerisches Volksblatt GmbH, Rosenheim (see No 398), which publish the dailies "Münchener Merkur" and "Oberbayerisches Volksblatt".

RUBBER

** The French group PAULSTRA SA, Levallois, Hauts-de-Seine which specialises in rubberised metal and the mechanical uses of rubber in suspension, sealing and insulation, recently reorganised its Belgian interests (see No 398); consequently, PAULSTRA-MECAFLEX SA, Ixelles-Brussels has changed its name to PAULSTRA-SILENTBLOC SA.

This company (president Mr Albert van Elder) has in fact regrouped its activities in conjunction with another Belgian affiliate of the French group, Silentbloc SA, Anderlecht. Its principal shareholders, apart from M. J. F. Paulsen (president of the French group) are the investment companies Ficame SA, Levallois (see No 329) and LUBREPA SA - Ste Luxembourg-eoise De Brevets & De Participations (formed in Luxembourg in 1947).

TEXTILES

** The French textiles group FILATURES PROUVOST-MASUREL & CIE, LA LAINIERE DE ROUBAIX SA (see No 402) has made over to the London COURTAULDS group the main part of its 18% interest in their joint French subsidiary Courtaulds SA of Coquelles, Pas-de-Calais (see No 397), and retained an interest of only 4%. The two groups' close technical and trading links will nevertheless be maintained within this firm, and Prouvost-Masurel will

still have two directors on its board, one of which will be M. Albert-Auguste Prouvost, one of the managers of the French group.

Courtaulds SA is managed by Mr C. W. Sheldon, and in 1966 gained control of the Lille group Ets Delebart Mallet Fils Sarl (see No 397), together with its four subsidiaries Retorderie & Cablerie d'Helemmes Sarl, Les Textiles de Douai Sarl, Anta Sarl and Delebart Mallet International Sarl, which employ about 1,500 people in their five factories (at present being reorganised).

** The American textile company LEVI STRAUSS & CO, San Francisco, California has opened a sales branch in Amsterdam under Mr C. Citroen, formerly director of the Amsterdam group B.I. DE VRIES & CO TEXTIEL NV which handled its distribution as well as that of the clothing firm KAYSER-ROTH CORP, New York.

Also in Europe, the San Francisco company has had a subsidiary in London since 1966 manufacturing and selling clothing: Levi Strauss (UK) Ltd (capital £100) and another in Antwerp, Levi Strauss & Co Europe SA which recently had its capital raised from Bf 1 to 11 million.

B.I. De Vries has a sales subsidiary in New York, B.I. De Vries (Textiles) Inc also handling distribution in the USA for the family group Kon Kousen- & Sokenfabriek M. Jansen-De Wit NV, Schijndel (see No 391). In the Netherlands, it controls Algemene Textiel- & Lederindustrie Joseph Leyser NV, Volendam. It also has a British subsidiary called I.B. De Vries (Textiles) Ltd.

** BONTHANDEL H. C. VAN AS & ZOON NV, Rotterdam (ladies ready-made clothing) has formed a Düsseldorf subsidiary, VAN AS BEKEIDUNGS GmbH (capital DM 20,000) with M. A. J. van As holding the post of manager.

** The French fur-finishing concern ANC ETS C & E CHAPAL FRERES & CIE SA, Montreuil, Seine-St-Denis (capital Ff 2,550,000) has gained control of another fur-finishing and dyeing concern BRAUDA FRERES SA, Gennevilliers, Hauts-de-Seine (capital Ff 200,000). After this move, the two companies will more closely co-ordinate their work at the technical level, and will widen the range of their business.

The Montreuil company has further renewed an old alliance with the German THORER & CO RAUCHWARENZURICHTEREI & FAERBEREI, Offenbach, Main, covering co-operation in the finishing and texturing of furs. This is a subsidiary of the family firm of Thorer & Hollender Rauchwaren-Grosshandel, Frankfurt (see No 324), which is one of the oldest German fur companies, and has branches the world over, with breeding and rearing farms in South Africa.

** MANHATTAN-NEDERLAND NV, Breda (see No 401), a newly-formed member of the TRENCO clothing group under the holding company Beleggingsmij Bison NV, Breda, has backed a textile trading firm in Brussels called MANHATTAN-BELGIUM NV (capital Bf 500,000). The shareholders in the new firm are the Breda holding company (nominal) and Confectiebedrijf Trencó NV and Trencó Sportbekledingindustrie NV, both in Breda also. It is directed by Mr G. J. Lambert van Geffen, Brasschaart - also a director of its founder and Bison. It will use the Belgian licence granted to Confectiebedrijf Trencó by the Manhattan Shirt Co of New York.

** The French raw and treated wool wholesalers A. DEWAVRIN FILS & CIE SA, Tourcoing, Nord, has backed the formation of an Italian textile concern, A. DEWAVRIN FIGLI Srl. The new firm (director M. J. Goullard) has been established at Biella, Piedmont, with a capital of Lire 950,000 (under the direct control of the Geneva holding company DEWAVCO).

The French company is a family concern headed by MM. J. Dewavrin and Hubert Dewavrin. It has a subsidiary at Nassau in the Bahamas called A. Dewavrin Fils & Co (Bahamas) Ltd, also controlled by the Geneva holding company (formed in 1961, and with a capital of Sf 2.35 million since October 1962). It also has establishments in Mazamet, Tarn, Wellington, New Zealand, and Sydney, Australia, etc.

** The first board of the recently-formed "societe anonyme" TRICOTAGE DE COLMAR SA, Colmar, Haut-Rhin (capital Ff 1 million), consists of Messrs. E. Cotterill, Gosfield, Essex, W. F. Archer of Wargrave, Berks, and Z. Mladek of Newtownards, Northern Ireland.

This company was formed in 1966 as a limited liability company (capital Ff 20,000) by the COURTAULDS group of London (see No 391 and this issue) and was run up to September 1966 by M. R. Leclerq, after which Mr. E. Cotterill became joint managing director. Control of the company is shared by Crepe Weavers Ltd, Newtownards (10%) and two French subsidiaries (see No 379) of the British group, Courtaulds SA (70%) and Tricot France SA, Colmar (20%). The latter was formed at the end of 1963 to take over the former spinning unit at Logelbach of Ets Hausmann; it has Ff 2 million capital and a sales subsidiary in Germany, Tricot France GmbH, Freiburg im Breisgau.

Courtaulds' most recent Common Market manoeuvre was to set up a sales subsidiary in Amsterdam, Courtaulds Nederland NV (capital Fl 150,000; director Mr. C. Rijken), which took over from A. Kreyborg & Co NV for its synthetic textile yarns and fibres.

** STA DEL LINOLEUM SpA, Milan and Narni, the joint subsidiary (at 48.5% each) of the MONTECATINI-EDISON (Milan) and PIRELLI groups (the latter formerly held 97%) has gained control of VITTORIO VERGANI & CO SpA, Cantu, Como (furnishing fabrics and carpets - see No 264), which will shortly merge with it.

Vergani has sales branches in Milan and New York, and a large interest in the Swiss Schweizerische Teppichfabrik AG, Enneda, Glarus, which itself is closely linked with Textilwerke AG, of Zurich, with which it shares directors. It has been linked in an agreement since 1964 with Thomas Bond Worth & Sons Ltd, Stourport-on-Severn, Worcs, which led to the formation of a joint subsidiary in Milan (40-60), Bond Worth Vergani Srl (directed by Dr. J. T. Murray) for Italian sales of "Spool Axminster" carpets made by Thomas Bond Worth in Britain, and for sales in Britain of Wilton-type carpet made by the Italian company.

TOURISM

** AMERICAN EXPRESS CO INC, the New York travel agency (see No 373), has made a close co-operation agreement with the Paris AGENCE HAVAS SA (see No 401) through its "Travel" department. In 14 French cities, Havas agencies will now handle all American Express's business, except the banking side, which involves travellers' cheques,

and for which they will have to refer to local banks. The agreement does not cover Paris, as the American company already has three branches there (all directed by Mr. R. C. Howland - see No 276), but the two groups are expected to work in close co-operation in the capital.

In return for the service offered by the French partner, American Express will cite the 14 agencies in the literature of its foreign representatives, which is likely to increase their business considerably. In France, the group also has branches at Orly Airport, Cannes, Nice and Le Havre, and its advertising and information services are under the direction of Mr. P. Rudman.

** The trend towards concentration in the package tours sector in Germany is illustrated by a recent co-operation agreement signed by the three leading operators in this field: HUMMEL REISE & CO KG, Hanover, SCHARNOW-REISEN GmbH, Hanover, and TOUROPA GmbH & CO KG, Ruhpolding.

The first of these has assets of DM 1,425,000 and had a turnover of around DM 70 million in 1966: its main backers include the travel agencies Reisebüro Stickrodt KG, Hanover, and Verlagsreisebüro GmbH, Hamburg, with 34.2% each; Reisebüro Paul Lührs KG, Hamburg with 12.35%; Hermes Reisebüro, Dr. Ernst Kreger oHG, Hamburg, with 10.45% and Reisebüro Robert Weinacht oHG, Hamburg, with 3.8%. The two other firms - which have two joint air-travel subsidiaries, Sud Flug - Suddeutsche Flug GmbH and Sudflug-International KG (both in Stuttgart) - have also been linked since 1966 (see No 385) by a crossed 20% shareholding. The other associates in Touropa are Deutsche Reisebüro GmbH, Frankfurt; Amtliches Bayerisches Reisebüro GmbH, Munich, and Hapag-Lloyd Reisebüro, Bremen (joint subsidiary of Norddeutscher Lloyd, Bremen, and Hamburg-Amerikanische Paketfahrt AG, Hamburg). Those with Scharnow Reisen are Reisebüro Wilhelm Scharnow, Bremen, Walter Kahn Reisebüro, Brunswick, Reisebüro Bangemann oHG, Hanover, and Essener Reisebüro GmbH, Essen.

TRADE

** HANDELSGESELLSCHAFT FUER WARENAUSTAUSCH ZWISCHEN DER B.R.D. & DER U.D.S.S.R. mbH has been formed in Bonn with DM 100,000 capital and Herren Karl Plate and Kurt E. Adolf as managers to promote trade between West Germany and the Soviet Union.

Herr Plate manages DR. PLATE GmbH CHEMISCHE FABRIK, Bonn, which has DM 4.4 million capital and employs over 500 people in the manufacture of chemical fibres (especially polyamides) and plastics. Herr Adolf heads several West German textiles concerns, and is president of AKTIENSPINNEREI AACHEN, Aachen, Rhineland (capital DM 1.4 million)

VARIOUS

** The French CARAVANES STERCKMAN SA, Seclin, Nord (manufacture and internal fitting-out of caravans; headed by M. Alexandre Sterckman) has opened a branch at St-Josse-ten-Noode, Brussels, under M. J. P. Moisson. The French company has Ff 400,000 capital and employs about 300 people in a factory covering some 130,000 sq. metres.

** SCHWEIZERISCHE BEWACHUNGSGESELLSCHAFT, Berne (Sf 350,000 capital), an affiliate of SECURITON AG, has purchased an interest of 50% in PYROTECTOR GmbH, Baar, Zug, from Mme Hildegard Döring of Bielefeld, West Germany.

Pyrotector (capital Sf 130,000) was formed in October 1963 50-50 by Mme Döring and Pyrotector Inc of Hingham, Massachusetts, which specialises in fire detection and extinguishing equipment (especially for aircraft), and which still retains its shares. The Baar company is for holding shares, especially in West Germany, in Pyrotector GmbH, Bielefeld. Securiton is best known for its alarm systems, and since 1963 has had a sales subsidiary in Britain called Securiton Ltd., Worcester Park, Surrey.

** P.A. MANAGEMENT CONSULTANTS (EUROPE) SA (see No 386) has now been formed in Paris under the chairmanship of Mr Alan Beaton with Ff 750,000 capital, as opposed to the 150,000 budgeted for it three months ago by the parent company, the London management consultancy and personnel selection concern, P.A. MANAGEMENT CONSULTANTS (HOLDINGS) LTD. As a holding company, the new firm supervises the British group's ten continental subsidiaries in Paris, Frankfurt, Milan, Brussels, Amsterdam, Zurich, Copenhagen, Oslo, Stockholm and Vienna.

The London group is also headed by Alan Beaton, and has another branch in Madrid managed by another subsidiary called P.A. Management Consultants (Europe) SA, formerly the parent company of the other continental firms.

LATE FLASHES

ENGINEERING & METAL Negotiations are taking place between ROBERT BOSCH GmbH, Stuttgart (see No 401) and FR. HESSER MASCHINENFABRIK AG, Stuttgart concerning the possibility of Bosch taking a minority interest in Hesser.

The latter (capital DM 10 million) is linked with the Düsseldorf group Henkel & Cie GmbH (see No 392) and makes a wide range of mechanical equipment for the automatic packaging of food products and mass-consumer goods, quantity control, stapling and printing machinery. It has some 2,000 employees on the payroll in its factories in Bad-Cannstatt and Lorch, Württemberg. With an annual turnover of around DM 55 million, it has a wholly-owned subsidiary in Stuttgart Carl Drohmann GmbH Maschinenfabrik, which makes paper packaging and processing machinery.

ENGINEERING & METAL The West German manufacturer of diesel engines and civil engineering equipment CARL KAEBLE GmbH, MOTOREN-, FAHRZEUG- & MASCHINENFABRIK, Backnang, has formed a Viennese sales subsidiary KAELBLE GmbH (capital Sch 450,000) with Herr Friedrich Hölzle, Munich as manager.

The founder, whose capital of DM 9 million is entirely controlled by the Kaelble family, has an annual turnover exceeding DM 60 million and it employs more than 1,100 workers. In West Germany, it heads ten engineering concerns including Kaelble & Co oHG, Munich.

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