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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

November 6 - November 12, 1967

THE COMMON MARKET

Association: The Storm-Clouds Gather

From our Correspondent in Brussels

Before the Six met in Luxembourg on October 23, the French kept very mum about their attitude to Britain's bid for membership of the Community. Since this first encounter on the issue, however, and since the mild sensation of the Lausanne Affair, French spokesman have been laying it very much on the line, wasting no opportunity to present their ideas and suggestions. Perhaps this change of attitude stems from the stringent conditions that M. Couve de Murville placed on even the opening of negotiations with Britain, and from the fact that this elicited no violent reaction from the Five, who seemed more inclined to juggle with procedure than to thrash out the fundamental issues. This lack of response was especially interesting in Germany, where also there failed to appear any rancour at the ominous rumblings from Lausanne. This apparent unwillingness on the part of Bonn to play the "honest broker" with a will, and its seeming preference to avoid any trial of strength before Germany steps down from the presidency of the Council of Ministers at the end of the year probably did more than anything to persuade France to quit her defensive position and take the initiative once more.

Quite simply, the German attitude seems to have allowed M. Couve de Murville to edge his colleagues off their procedural platform, and thus prevent them from striving solely for the opening of negotiations - one up to France. In his toast to Irish Premier John Lynch, General de Gaulle alluded to the idea of association for the four countries now seeking EEC membership, while before the National Assembly his foreign minister saw no reason why Britain should not one day be a full member of the EEC, though he claimed that before this there must be "fundamental agreement" between the Six, and after 1969 due confirmation of Community appropriations of levies on imported agricultural produce. Scientific research minister Maurice Schumann spoke in glowing terms of the Council's agreement on studying the possibilities of scientific and technological co-operation, in which he found great promise. There was also a strong hint that de Gaulle himself may soon make some spectacular suggestions in this sphere (building a European isotope separation plant, for example) and that he is becoming more and more interested in the development of the Communities - to the extent of including a top Commission official amongst his advisors.

At the very least, therefore, France is offering her partners some talking points: why should they then fight shy of any debate? This time they would not be haggling over a "disguised veto", but what is virtually the bare bones of a compromise, offered, moreover "in a European spirit", since it is allied with suggestions about extending co-operation between the Six (albeit through intergovernmental rather than Community channels). With the Germans in their present mood, clearly this will not break much ice with them at the moment, and even if they do agree to carry discussions into this field, the Benelux and Italy will certainly not relinquish the stands they have taken. They are likely to be all the more unshakeable in this, because de Gaulle has, as it were, reserved himself the right to adjudicate on the November 20 talks, by deciding to hold his press conference after the Council meeting. Thus, unless the Five manage to form a firm front, capable of swaying the French President, it might well serve the interests of Benelux and Italy better if they were to bend a little as well, and agree to look into the French proposals.

They might find it easier to accept such a course if they bear in mind that the idea of association put forward by Paris is not in itself an outrage. Of course, de Gaulle was probably speaking of perpetual association for Britain, and this would be out of the question, but M. Couve de Murville did give a clear indication that eventual membership for Britain might be acceptable. This would give real substance to negotiations, since a temporary period of association of this sort would be almost exactly the same thing as the transitional period that Britain is seeking. No definite "Benelux plan", of course, has yet been put forward as an answer to this problem, but while the Belgian foreign affairs spokesman was denying the existence of such a plan, he made no categorical or lasting denial of the possible presentation of such a compromise. "The question does not yet arise", he claimed, "but that does not mean that it will not, one day, if the conditions are right".

Despite these signs of moderation, however, there are observers who feel that we are now but one step away from a free-for-all on the association issue, and that this possibility will be the centre of the discussions being held on November 14 in London between the British leaders and their Belgian opposite numbers, Paul Vanden Boeynants and Pierre Harmel. It is too early yet to forecast that the Belgians are going to take matters into their hands and assume the Germans' role as "honest brokers", but this is very much on the cards. After all, the Belgian leaders certainly have the ear of London, and they are more anxious than most to avoid any Community crisis: this could place them in a better position to manoeuvre than Germany. Another vested interest here is the hope of a new phase in Benelux co-operation, which European affairs minister Renaat van Elslande is most anxious to achieve: this hope would wither immediately, it is felt in Belgium, if open confrontation with de Gaulle were to occur.

To judge by what some Dutchmen and Italians have been saying, however, we would be chancing our arm to forecast a battle royal in Brussels over association, not least because this would be a black mark for French diplomats, whose position in the controversy about opening negotiations is by far the weaker. It is safer not to attempt an interpretation of the strategies being followed at the present time, though there is something to be said for the idea that France is fighting a rearguard action, and that her first real withdrawal is marked by the gap between the 1963 veto, and the 1967 offer of association. Moreover, it would be idle to dispute the fact that this is a "planned retreat". Nothing has yet been done in the way of defining the nature of the association suggested, but no doubt French leaders are all set to minimise concessions here - retreat, from now on, will no longer be a matter of giving ground, but a verbal process.

In the meantime, it is a sorry thought that both directly and indirectly the financial arrangements for agriculture, which caused the first major upset in the Community in 1965, are coming to the fore once more. We have already mentioned that M. Couve de Murville linked agricultural levies unequivocally with Britain's candidature, and recently in Luxembourg the German secretary of state Herr Hüttebrauker let slip some rather caustic remarks about the demands France is making in agricultural matters without offering anything in return, especially on Britain. When the Six's permanent representatives met last week there was not a little friction between the Germans and Dutch, on the one hand, and the French on the other, who were rebuked for frustrating progress on the common commercial policy by all their provisos. They were reminded that the compromises achieved in May and July 1966 (which brought about agreement on financial regulations favouring France) carried in return an undertaking that progress would be made "as soon as possible" on the common trade policy. Germany and the Netherlands even went so far as to threaten bringing in a majority vote, so that the German president had, in the end, to decide that the whole issue must go before the Council of Ministers in December. In so doing, he may well have given France the opportunity to make a magnificent gesture to the Community, but equally he may have proved that, unless some real understanding is reached on the British issue, the EEC is going to find itself torn asunder by the old, nagging issues that have always threatened it.

* * *

ASSOCIATION

Spain is Aiming High

On November 7, when negotiations between the EEC Commission and the Spanish delegation were resumed, Senor Ullastres Calvo, the chief Spanish representative, presented a list of counter-propositions which have few points of resemblance to the offers made by the Six in Madrid. The Six's ministers had already had considerable difficulty in finalising these offers on account of the difficult problems, both political and economic, raised by the question of closer links with Spain (see No 434). Ambassador Calvo was certainly aware of these difficulties and one might well enquire what induced him to raise the stakes, especially since there is a danger that, if the matter has to be referred back to the Council of Ministers, even further delays will ensue in what are already interminable negotiations.

On this occasion the Spanish representative was concentrating on the industrial sector and he asked for a complete and immediate abolition of all EEC customs duties,as against the Community's offer to reduce them by 60% over four years, once an agreement is signed. On their side the Spanish offered to reduce their own duties by amounts varying from 30 to 100% according to product over six years. For certain products, accounting for 12% of Spain's industrial imports, reductions would be negotiated individually product by product and would probably be less than the 30% minimum. On top of all this the Spanish government is also asking for an escape clause giving them the right to impose or re-impose duties on such industrial products as may require protection. In other words, Spain wants the Common Market to be wide open to them as soon as possible, whilst retaining a very nicely adjusted system of protection against the Six's competition in sensitive areas. Bearing in mind the differing levels of economic development between the two parties, this disparity is not unacceptable of itself, although it gives the impression of being very unfair. Senor Calvo is not apparently aware of this, since he has made his "offers" conditional upon obtaining acceptable concessions for agricultural produce.

At the present time this forms the major part (60%) of Spain's exports to the EEC; but it is also the sector where the most intractable problems crop up, notably those attaching to citrus, olive oil and tomatoes. The Commission had no mandate to negotiate on these products, but the Spanish raised the question in general terms, emphasising that Madrid was also expecting non-discriminatory treatment in relation to other Mediterranean producers. As far as citrus is concerned the Six have already said that they will only grant Spain, and other interested countries (Israel) half the reduction in duties (80%) which they are suggesting to Tunisia and Morocco. And in one country in the Community, Italy, both economic and political factors unite in opposition to any significant concessions to Spain. In these circumstances it may well be that Ambassador Calvo was pressing on the industrial front because he knew that it was only in this sector that he could expect additional concessions. This appears logical in the light of the Six's anxiety, mentioned on several occasions, to contribute to the reform of agricultural production in the Mediterranean, something which could very reasonably be done by encouraging industrial production in the relevant countries. The Spanish delegate also raised the question of EEC investment in his country and this is an area where the Six might well be able to give some ground. The Ambassador was careful not to raise any issue with political undertones. For instance, he did not ask that the second stage of the agreement should follow automatically, without prior unanimous agreement among the Six themselves.

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A Swiss Nudge

The Swiss have just discreetly pointed out to Brussels that five years ago they made a request for association with the Common Market. Switzerland has taken a more careful line than Sweden over this, for the latter has renewed its 1962 request for links in such a manner that it is difficult to tell whether it wants association or membership. The Swiss reminder was made not to the governments of the Six, but to the Commission, which has theoretically been in charge of the Swiss request since it was first made. The move took place during talks held between M. Paul Jollis, head of the Trade branch of the Federal Department of Economy and M. Jean Rey, along with several of his colleagues.

The Berne Government seems particulary anxious to preserve the links it already has with the Common Market - whether or not an association agreement is signed before making any further moves. This is not just a question of trade relations arising out of the disappearance of customs barriers between the Six, but relates to problems dealing with "European Companies" and European patents, technological co-operation and the common transport policy - especially where the Rhine is involved. As one would expect, M. Jollis stressed the need to preserve his country's neutrality in any agreement.

* * *

ECSC

Wider Scope for Retraining Measures

At the end of last week the Consultative Committee of the ECSC held a special meeting in Paris to discuss two reports made by the European Commission, one dealing with the question of iron ore supplies for the Community and the other with Community action in the sphere of readaptation and retraining. (The main points from both reports have already been covered in previous issues - 432, 434).

Signor Colonna, the member of the European Commission responsible for industrial policy, stressed that at both European world level quantitative Community requirements for supplies of iron ore are assurred in both the long and medium term. However, certain price difficulties might occur in the long term, as ECSC interests in iron ore deposits overseas have remained fairly small, for it has not followed the example of the Japanese and signed huge long-term contracts. Thus one day the Community's steel industry could be hard hit by price increases. Comunity ore itself will probably only go to steel works near the fields:rail transport costs prejudice its position, vis-a-vis high grade ore from third countries, shipped in by sea, river or rail. Signor Colonna also stressed the need to develop the enrichment plants used by the Community's industry.

Several speakers, and in particular M. Ferry, head of the French steel Makers Association, did not share all of the EEC's pessimistic view about the competitive position of Community ore, especially that from Lorraine. He thought that output there could be considerably increased by rationalisation, concentrating extraction at the best sites, and by mechanisation. Even outside Lorraine, it would be possible to improve the competitive position of ore if the transport costs gap between imported and Community ore were sufficiently reduced..

After this first discussion of the problem, the Consultative Committee referred the matter to its permanent representatives for further examination before more talks are held in Luxembourg on December 14.

The new situation created by the merger of the Communities and Treaties was the context in which were conducted the discussions on the past achievements and future aims of the ECSC regarding the readaptation and retraining of workers affected by the structural changes in the coal and steel industry over the past few years, and the measures taken to induce new industries to establish themselves in those areas of the Community where heavy industry predominates. Signor Levi Sandri announced that the EEC Commission was studying how and to what extent the special sections of the Paris Treaty dealing with social intervention measures could be embodied into the future single Treaty, and how these could be extended to other sectors in difficulty and needing a "facelift". A comparison of the regulations dealing with this in the Treaty of Paris and those in the Rome Treaty shows quite clearly that the former is by far the most effective, largely as a result of the financial autonomy given the ECSC High Authority through the use of the levy system. It is this factor which has enabled the High Authority to carry out an active social policy, and which the EEC Commission has been unable to achieve except through use of its Social Fund.

The final point, which became clear from the points made by the various speakers, was that the ECSC - albeit working in a fairly limited field - has managed to evolve a system and methods lending themselves to wider application, to deal with the considerable economic and structural changes required in a modern industrial system.

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Steelmakers form International Iron and Steel Institute

Over 200 delegates from the steel industries of 17 countries met in Brussels over the weekend to launch the new International Iron and Steel Institute. The companies represented by the Institute account for an annual production of some 300 million tons of crude steel out of a total world production of 480 million tons. Most speakers stressed the considerable increase in world steel production capacity, and the resultant danger of imbalances between supply and demand, which in turn would probably produce a fall in prices and upset world steel trading patterns. However, nearly all the speakers made it quite clear that the job of the Institute was to carry out research studies, provide information and act as a forum, and they were all in favour of free competition and freedom to trade.

An American speaker stressed this "forum" aspect of the Institute, as if to make it quite plain that the new organisation should not be mistaken for an ill-disguised form of cartel. The hope was expressed that through a continuous high level exchange of information, the problems faced by the world's steel industry would become clearer, and at the same time wrong decisions - likely to affect all - could be avoided.

M. Jacques Ferry, head of the French Steel Makers Association, said that as far as steel production was concerned, the virtues of competition, if they went unchecked, could easily become factors of destruction. Increased trade in steel should be on a progressive basis, and the growth of any steel industry should first of all be based on its own domestic market. In conclusion, M. Ferry expressed the need to evolve an approach to competition specifically applicable to steel.

The International Iron and Steel Institute will have its permanent secretariat based in Brussels, and it will publish annual reports as well as periodical information bulletins. The next annual meeting will be held in Japan.

* * *

BRITAIN & THE EEC

"A European Collective Technology"

The last ten days or so have seen the chosen representatives of the French Government repeatedly hinting that although they have no objection in principle to British membership of the Common Market, the time is not yet ripe, because of Britain's poor economic situation, and this is normally followed by the vague suggestion that association might be more suitable. However, they have rather tended to play down Britain's technological assets and to stress that the recent meeting of the Council of Ministers in Luxembourg put France in the forefront of the drive towards European technological co-operation. Whether this will convince everyone in France is uncertain, especially since the publication a month ago of the best-selling book on the technological gap, "Le Defi American" by Jean-Jacques Servan Schreiber of L'Express. This makes it plain that there is little hope of Europe's ever catching up with the United States unless Britain is allowed to become a member of the Community.

During his major speech at the Lord Mayor's banquet on Monday night, Mr Wilson again referred to this technological theme, and the topicality of the subject in France may well give his words considerable impact there.

Mr. Wilson first dealt with the balance of payments situation and the trade figures for October (since disclosed to give £107 million deficit). He made it clear that in his estimation only the Middle East war, which imposed "a fine on Britain of well over £100 million" and the continuing dock strikes had really prevented balance of payments equilibrium in Britain by the end of the year. He then turned to the question of Britain and Europe, repreating his previous proposal of a technological Community, and said that Britain's "clean and unfettered application for entry into the European Communities" stood and will continue to stand. Entry was inevitable, and time was on Britain's side in this regard. But Europe (Britain included) was racing against the clock as far as the technological gap was concerned, as this was continually widening in relation to the United States, and before long the same would happen vis-a-vis the USSR. There would be no future for Europe or Britain if American business and industry were allowed "to dominate the strategic growth industries" and determine the advance of Europe's industry. If they were able to use the size of their vast home market to enjoy "a growing monopoly in the production of the technological instruments of industrial advance", Europe would become an area for "industrial hewers of wood and drawers of water".

Mr. Wilson pointed out that one American company annually spent more on research and development than the annual trading turnover of the largest European company in the same field. American industry was helped by its own vast common market, and another factor was the increasing height of the technological threshold with the result "that no one in Europe can undertake the research, the development and financial risks of research and development on a continental scale unless they have a potential market far beyond the limited 50 millions or so represented by the purchasing power of a single nation in Europe". Britain had acted to prevent American domination of its computer industry and had a thrustful civil nuclear industry, but all industry in Europe was "on too small a scale", and there was a need for a "European scale" to prevent continual threats of penetration and takeover.

The Prime Minister then said negotiations for entry must inevitably take some time, but "the technological gap will not wait for negotiating timetables". He added that "a new impetus must be given towards creating the basis for a European technology, which is a categorical imperative for all of us". Efforts to set this up within the enlarged Community could not wait until entry had been achieved and ratified. "Negotiations and the new drive for a European technology must go ahead simultaneously. What I propose now is not a substitute for British membership of the EEC, which we stand ready to negotiate now, but a catalyst to a deeper and closer economic integration". Mr. Wilson felt encouraged by the recent Luxembourg meeting of the Six on technological co-operation, but said that it was not merely studies and co-operation which should be aimed at, so much as "the reality of economic union, in the one area which is truly decisive, the creation of a European scale industry which is really competitive".

The Prime Minister then put forward his seven propsals for developing this European technological programme.

1) The Government was prepared to embark on bilateral projects with any European partner ready to respond for technological co-operation in any field where this could yield worthwhile industrial results. "And when I refer to bilateral co-operation, I do not have in mind further costly Government financed ventures". Effective European co-operation must start from industrial partnership and industrial integration based on alliances of the research, development and strategic economic enterprises. The areas covered included computers, electronics, and the civil application of nuclear energy. This co-operation would have to be organised by Governments and industry.

2) Through multilateral discussions with European countries, the Government was prepared to try and create a new dynamic in European technology. Britain was ready to go as far and as fast as anyone else towards achieving such an aim, but all this could only become a reality "through and within the enlarged European market for which we are all working".

3) The Confederation of British Industry had been invited to consider how industry in Britain and Europe could prepare the ground rules for technological co-operation on the basis of integrated industrial and technological advance.

4) The Government was prepared to join industry and other governments in sponsoring a European Institute of Technology. This would "examine case by case, area by area, industry by industry, the means to greater European technological co-operation:" and they would work with other governments to achieve this.

5) In partnership with both sides of British industry, the Government was prepared as a matter of urgency to produce British views on the subject of "European Companies", which could be organised on a basis transcending national frontiers. The Prime Minister said that apart from a few European firms such as Philips or Unilever, nearly all companies transcending European frontiers were American.

6) The Board of Trade was prepared, in consultation with industry, to examine and prepare the necessary action " to bring our domestic arrangements in the field of patents, monopolies and restrictive practices, and company law into line with the requirements of a wider economic integration in conformity with the principles of the Rome Treaty.

7) The Government had discussed with the TUC, the EFTA and EEC trades union movements as well as the European Regional Organisation of the International Confederation of Free Trade Unions how these aims can be furthered and how the industrial as well as the social aims of a collective European technology can be promoted.

In conclusion, Mr Wilson said that Britain meant business. "We can make a reality of the economic union of Europe. We can create a vast and powerful European technology". There was an urgent need to make progress to prevent the technological gap from widening and "this progress would be frustrated if, at the end of the day, the industrial co-operation and integration we seek cannot take place within the confines of a single industrial and trading market free of tariff barriers and other impediments".

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Five For : One Abstention

First reactions to Mr. Wilson's Guildhall speech have been ecnouraging, as far as France's five Common Market partners are concerned. However, French official quarters appear to be paying scant attention to it, and continue to stress the economic difficulties which Britain must undertake to correct before being fit to join the Common Market.

In Bonn, the proposals have been warmly welcomed as "an active contribution to the economic integration of Europe". It is understood that both the Chancellor and the Foreign Minister, Herr Willy Brandt have received copies of the text of the speech. The Prime Minister's move falls into line with remarks recently made by Dr. Stoltenberg, the Minister for Scientific Research, when he said it would be a "tragic error" if those in Europe who stress the need for greater independence vis-a-vis the two super-powers, were "to block the basic solution of averting such dangers".

In Rome, where the Common Market Commission's President M. Jean Rey has just arrived on an official visit, the Foreign Ministry stated that "they were very pleased with the proposals." The speech was "exactly in line with Italy's own thinking". Rome has always been a keen supporter of European technological co-operation, and initiated moves in 1966 to close the technological gap.

The Dutch Government, as expected, was extremely satisfied and the suggestions were being carefully considered. The Netherlands was aware of the size of the problem to be overcome, and any moves towards closer European co-operation in this sphere aimed at reducing the gap were very welcome.

Reactions from the Community's headquarters in Brussels were studied, and the Prime Minister's speech was seen as a further political gesture expressing the European destiny of Britain. The speech was seen as a reminder to the Five - and possibly France - of the technological assets which Britain could bring to an enlarged Community, coming as it did between the meeting of the technology ministers of the Six in Luxembourg, and the next discussion of the British EEC bid by the Council of Ministers on November 20.

* * *

Lord Chalfont upholds sterling

The British Minister for European Affairs, Lord Chalfont addressed a meeting to celebrate the 20th anniversary of the European Movement in the Netherlands on Saturday November 11, and defended sterling once again from the criticism levelled at its international role from certain quarters.

He thought that it was perfectly natural that the Community should want to discuss how sterling could be fitted into the Community's economic and monetary pattern and Britain "looked forward to a widened Community establishing the strength of Europe in the monetary field with the ultimate possibility of creating a common European currency". He said that "there is nothing in the Treaty of Rome which forbids the use of a reserve currency and after all the French franc is also a reserve currency, though on a smaller scale". It would not be realistic to suggest that sterling should abandon its international role overnight as the result of an agreement between Britain and the Six. The future of sterling is not a problem which can be considered without taking into account the position of present sterling holders and safeguarding their rights. Should it be agreed that sterling's role as a reserve currency must be changed, there would have to be agreement as to what would replace it.

Speaking at the same meeting, the Dutch Foreign Minister Dr. Luns said that the exclusion of the Four would mean an end to progress towards European integration. There were risks in enlarging the Community, but these could be limited by appropriate measures, and in the era of the technological revolution, Little Europe by itself was too small. During the meeting, the former President of the European Commission, Dr Walter Hallstein was presented with the Grand Cross of the Dutch Lion for his constant efforts to achieve European unity.

Dr Hallstein said that although he hoped the Six would rapidly agree a common position amongst themselves and begin negotiations with Britain, the idea of achieving full membership through stages should not be rejected out of hand - Paris has reacted by suggesting association - if economic factors prevented the immediate membership of Britain. He thought that this would be better than an "all or nothing" attempt to enter by a set date.

* * *

Callaghan Speaks to Germany

On November 11 there appeared in the German daily "Die Welt" an interview with Mr Callaghan, Chancellor of the Exchequor. This covered all the main issues arising from Britain's EEC candidature, and a full expose of Britain's case was given to readers.

Firstly, the question of Britain's "adaptation" of herself to the EEC situation arose, and here Mr Callaghan maintained that the recommendations in the Commission's report were being interpreted as an urge that the economic measures introduced by the Labour Government should be intensified, to accelerate productivity and secure a healthy balance of payments. This was what the Community rightly expected of Britain, and Mr Callaghan suggested that if the United Kingdom were allowed to assume the duties of membership the process could be still further boosted.

As to the time when he expected Britain to be truly ready for entry, the Chancellor maintained that the major problem to date had been the downward trend in world trade patterns, but that the promised upswing next year should largely put things right. This being so, negotiations must commence soon: these are bound to be lengthy, and towait to make sure that improved world trade will also improve Britain's economic position would be unwise.

The problem of sterling obviously came in for close scrutiny in this interview, and in answer to the first question on this topic, Mr Callaghan saw no reason why co-operation between governments and the central banks should in any way wane, whether or not Britain joined the Community. There was no reason why the Group of Ten should alter their policy of coming to the assistance of any ailing currency. Like Lord Chalfont, he stressed that sterling's role was an established one, and that any plans for currency had to take account of this, and of the interests of sterling holders (foreign countries hold a total, including that held for trading purposes of £4,500 million). Such a situation can only commend gradual change.

This led once more to the question of Article 108 of the Rome Treaty, and the problem of Community aid to countries suffering balance of payments difficulties etc. The Chancellor reiterated Mr Wilson's undertaking that Britain would not invoke this article in the event of a sterling crisis, but would always, if necessary use such recourses as the Basle Agreement or the International Monetary Fund to find her way out of such difficulties. Article 108, however, was looked upon as a fair recourse if problems that stemmed purely from an adverse balance of payments were to arise.

From sterling, the interview moved on to the matter of Britain's preparations of entry - what had she done so far? Here, Mr Callaghan largely recapitulated on what he had said about adaptation, and the Labour Government's economic policies, but singled out such features of policy as emphasis on technological research, the re-appraisal of wage negotiation arrangements, and efficiency drives. He expected the policies adopted to streamline British industry to bear much fruit in the coming year.

Agriculture was the final major topic dealt with, and the Chancellor here admitted to the probability of food price incréases of between 10 and 14% over the period of Britain's entry, and a cost of living rise of between $2\frac{1}{2}$ and $3\frac{1}{3}$% over the same period: this, in addition to the obligation of clearing the balance of payments deficit. The need for a period of adjustment was again stressed, and the reminder again given that the Six themselves had been able to resort to this at the outset. On financing the CAP, however, Mr Callaghan made no bones about the fact that he expected arrangements to be altered, should Britain be allowed in, and he clearly expressed his hope that allowance for Britain would be made in the 1969 negotiation of the farm policy. This, he felt, would assist both present members and Britain, and would do much to bring the latter's balance of payments deficit down to an acceptable level.

Die Welt's parting shot was the present EEC "hot chestnut" - association, and would Britain accept it? Definitely not, said Mr Callaghan, in so many words, for such a formula would not allow Britain to play a full part in the running of the Community, not to participate fully in the economic and political development of Europe.

* * *

British entry and legal problems

On November 10 - 12, a meeting of leading British and European lawyers was held in Rouen to discuss the legal problems arising from membership of the EEC. The conference was organised by the British Institute of International and Comparative Law, and the Association of European Jurists.

The main subjects discussed were institutional effects, the scope of legal jurisdiction, the common agricultural policy and transport. It became clear that although there were difficulties involved, one of the most important features of British entry would have to be guidance for British courts, as to the ideas behind basic European legal principles, if serious differences of interpretation between British and European courts were not to occur. The conference urged that mixed commissions comprising British and European members should be set up on a permanent basis to study the various problems.

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Jersey Says No

At a meeting of the States of Jersey on November 14, to discuss the report presented in early October drawn up to consider whether or not the island should follow Britain into the EEC (see No 430) there was a unanimous vote against joining the Community.

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WEU

Britain - EEC talks by February

The Political Committee of the Western European Union met in London on November 14 to discuss a draft resolution calling on the governments of the Six - who with Britain make up the WEU - to agree to the immediate opening of negotiations for British membership of the Common Market. The resolution will be presented to the full WEU Assembly in Paris on December 4, following yesterday's approval by 15 votes to one with three abstentions. The vote against, and the abstentions came from the French Gaullist representatives.

After the meeting, the Committee's President, the West German Christian Democrat Dr. Erik Blumenfeld, said that in his opinion negotiations between Britain and the Six would probably start by February. Talks he had had with French representatives led him to this conclusion, plus the fact that the EEC's Council of Ministers had said that it would only need two or three meetings to deal with preliminary matters before starting full negotiations.

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COMMISSION

Sterling & US links would be asset

Dr. Sicco Mansholt, the founder of the Common Market's agricultural policy, and Vice-President of the EEC Commission was in London on November 8 to give a lecture celebrating the 60th anniversary of the Royal-Dutch Shell group. In a press conference before his lecture, he clearly indicated his feeling that Gaullist arguments and objections to British entry were not only unjustified, but erroneous. He took a completely contradictory attitude to that of the French Government on sterling and Britain's links with the USA, and said that both of these would be assets for the Community.

Dr. Mansholt, who has long been known as an Anglophile, said that, "In my opinion sterling is one of Britain's great assets ..... When our Community wants to be more than a Continental Community, I think what we want is an open community that can have a great responsibility in the world. If we want to be on the same level as the great powers - like the United States - then we need a monetary system which can play a real role in the world". According to Dr. Mansholft this meant that a future Community system should preserve the reserve role of sterling and that it should be developed, to be taken over and supported by the states of the Community. Furthermore, the financial skill and expertise of Britain in the fields of trading and banking would help place the Community on a more equal footing with the USA. Dr. Mansholt did not believe that the pound should be devalued. He thought that the problems facing Britain including "structural reforms", could best be solved inside the enlarged Community rather than outside, and that there was no real alternative to joining (see NAFTA, below).

Asked about the suggestion of association with the Six, an idea which Paris seems to be floating once again as a diversionary move, and the likely subject of the French President's press conference on November 27, Dr. Mansholt said that this was virtually impossible for a great industrial country. This confirmed the opinion of the whole Commission given in its report on British entry. In any case, no-one really seems to know what the French mean when they hint at associate status, but if the negotiations failed the Community is likely to undergo a period of stress, and "frustrations" might well develop within the Six. Dr. Mansholt did not believe that there would be a formal veto this time, but to make sure of getting in, Britain must "be like a terrier" - and if negotiations got under way, "everyone in Britain should keep a clear head".

* * *

Ten Years for Transition

In a broadcast over West German radio at the weekend, one of the three Vice-Presidents of the Commission, Dr. Fritz Hellwig, said that in his opinion it would take a transition period of ten years for Britain and the other three countries who had also applied for Common Market membership to be fully integrated into the existing Community.

* * *

FRANCE

Rueff and Couve de Murville on the Air

The French State broadcasting network held interviews on November 13 with two leading personalities directly or indirectly involved with Britain's attempt to join the Common Market.

During an interview in the morning, the distinguished French economic expert M. Jacques Rueff, who is closely associated with General de Gaulle's attitude to international monetary problems, repeated that it was essential for Britain to restore her economic situation before being allowed to join the Community. He recalled what France had done in 1958 to restore the franc, although without actually mentioning the word "devaluation". He did however admit that it had been easier for France, since General de Gaulle was able to vote by decree, because of the Algerian crisis, and the need for a parliamentary majority might make this more difficult.

In the evening, M. Couve de Murville was interviewed on television. He again repeated the need for Britain to achieve economic recovery before membership, and said that France "had no objections in principle to British entry". But an enlarged Community should continue to function in the same manner and with the same spirit as before. When it was suggested that the real reason for France's opposition to British entry was that she wanted to remain the leader of the Six, the French Foreign Minister replied "that is the view of some of our partners, such as the Dutch... what we want is Europe to co-operate on terms of equality". M. Couve de Murville maintained, in conclusion, that he would not have undergone all the marathon talks and long discussions within the EEC, if he had not believed in the European idea.

* * *

GERMANY

Will Brandt Help Ferry Britain Across?

Herr Brandt showed his sense of history and his classical leanings when he spoke at a press conference at Bonn on Friday, about Britain's position vis-a-vis Europe. "The tide of history demands that Britain and other countries should join the Six," he said. Suggestions that Britain should merely be associated to the Community were clearly ridiculous. "We cannot tell a great and proud nation like Britain that she should sit at the children's side of the table". The Rome Treaty clearly intended association merely for countries whose economies were not at a comparable stage of development and even then association was only to be a transitional stage until the country concerned was ready for full membership. For a great industrial nation like the United Kingdom the only proper answer was full membership.

If association was no real answer for Britain, then neither was NAFTA, the North Atlantic Trade Area. This plan, mooted this week in the British press as a possible alternative to the EEC (see "Atlantic Alternative") was "no real alternative" to membership of the Community.

The German Foreign Minister then went on to make a more concrete suggestion to ease Britain's entry into the Six. Perhaps some sort of transitional arrangement could be found for Britain - something in the spirit of the Rome Treaty that would be more than mere associate status. This matter he would discuss with the French government when he went to Paris next month. He felt that the only way to deal with France in this matter was by peaceful discussion; a "policy of the empty chair", i.e. boycotting the Community meetings would do more harm than good.

Thus for Herr Brandt Britain belongs now to Europe, both geographically and economically; not just Britain, but the European Community as well were "crossing the Rubicon" in enlarging the Common Market.

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The City's Role

The decision by Britain to seek membership of the EEC might give a new dimension to the problem of integrating capital markets and of the rise of a financial centre, the Institute of Bankers was told in London on November 14 by Dr Kurt Richebächer, the general manager of the Dresdner Bank. He felt that although London was very much more of an international financial centre than Frankfurt, Milan or Paris, her relationship with the Common Market countries did not have "the supremacy in economic and financial potential that it has had in the sterling area". He did not think it likely that London would therefore fulfil a completely similar role vis-a-vis the Six. The City would probably be "a leading financial market place" within the EEC and this would be on "undoubted advantage to the Community as a whole".

However, the most important question was "whether Britain has a strong enough balance of payments to enable her to fulfil both traditional monetary functions and the additional obligations as a member of the Community".

* * *

POSTSCRIPT

The Atlantic Alternative

Despite Governmental denials in Whitehall that any thought has been given to alternative policies, should Britain find herself unable to enter the Common Market for the next few years, the subject is one which must have at least been considered. Of the various proposals which have been made in different quarters ranging from a strengthening of EFTA to closer links with the Commonwealth, the one idea which seems to have some substance is a form of Atlantic or North Atlantic Free Trade Area.

The subject has been broached on both sides of the Atlantic, and has been discussed for a considerable period of time. The whole question is given an added piquancy, as Maxwell Stamp Associates have just published a study on this subject on behalf of the Atlantic Trade Study group.

The report, which is called "The Free Trade Area Otpion" analyses in detail the proposals for combining the USA, Canada, Britain and EFTA. It considers that the purely economic advantages put forward for entry into the EEC would apply to the NAFTA - North Atlantic Free Trade Area. This would have the further benefit of sparing Britain the effect of the cost of the CAP, as she would be able to continue her policy of cheap food purchases from overseas, thus avoiding the need for special arrangements with New Zealand. The report estimates that the effects of trade liberalisation could boost Britain's balance of trade in industrial products by almost $665 million, provided export prices remained stable. In its view, one of the main advantages of joining is that "NAFTA" would initially be concerned with trade liberalisation alone, and would not require so many basic changes in British industrial life. In fact, the majority of the companies approached did not feel that NAFTA would require them to carry out extensive adaptation.

The Study says that if Britain did not join NAFTA, and Canada linked with the United States on a separate basis, this could mean the loss of a market worth some $100 million a year. Some quarters have expressed fears that in such an organisation American interests would end up dominating in Britain, but the study maintains that fear of competition from Britain might be a problem to overcome in the USA, if serious proposals to set up NAFTA were made. The proposed body might at a later date, form the nucleus for a vast free trade area (might not General de Gaulle seize on this during the forthcoming press conference?) and could embrace the countries already mentioned, plus Japan, Australia, New Zealand and even the EEC.

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CONTENTS

BUILDING & CIVIL ENGINEERING

** Four Dutch firms specialising in concrete building have taken equal interests in forming BETONPOMPEXPLOITATIE LIMBURG "POMPEX" NV (authorised capital Fl 500,000) at Maastricht. The company has been set up to produce, sell and transport concrete, and for concrete structures. The companies concerned are: BETONCENTRALE DE MIJNSTREEK NV, Waubach, BETONMORTEL-FABRIEK MAASTRICHT BEFAMA NV, Maastricht, LIMBURGS BETONMORTELBEDRIJF LIBETO NV, Sittard, and FACADE BETON NV, Beek.

** Four Dutch firms have gone into association on an equal basis to set up BETONPOMPCOMBINATIE HOLLAND NV with Fl 1 million capital, 40% paid up. This firm is to undertake the transport of concrete and all allied activities. The firms concerned are: NV Exploiterie Mij. Transportbeton (a subsidiary of Amsterdamsche Ballast Mij. NV - see No 406); Amsterdamsche Beton- & Kalkonderneming-A.B.O. NV (a subsidiary of Internationale Bagger, Scheepvaart & Handel Mij. NV); Van Baarsen Betonmortel (B.B.M.) NV; and Betonmortel Fabriek Amsterdam (BETAM) NV.

** Specialists in fitments for the building industry, and builders' sundries in wood, metal and plastic, the Italian firm IMAS-INDUSTRIA MEDOLESE AVVOLGIBILI SERRAMENI, Dedole, Mantua, has set up a sales subsidiary under the name of IMAS FRANCE Sarl in St Maur, Val-de-Marne, with M. Mario Tazzin as president (no financial interest). The Ff 100,000 capital is shared 50-50 between the two directors of the parent company, Messrs. C. Soragni and C. Bellini. IMAS recently made an agreement with the Soviet company Promashine Import to supply machines and know-how for the production of venetian blinds and slatted shutters in an estate at Paschenutz, Bechinstan.

** Formed in Luxembourg in August 1967 with Fl 500,000 capital by M. Keith V. Mouk of Brussels (98.8% interest in a token association with five other Belgian nationals and M. Will van Muldes of Luxembourg), the holding company CONTINENTAL BUILDING DEVELOPMENT CORP SA has itself set up a subsidiary in Brussels, CONTINENTAL BUILDING DEVELOPMENT CORP BELGIUM SA. With a capital of Bf 100,000, and under M. Mouk, this firm is concerned with the purchase, sale, exchange, leasing and building of property, the granting of building loans and technical studies and all allied work in this field.

** AG FUER INDUSTRIEPLANUNG, Essen, the German architectural and civil engineering firm, has, in association with Spanish interests, formed the engineering and construction company AGIPLAN IBERICA SA in Madrid.

Known for its "Silberkühl" metal frames, the German company (capital DM 0.5 million) employs some 200 people. Since 1966 it has had a subsidiary in Brussels called AGIPLAN SA with a capital of Bf 1 million (see No 375).

CHEMICALS

** ATLAS PRESERVATIVE CO LTD, Erith, Kent, the wholly-owned subsidiary of CASTROL LTD, London (see No 272), which was recently taken over by the Glasgow group BURMAH OIL CO LTD (see No 412) has formed a wholly-owned Dutch subsidiary called ATLAS TRITON CHEMIE NV, Vlaardingen. 40% of the Fl. 500,000 capital has been paid up, and the new firm is headed by Mr. Denis Thatcher. It will be involved in processing metal surfaces and textiles, the manufacture and marketing of rubber, paints, oils and cleansing materials, and will trade in metal and scrap.

Castrol controls some ten companies in Britain. Its Common Market interests include SA Des Huiles Castrol-France, which has an 84% controlling interest in Seuralite SA, which specialises in the manufacture and sale of "Expandite" products. Ste Belge Des Lubrifiants Castrol, and SA Expandite in Belgium; Castrol Holland NV, Selanco NV in the Netherlands; Castrol Italiana SpA (90%) and S.A.I.L.O. SpA, (69%) in Italy; and Deutsche Castrol GmbH in association 51/49 with DEA-Deutsche Erdöl AG, Hamburg (see No 411).

** The steel company US STEEL CO, Pittsburgh (see No 430), has linked with the Dutch group CINDU NV, Uithoorn (see No 409) in order to produce, under its own processes, water-proofing materials, paints and anti-corrosive compounds for steel and concrete. Out of this, a joint manufacturing subsidiary has been formed at Uithoorn called COROBAIN INDUSTRIE NV, which is to cover the whole of the Common Market. Cindu NV, which is controlled by UTRESCHE ASPHALTFABRIEK NV, The Hague, and a subsidiary of the Hoogovens (Ijmuiden) group, is already associated with American groups in two subsidiaries in the Netherlands: these are Neville Chemical Co, Pittsubrgh for the manufacture of solvants and resins made from hydro-carbons, Neville Cindu Chemie NV, and with General Latex & Chemical Corp, Cambridge, Massachusettes, in the polyurethene foam company Boston Cindu Chimie NV.

COSMETICS

** The British BEECHAM GROUP LTD, Brentford, Middlesex (see No 434), has finally gained outright control of the West German cosmetics and perfumes concern, MARGARETE ASTOR AG, Mainz, in which it already had a 75% majority holding. Beechams have in fact gained the shares held by Herr Helmut Schroder, the previous director of Blendax-Werke R. Schneider & Co KG, Mainz (see No 434).

Margarete Astor (capital DM 8 million) has a payroll of over 200. Abroad, it has a wholly-owned subsidiary in Austria, Margarete Astor GmbH, Hallein, and a 45% subsidiary in Spain, Margarete Astor SA, Barcelona.

Beecham now has three subsidiaries in West Germany, the other two being Cosmetic Export GmbH, Mainz and Deutsche Beecham GmbH, Biberach.

ELECTRICAL ENGINEERING

** The Munich ULTRADENT FABRIK HANS OSTER has appointed STE DE REVISION DU MATERIEL AERONAUTIQUE-REVIMA SA, Paris, as the French distributor (see No 332) for its dental equipment.

With a capital of Ff 9 million (owned by the Chargeurs Reunis SA group, Paris - see No 426), this was formed in 1952 to overhaul aircraft engines. It has started to diversify its interests and recently formed IVEMA-Ste Industrielle & de Vente de Materiel Dentaire Sarl (capital Ff 20,000).

** The French firm S.L.E.V.-STE LONGOWICIENNE POUR LA VENTE, L'EQUIPEMENT & L'ENTRETIEN DE VEHICULES Sarl, Longwy-Haut, Meurthe & Moselle, has set up in Luxembourg an almost wholly-owned subsidiary, MOTELEC SA in a token association with Mr. Andre Sauveur, Luxembourg-Weimerskirch. The new company (capital Fl 750,000) will represent, sell and repair electrical machines and motors. Its board consists of Messrs. Marcel J. Hutting, the managing director of the parent company Andre Sauveur, and Andre Harauchamps.

** The American producer of electrical and electronic equipment BURNDY CORP, Newark, Connecticut, has set up a wholly-owned sales subsidiary in Rotterdam, BURNDY NEDERLAND NV, with an authorised capital of Fl 500,000. This subsidiary will distribute in the Netherlands equipment for the whole of the Common Market made by the Belgian subsidiary, BURNDY ELECTRA SA, Malines, Antwerp, the capital of which was recently increased to Bf 62.5 million. The production of this last company is distributed in other countries of the Common Market by subsidiaries in Turin and Milan; Burndy Elektro GmbH, Cologne, and Burndy SA, Paris.

In EFTA, the American company has a manufacturing subsidiary in London, Bicc-Burndy Ltd, 50-50 with British Insulated Callender's Cables Ltd (see No 383).

** The West German manufacturer of domestic appliances ROBERT KRUPS ELEKTROGERAETE- & WAAGENFABRIK oHG, Solingen-Wald, which has given TIL SA, Courbevoie, Hauts-de-Seine (capital Ff 100,000), the task of launching its products on the French market, has now decided to set up its own subsidiary, KRUPS-FRANCE SA, Gennevillers, Seine. M. Yves Hamon (director of TIL) will be in charge at first, but will later be replaced by Herr Karl Körner (a member of the founder's board in Solingen-Wald). The new company (capital Ff 150,000) will manufacture, purchase and sell domestic appliances, including coffee-grinders, mixers, toasters, hair-dryers and clocks. However, the Paris company Desheulles, Carlhian & Cie (see No 400) will continue to act as representative for Krups' scales.

The move has been carried out following the recent opening in Brussels of a sales subsidiary, Krups-Belgium SA, capital Bf 1.5 million, $\frac{2}{3}$ of which is tied up in stock.

ELECTRONICS

** ELLIOT PROCESS AUTOMATION LTD, the process control division of ELLIOTT AUTOMATION LTD, London, which was recently taken over by the ENGLISH ELECTRIC group (see No 424), has made a co-operation agreement with CIE GENERALE D'AUTOMATISME-C.G.A. Sarl, Nozay, Essonne, covering the research and development of computer-based process control systems, especially the key components enabling production processes to be linked to computers.

C.G.A. is a subsidiary of CITEC-CIE POUR L'INFORMATION & LES TECHNIQUES ELECTRONIQUES DE CONTROLE SA (see No 399), a joint holding company of C.G.E.-Cie Generale d'Electricite SA and C.S.F.-Cie Generale de Telegraphie sans Fil SA (see No 337). CITEC was itself formed in November 1964 to handle the interests of its founders in the data processing and automation sectors. It has some 700 people on its payroll, and its 1967 turnover should reach around Ff 70 million, more than half of which will have been made through C.G.A.

This could easily be the first step in the formation of a true European computer industry, something at which both Britain and France are aiming; eighteen months ago, however, talks came to a standstill when the various European ministries concerned found themselves unable to agree.

** One of the largest French electronics firms, SOPELEM-STE D'OPTIQUE, PRECISION ELECTRONIQUE & MECANIQUE SA, Paris (see No 400), has made an agreement with the "optical and precision instruments" division of THE RANK ORGANISATION LTD (see No 404), which in this is represented by Rank Precision Industries Ltd and Taylor, Taylor & Hobson Ltd (see No 272). The agreement is for distribution, and will give Rank exclusive rights for Sopelem's "SOM-Berthiot" lenses throughout the world (except France), while the latter will distribute the whole range of this Rank division's goods in France.

Sopelem (capital raised in November 1966 to Ff 8,224,000) is a 13% affiliate of the Paris SCHNEIDER group (see No 420), and stems from the absorption late in 1964 of Optique & Precision de Levallois SA, Levallois-Perret, Hauts-de-Seine, by Ste d'Optique & de Mecanique de Haute Precision SA, Paris. The chief products of its four factories at Levallois, Paris, Chateaudun and Dijon are microscopes, lenses, "Foca" photographic equipment, periscopes, telemeters, infra-red and hydraulic equipment. It has a turnover in excess of Ff 50 million, and employs about 1,700 people.

The Rank Organisation is itself controlled by the British holding company Odeon Cinema Holdings Ltd, and its optical division specialises in television lenses, precision instruments, machine tools, etc. The group as a whole is active in the fields of film distribution, cinema management, entertainment, catering, etc. It has more than 100 subsidiaries in Britain and around the world.

** SHIBA ELECTRIC CO LTD, Tokyo (see No 424), has finally set up its first European subsidiary in special telecommunications components in Frankfurt. This company is called SHIBA-DEN EUROPE GmbH (capital DM 400,000), and has Messrs. Nobunori Shigezaki and Yutaka Hirano as directors.

** The New York SPERRY RAND CORP (see No 420) has streamlined its Belgian business by having REMINGTON RAND SA, Brussels, absorb another of its subsidiaries, VICKERS S.A.B., Brussels. The company so formed has been renamed Sperry Rand Belgium SA (capital raised to Bf 115 million), and this will now have four divisions: a) Vickers, under M. Coël (hydraulic systems); Remington Rand, under M. Daly (office machines and equipment); c) Shaver (electric shavers), under M. Hermesse; and d) Univac (electronic assemblies) under M. Uyttenbroek.

Sperry Rand recently made similar moves in Italy, where Vickers SpA was absorbed by Sperry Rand Italia SpA, Milan; in France, where Vickers SA, Courbevoie, Hauts-de-Seine, was absorbed by Sperry Rand France SA, Puteaux, and in the Netherlands.

** The Liechtenstein firm BALZERS AG FUER HOCHVAKUUMTECHNIK & DUENNE SCHICHTEN (see No 415), which specialises in vacuum techniques, has linked with the firm which acts as its French representative, SIDEN-STE INDUSTRIELLE DE DEVELOPPEMENT ELECTRONIQUE & NUCLEAIRE SA, Meudon, Hauts-de-Seine, to form BALZERS-SIDEN SA (capital Ff 200,000). With M. Jean Chasseing as president, this will now act as the French distributor for Balzers' products.

The latter recently signed a co-operation agreement with Arthur Pfeiffer Hochvakuum-Technik GmbH, Wetzlar, covering manufacturing and marketing. As a result, a joint Milan subsidiary, Balzers Pfeiffer SpA (capital Lire 1 million - see No 420) has been set up.

ENGINEERING & METAL

** The Paris RICHIER SA group (see No 426) will market a wide range of its "Richier" and "Weitz" civil engineering equipment in the USA as the result of an agreement signed with the New York equipment leasing concern HERTZ EQUIPMENT RENTAL CORP. The latter, which has 21 representatives throughout the United States, was formed by the car-hire firm Hertz Corp, New York (see No 405), which earlier this year was acquired by the Radio Corporation of America group, New York (see No 413).

The Richier group's most recent move was the formation of Auximat SA, Paris, on a 60-40 basis with SAVIEM-SA Des Vehicules Industriels & Equipements Mecaniques, Suresnes, a member of the Renault group, Boulogne-Billancourt.

** As a result of a recently concluded agreement, the German heavy engineering company, KLOECHNER & CO KG, Duisburg (see No 421), will put its world wide distribution network at the disposal of INDUSTRIE-WERKE KARLSRUHE AG, Karlsruhe, and of its wholly-owned subsidiary, Deutsche Waggon & Maschinenfabriken GmbH, Berlin-Borsigwalde.

IWK, which will thereby profit from a wide distribution of its containers (capacity is now approaching 20,000 units annually), has been under licence from the American group, Strick Corp, Fairless Hill, Pennsylvania, to produce containers since the beginning of 1967 (see No 404). A member of the Quandt group, its 1966 consolidated turnover reached DM 346 million.

** The Dutch representative of the Russian metal working machinery firm, STANKO-IMPORT, Moscow, STEMMLER-IMEX NV (see No 283), Hilversum, has opened up a permanent exhibition of Russian goods at Ijsselstein in order to promote sales. Headed by MARINGSON HOLDING CO NV, Hilversum (see No 296), this firm specialises in chemicals, colourants, lubricants and machine tools coming mainly from the East. It has an agency in East Berlin and another in Moscow; it also maintains strong links with a number of foreign companies, notably Induro Import-Export GmbH, Frankfurt, Mercantile Holding & Trading Co Ltd, London, Brasolanda Ltda, Sao Paulo, and Solvants Chimie NV.

Maringson Holding heads four other companies, all specialists in trade with the East: Chempetrol NV, Amsterdam (oil products), Ingrometaal NV, Hilversum (laminated products and non-ferrous metals), Brustrac NV, Ijsselstein (tractors and agricultural machinery), and Handelmij. Athina NV, Hilversum. Their representation abroad, and notably in Paris, Montreal, Caracas, Mexico, Hong Kong, Madrid, etc., is in the hands of Stemmler-Imex.

** Having been represented in France by Minerais Et Metaux SA, Paris, which was taken over (see No 381) a few months ago by STE MINIERE & METALLURGIEQU DE PENARROYA (of the Rothschild Freres SA group - see No 427), the SOCIETE GENERALE DES MINERAIS SA, Brussels (see No 394), will be represented from now on by STE GENERALE DES METAUX-SOGEMET SA, Paris, a subsidiary of Metallurgie Hoboken SA of Brussels (controlled by Ste Generale de Belgique SA and Union Miniere du Haut Katanga SA - see No 420), which is also a direct and indirect shareholder in Ste Generale des Minerais.

The products sold by Sogemet (formerly Ste Generale Industrielle Metallurgique & Chimique SA, whose headquarters is about to be transferred to Neuilly, Hauts-de-Seine, and capital increased from Ff 20,000 to Ff 5 million) consist mostly of copper, cobalt, tin and highly purified semi-conductor materials, treated by Metallurgie Hoboken as well as refractory metals by Fansteel-Hoboken SA, Hoboken, joint subsidiary with the American company Fansteel Metallurgical Corp, North Chicago, Illinois (see No 279). The company will also be concerned with other commercial activities in the metals and chemical products sector.

** The takeover in the United States of LANDIS TOOL CO, Waynesboro, Pennsylvania, by the giant Californian group LITTON INDUSTRIES INC, Beverley Hills (see No 430), will strengthen the latter's already existing European network of subsidiaries: Landis Gendron SA, Villeurbanne, Rhone (capital Ff 11.625 million - around 600 on payroll) and its own subsidiaries Emerjy SA, Villeurbanne, Ets Gendron Freres SA, Villeurbanne, and the British Landis Lund Ltd, Keighley, Yorkshire.

The American firm has no links with Landis Machine Co - also based in Waynesboro, whose European subsidiaries are Landis, Kosfeld & Co, Maschinenfabrik GmbH, Brackwede, Westphalia, and Landis Maschine-Maiden Ltd, Hyde, Cheshire.

** BERLINER KUPFER-RAFFINERIE GmbH of Berlin (capital DM 3.5 million), the non-ferrous metal treatment firm (especially copper), has been in financial difficulties for the last few months. It has now come under the joint control of NORDDEUTSCHE RAFFINERIE AG, Hamburg (a majority shareholder) and HUETTEN-WERKE KAYSER AG, Lünen. Previously called KURT MARKOWSKI GmbH NEUMETALLE ALTMETALLE RUECKSTANDE, this company was a wholly-owned subsidiary of the Swiss firm Transitmetall GmbH, Zurich, and in 1965 it had a turnover of some DM 50 million.

Norddeutsche Raffinerie (capital of DM 84 million), whose annual turnover now approaches DM 120 million (and a payroll of some 3,000) belongs 40% each to the groups Degussa-Deutsche Gold- & Silber Scheideanstalt Vorm. Roessler AG, Frankfurt (see No 434) and Metallgesellschaft AG, Frankfurt (see No 432), the remaining 20% being held by The British Metal Corp Ltd., of London (a member of the British group Amalgamated Metal Corp). Hüttenwerke Kayser, with a capital of DM 10 million, had a turnover of DM 220 million in 1966, and it is now under the 95.25% control of L. Possehl & Co GmbH, Lübeck (see No 378).

** Germany's number one producer of household goods in brass, silver, and stainless steel, WMF WURTTEMBERGISCHE METALLWARENFABRIK, Geislingen, Steige (see No 379) is about to set up a sales subsidiary in Belgium. Its sales organisation abroad will also be improved by the opening up of new sales subsidiaries in Rotterdam and in Bari, which will take in the whole of the Mezzogiorno.

The German company (1966 turnover reached DM 248 million) already has a number of subsidiaries throughout Europe: WMF Organizzazione Italiana SpA, Verona, WMF France Sarl, Paris, Eyck & Co NV, Amsterdam, WMF Tableware Ltd, London, G. Rotter AG, Zurich, WMF Espanola SA, Madrid, WMF in Oesterreich Rieder KG, Vienna, WMF Hellas, Athens, as well as two subsidiaries in the United States (Frasers Inc. and Ikora Inc) and one in Canada, WMF (Canada) Ltd.

** The German surface treatment company OTTO DURR, ANLAGEN FUER OBERFLACHENTECHNIK, Stuttgart-Zuffenhausen (see No 425) has set up a holding company by the name of OTTO DURR BETEILINGUNGS GMBH, Stuttgart, with a capital of DM 0.1 million, and with Messrs Otto and Heinz Dürr as directors. Otto Dürr has strong links with the American mechanical engineering group DE VILBISS CO, Toledo, Ohio, and the French group Tunzini SA, Paris (at the moment in the process of merging with AMELIORAIR SA, Paris - see No 431).

** A new company, INTERNORDIA SYSTEM BAU GmbH Co KG, has just been formed in Hamburg to take over the job of making, assembling, and selling in West Germany metal partitioning developed by the Norwegian company TREPATENT A/S, Oslo.

FINANCE

** Mr. Otmar George will head the now formally established Frankfurt branch of the New York merchant bank MARINE MIDLAND GRACE TRUST CO OF NEW YORK (see No 409). Occupying 24th position in the ranking of US banks, with the assets on its balance sheet at the end of 1966 standing at $4,700 million, it already has offices in Paris, London, Madrid and Hong-Kong.

** CREDIMA SA (capital Ff 4.57 million) is to take over a similar financial and credit establishment SECICA-Ste d'Etudes & de Credit d'Interet Commercial & Agricole SA (capital Ff 1.25 million). Both companies are based in Paris and the move will result in a partial merger of the French financial interests of the American ELTRA CORP. group, Brooklyn, New Jersey.

The latter gained control of Credima during 1966, when it acquired an 80% controlling interest in its parent company UNIFIVAC-Union Financiere Pour La Vente A Credit SA (both headed by M. A. de Faramond) - which also controls CAUPAR-UNIFIVAC SA (formerly Ste de Cautionnement & de Participations). Only recently Credima took over two of its other subsidiaries, Mavio Sarl, and SOCAF-Ste Auxiliaire de Financement Sarl.

** STE GENERALE SA, Paris (see No 428) has opened a Milan office under M. Alfredo Lupo (former Marseilles director of the Banco Commerciale Italiana France SA) and M. Pierre Folliquet. The move follows a similar one by the B.N.P.-Banque Nationale de Paris SA (see No 413).

** Set up in Hanover in 1870, the merchant bank MERCKLIN & SCHUMACHER oHG is about to be taken over by another Hanover bank HALLBAUM MAIER & CO KG. This bank (assets DM 100 million) was formed in 1959 by the merger of the two banks FRANZ HALLBAUM & CO, and JULIUS MAIER & CO, Hanover.

** The investment trust management company, INVESTORS CAPITAL TRUST INC, Panama and Geneva, has opened up a branch in Milan (directed by M. A. Caprotti) to deal on the Italian market in those equities for which it is the European representative. It acts on behalf of Invest Fund Inc., Boston, Massachusettes, run by Invest Inc. (itself a subsidiary of Kellington Management Co Inc, of Philadelphia); Bullock Fund Ltd., New York; Dollar Fund Ltd., Toronto, Ontario which is under I.C.T. Management Co Ltd., (a subsidiary of Investors Capital Trust Inc).

Investors Capital Trust, directed by Mr C. A. Lejeune, has Messrs J. C. d'Hennery, Frankfurt; David M. Gavin, London; A. van Zeeland, Brussels; Paul van Zeeland, Paris and Maurice Worth, Paris, on the board.

FOOD & DRINK

** AVEBE GA, Veendam (see No 419), which makes and sells about 80% of the potato flour grown by its twelve members has for the first time admitted two foreign companies, both German, as shareholders: KARTOFFELFLOCKEN & STAERKEFABRIK SCHROBENHAUSEN GmbH, Schröbenhausen, and LANDWIRTSCHAFTLICHE KARTOFFELSTAERKE- & TROCKNUNGSFABRIK SUENCHING GmbH, Sünching, Regensburg. The first thing to come out of this move was the formation of a joint sales office for Southern Germany called Südstärke Avebe, Verkaufstelle der Stärkefabriken Avebe-Holland-Sünching-Schrobenhausen. The Schrobenhausen concern (capital DM 3.8 million) has an annual turnover in excess of DM 10 million, and produces starch, dextrose etc, with a workforce of 157. The Sünching company has DM 2.25 million capital, employs 120 people, and its turnover is around DM 8.5 million.

A few months ago Avebe underwent a de facto concentration with Glucoseries Reunies SA of Alost, although this left either partner legally independent and with structure unaltered. The link is mainly for joint work in research, production and sales of about 300,000 tons of amylaceous material a year.

** Four French prepared meat firms OLIDA SA, Neuilly-sur-Seine, Seine, MOREY J. & FILS SA, Cuiseaux, Saone-et-Loire, FLEURY MICHON SA, Paris and CABY hava announced that they have set up a study group to see how their activities can be reorganised and regrouped. It does not however include another company in the same sector GEO SA, Paris.

The aims of the study group are: 1) to achieve co-operation with meat producers so as to rationalise cattle production; 2) boost their research potential; 3) offer consumers a complete range of products; 4) improve and strengthen the service given to outlets. The new grouping would control 12 factories, have 8,000 persons on its payroll, an annual turnover of Ff 1,300 million, and would thus be the leading European firm in this sector. At present this position is held by WALLS LTD, the subsidiary of the Unilever group, followed by the West German Schweisfurth and the Italian Vismara. In fact it will be larger than other French food concerns such as Genvrain and Gervais-Danone.

The discussions are expected by all four firms to have a satisfactory ending, but no final date can yet be fixed. The group is selected to try and strengthen its links with its agricultural suppliers through the use of contracts, rather than by integration with the aim of improving the quality of French pigmeat. Another objective will be the promotion of a brand image for the new group's products, for at the moment a great deal of prepared meats are sold with no system of creating brand loyalty.

** Two of Nestle's West German subsidiaries (see No 394) FINDUS PRODUKTIONS GmbH, Gross-Reken (capital DM 30 million) which makes frozen food products and the ice-cream concern JOPA GmbH, Munich (capital DM 9 million) are to merge before the end of 1967. Both companies have already co-operated for a considerable length of time in the field of marketing and transport. The new concern, which will maintain both brand names, will have its head office in Frankfurt.

** RIVER REST AG, Basle (capital Sf 50,000 - headed by Mr. Max O. Halter), which was formed in January to go in for poultry breeding (especially turkeys) and to acquire rights and licences in this sector, has linked 51-49 with a Dutchman, Mr. Mathias J. F. Coolen, Heythusen, to form RIVER REST (HOLLAND) NV, Heythuisen. This has Fl 200,000 capital (50% paid up) and has the same aims as its founder, and will also trade in agricultural products. It will be run by M. Coolen and the members of the board are Messrs. Roy C. Ferguson, Shawnee, Oklahoma, Derek A. Kelly, Danbury, Essex, Heinz J. Moorman, Maashees, and Paulus A. von Horne, Sevenum.

** Seven Dutch agricultural co-operatives have formed NV PLUIMVEE ONTWIKKELING - MAPLO at Zutphen with Fl 3.5 million capital to promote, develop and trade in poultry and eggs. The founder companies are: Cooperatieve Landbouwvereniging "DE EENDRACHT" GA, Varden (31.85%); Cooperatieve Vereniging Verenigde Landbouw Cooperaties "ISELAND" GA, Keppel and Hummelo (25.7%); Cooperatieve Landbouwvereniging "DE VOLHARDING" GA, Hengelo (12.7%), and Cooperatieve Aankoopvereeniging "GORSSEL" WA, Gorssel (12.7%). The balance of the capital is held by Cooperatieve-Aan- & Verkoopvereniging "FRANEKER LANDBOUW COOPERATIE" GA, Franeker; Cooperatieve Winterswijkse Landbouwersbond GA, Winterswijk, and Cooperatieve Landbouwvereniging "GERVENHORST" GA, Putten.

** Another rationalisation merger of the French wine trade has taken place. ETS JULIEN DAMOY SA, Ivry-sur-Seine (capital Ff 41,000 - 1966 turnover of Ff 177,531 - see No 340), which is headed by M. Felix Damoy, has bought up VINS PRIMIOR SA (capital Ff 4.9 million - president M. E. J. Dugar), a member of the Swiss group SCHENK SA through Schenk France SA, Sete. Damoy will now control 89% of the shares of Primior.

Damoy, with 910 people on its payroll, has other food interests outside wine. It has some 12 self-service stores in the Paris region and supplies 1,500 retailers linked to its "Moderdam" network with jam, biscuits, wine, tinned foods and coffee sold under its own brand name: this accounts for 25% of its turnover. Its subsidiaries include SERCAL-Ste d'Etudes & de Recherches pour les Cafes Lyophilises SA, Ivry-sur-Seine (formerly at St-Cyr-en-Bourg, Maine et Loire - capital increased to Ff 1 million) under M. Jean Texier; Solavin, whose wine wholesaling activities will be boosted by the further 400,000 hectolitres produced annually by Primior; Damoy-Belgique SA, Ollignies, Tournai (capital recently raised Bf 5 million) and in West Germany, Transit Weinhandel.

Primior has storage facilities at Beziers for its wine purchases in the departments of the Aude and Herault, whilst bottling is carried out at Paris-Bercy, Pontivy, and Quince-Brissac, Maine et Loire. A recently formed subsidiary Henri de Villamont, Savigny-lez-Beaune, Cote d'Or owns vineyards producing high-quality wines, whilst in 1965 an agreement was made with Vins Agap, Ets. G. Pesin SA, Vincennes, Val-de-Marne, giving Primior an ever-increasing stake in the latter, a rival concern. It also recently formed (see No 423) Vins Primior Belgique, Schaerbeek-Brussels (capital Bf 500,000), whose president is M. P. E. Bouillon of Paris, with M. Victor A. Donzelot in charge.

The Damoy-Primior group will be the fourth in the French wine trade after D.M.S.-Prefontaines-G.R.A.P.-Postillon, which is linked with C.D.C.-Cinzano-Dubonnet-Byrrh, in turn dependent on Pernod and Cusenier. This holds equal first place with Kiravi-Geveor-Margnat, which still has to be formally established, whilst third place goes to Nicolas.

INSURANCE

** The reorganisation of the American insurance company GREAT INTERNATIONAL LIFE INSURANCE CO of Atlanta, Georgia (see No 386), a joint subsidiary of Georgia Life Insurance Co, Atlanta, and of I.T.T.-International Telephone & Telegraph Corp of New York (see No 426), and its transformation into ABBEY INTERNATIONAL GROUP has already had its repercussions on its subsidiary in the Netherlands. This company, Intercontinentale Levensverzekering Mij. NV, Amsterdam (formerly Internationale Levensverzekering Mij. NV), will have a new name - Abbey Levens Nederland NV. In addition, its capital will be increased to Fl 3 million and it will broaden its activities, which now include 'life', thanks to the "insurance - investment plan", which it is about to introduce into the Netherlands.

The American group is also about to take over a new company in Canada, Income Life Insurances Co of Canada, Hamilton, Ontario. It will operate abroad in the re-insurance field, through its subsidiary in Nassau, Bahamas, Great International Overseas Insurance Co Ltd, London, and it also has a wholly-owned subsidiary in the U.K., Abbey Life Assurance Co Ltd, London, which it took over in 1964.

** A reciprocal agreement covering life insurance policies applicable in both the United States and Italy has been signed between the American group JOHN HANCOCK MUTUAL LIFE INSURANCE CO, Boston, and the S.A.I.-STA ASSICURATRICE INDUSTRIALE SpA, Turin, group (see No 411). The latter is closely linked with Fiat SpA, Turin, which has a direct minority shareholding.

OIL, GAS & PETROCHEMICALS

** The Italian company E.M.S.-ENTE MINERARIO SICILIANO SpA, Palermo (see No 398), has signed an agreement with the Algerian state concern SONATRACH SA (see No 429), covering the study, supply and transport by methane tankers or gas pipeline of Algerian gas, and its distribution in Sicily and the Mezzogiorno. A joint subsidiary will be formed under the name of SONEMS SpA, and this will probably have the backing of other Italian groups, especially E.N.I., Rome, and Montecatini Edison SpA, Milan.

PAPER & PACKAGING

** PAPETERIES DE LA SEINE SA, Nanterre (an affiliate of the Cie de Saint-Gobain SA group - see No 432 - through La Cellulose du Pin SA, Paris - see No 428), has linked in Canada with STE GENERALE DE FINANCEMENT, Montreal, to take a 20% shareholding - worth $4 million - in the Quebec newsprint production concern DONOHUE BROTHERS LTD. The latter, whose production is sold under long term contracts, will supply 5,000 tons to the French firm in 1967, and this will later be increased to 10,000 tons a year. Donohue Brothers was formed in 1963 by the Province of Quebec with the participation of Banque de Paris & des Pays-Bas SA (see No 286), and it made 114,800 tons of newsprint in 1966 in its plant at Clermont, Quebec.

Papeteries de la Seine recently took part in the formation of DESENPA - Ste de Desencrage de Vieux Papiers SA, Paris (capital Ff 100,000), in association with La Cellulose du Pin and the American company Garden State Paper, Newark, New Jersey (10%). The latter made available to the new company its "Scudder" licence for the de-inking of waste paper.

PHARMACEUTICALS

** The joint holding company GIST-BROCADES NV, The Hague, has now been formally established as a result of the merger (see No 426) of KONINKLIJKE NEDERLANDSCHE GIST & SPIRITUSFABRIEK NV, Delft, and KONINKLIJKE PHARMACEUTISCHE FABRIEKEN v/h BROCADES STEEHMAN & PHARMACIA NV, Meppel and Amsterdam. The two founders share the capital of Fl 125 million on a 50-50 basis. Gist-Brocades has just formed a French investment subsidiary, SA Brocades, St-Mande, Val-de-Marne (capital Ff 100,000), which is headed by M. Charles Jardry, and is based on the premises of the management company Brocades Laboratoires SA. The latter was recently formed with a capital of Ff 500,000 by Laboratoires Beytout SA, St-Mande, to represent the interests of the Dutch company.

** The West German chemical and pharmaceuticals company C. H. BOEHRINGER SOHN KG, Ingelheim, Rhein (see No 438), has given the Yugoslavian firm ZDRVLJE, Leskovac, Serbia, a licence to manufacture its "Alupent" anti-asthmatic medicines.

The German company has no links with C. F. Boehringer & Söhne GmbH, Mannheim-Waldhof, but has several foreign subsidiaries, including Laboratoires Boehring Ingelheim Sarl, formerly Laboratoires C. H. Boehringer Sohn, Paris, which has a capital of Ff 500,000, and Laboratoires Badrial SA, Clichy, Hauts-de-Seine (capital Ff 500,000). The latter is about to build a factory at Rheims on a 35 acre site.

** With the aim of rationalising manufacture of aerosols, the Dutch group KON ZOUT-ORGANON NV, Deventer and Arnhem (see No 433), has decided to transfer this to AEROSOL MIJ. HOLLAND NV, Barneveld, which will be headed from January 1968 by M. H. Holtrust. This will also take over the aerosol interests of NV Orgachemia, Boxtel, which has some 200 people on its payroll.

The group's pharmaceuticals division includes nine Dutch companies. Abroad it controls Intervet SA, Chatou, Yvelines, France (see No 406); Venie Veterinär Chemie GmbH, Kempen, West Germany (see No 356); and Aachiphar NV, St-Josse-ten-Noode in Belgium (see No 394). It also has interests in Britain, Sweden, Spain, Turkey, Finland, etc.

** The negotiations begun by the FARBENFABRIKEN BAYER AG, Leverkusen, group (see No 429), with the aim of increasing the interest held by its Canadian holding company BAYFORIN-BAYER FOREIGN INVESTMENTS LTD, Toronto, in the American manufacturer of herbicides, insecticides and vetinary products CHEMAGRO CORP, Kansas City, Missouri (turnover for the financial year 1966 - 1967 $30 million), have resulted in the acquisition of all voting shares and 98% of non-voting shares. The German group, which has also strengthened its American interests through the acquisition of Naftone Inc, New York, recently increased its capital from DM 1,500 to DM 1,535 million.

PRINTING & PUBLISHING

** Messrs. Charles E. Swanson, and C. L. Stewart Jr. are the representatives of the Chicago group ENCYCLOPAEDIA BRITANNICA INC (see No 362) on the board of the newly formed ENCYCLOPAEDIA UNIVERSALIS FRANCE SA (see No 386). This has been established to publish an encyclopædia for which the Paris concern Le Club Francaise du Livre SA, Paris, acquired the preliminary rights in April 1966 from the Luxembourg subsidiary Encyclopædia Universalis SA of the American group.

The new company has a capital of Ff 1.5 million shared equally by the American group and the French concern.

RUBBER

** The American company MINNESOTA RUBBER CO, Minneapolis, Minnesota, has formed a Paris subsidiary, MINNESOTA RUBBER-FRANCE SA (capital Ff 100,000). With Madame Simonne Judels-Lejeune as president, this will manufacture, market and import/export industrial equipment. Its directors include M. Robert-Emmanuel Judels, the former director of Ets. Berwing SA, Rueil-Malmaison, the American firm's French representative. Minnesota Rubber's products, which include water-tight and expansion joints, asbestos, Teflon and rubber joints, are distributed in West Germany by Roland Heller, Hanover-Langenhagen.

** The British company BUTYL PRODUCTS LTD, Billericay, Essex which processes thermo-plastic materials, rubber and foam, intends to build a factory making agricultural reservoirs, silos, and plastic containers in northern France. It has therefore acquired a site in the industrial zone of Etaples, Pas-de-Calais, where its factory, which will start to operate in the spring of 1968, will employ around 100 persons.

Since it was formed two years ago, the British company has become the leading European supplier of industrial and agricultural products made from Esso Butyl sheeting.

TEXTILES

** A co-operation agreement has been concluded in West Germany between MONSANTO (DEUTSCHLAND) GmbH, Düsseldorf (a wholly-owned subsidiary of the MONSANTO CO, St Louis, Missouri (see No 431), and GEBR. STORCK & CO KG, Krefeld, for the sale and promotion of "Acrilan" textiles. Storck is one the largest German manufacturers of upholstered furniture and has interests in the Dutch sales firm, Storck Stoffen Amsterdam NV.

The most recent move by Monsanto in the Common Market was the formation of a sales subsidiary in Milan, Monsanto Italiana SpA (see No 431) in September of this year.

** The German textile firm GREGOR MAI KG, Lüdingshausen, Westfalen has formed a sales subsidiary in Switzerland, LUDITEX AG, Zug, with a capital of Sf 50,000. The subsidiary has M. Gregor Mai as president, and M. Antonio Lubbers, Amsterdam as director.

** The Rheims woollens and hosiery group TRICOTAGE INDUSTRIEL MODERNE "TIMWEAR" SA (see No 421), a member of the Troyes, Aube group ETS L. DEVANLAY & RECOING Sarl, through SA Financiere & Auxiliaire du Textile, Paris, is to absorb two affiliates of the latter: TRICOTERIES DE CHALIGNY SA, Chaligny, Meurthe-et-Moselle (branch at Epinal), which has 600 on its payroll and specialises in bathing costumes, and ETS LOUIS BONBON SA, Troyes (capital Ff 3.2 million) which employs about 830 people in the manufacture of pullovers, ladies' dresses and childrens' garments.

Timwear, which recently formed links with the Dutch group A.K.U.-Algemene Kunstzijde Unie NV, Arnhem, with an exchange of directors, will by this move be able to diversify, especially to add popular lines to its quality knitteds, and to rationalise and centralise production in its factories. It has about 3,000 people on its payroll, and its annual turnover is around the Ff 120 million mark.

TRADE

** The New York group CONTINENTAL GRAIN CO, which specialises in trading throughout the world in cereals, oils, fatty substances, seeds, jute, minerals, and sugar, etc., has formed a Dutch financial and investment subsidiary, CONTINENTAL GRAIN OVERSEAS CAPITAL CORP NV, The Hague. With an authorised capital of Fl 1.25 million, the directors of the new firm are MM. Michel Fribourg (who heads the group in New York), M. P. Bloemsma and J. L. Blomme, both from The Hague.

The group has agencies, branches and subsidiaries in more than 40 countries.

** The Cologne department store firm KAUFHOF AG, (see No 286) has gained total control of the Düsseldorf concern JOSEPH KOCH GmbH (capital DM 2.5 million). The latter, which specialises in distribution of textile goods was until now owned by Herren J. Koch, Büderich, and C. Hanger, Baden-Baden.

Kaufhof had a 1966 turnover of DM 2,980 million, and has a capital of DM 270 million. This is controlled by Commerzbank AG, Düsseldorf and Dresdner Bank AG, Frankfurt (over 25% each) in association with Deutsche Bank AG, Frankfurt and the Frowein family.

** "ERESKA" REIMANN, STOK & KERSKEN VEREINIGTE SPEDITEURE GmbH, Kaldenkirchen, (capital DM 0.9 million) the West German subsidiary of the Amsterdam international transport company REIMANN, STOK & KERSKENS VEREENIGDE EXPEDITIEBE-DRIJVEN NV, has opened up a branch in Frankfurt. The directors are Messrs Johannes Smits, and Herbert Pompen of Venlo.

Founded in 1927, the company already had branches at Bentheim, Emmerich, Krefeld, and Offenbach, Main, and also have interests in the Belgian firm E.F.L.-EXPEDITEURS DE FRUITS & LEGUMES SA, Saint-Ketelijne-Waver (see No 317). The Dutch parent company which has a payroll of 1,000 also controls the Belgium company TRANSPORTS REIMANN, STOK & KERSKEN'S NV, Antwerp.

** The Egyption shipping concern UNITED ARAB MARITIME CO, Alexandria has signed an agreement with ITALAFRIC SpA, Genoa (agencies in Venice and Trieste), which now takes over as its representative from A.M.A.T.-ADRIATIC MERCANTILE & TRADING, Genoa.

VARIOUS

** West German interests represented by Herren Walter Löhr and Fritz Caspary (of Stuttgart and Düsseldorf) have linked to form a new Dutch company, MIJ. VOOR LECTUUR & MUZIEK NV, Arnhem. With a capital of Fl 40,000 - 25% paid up - and headed by Herr Fritz Caspary, this will market leisure goods, especially books and records.

** The German manufacturer of stringed instruments (especially vibraphones) TRIXON-MUSIKINSTRUMENTEN-FABRIK KARL HEINZ WEIMER KG, Hamburg, (1966 turnover DM 3 million) has made a manufacturing agreement with the Dutch firm, RIPPEN PIANOFABRIEK NV (Ede, Ahnem - see No 417) to build and share a factory in Eire. A joint subsidiary has been set up for this purpose, Trixton Ltd, Shannon, in which the Dutch partner's interests will be held by its local manufacturing subsidiary, Rippen Pianofactory Ltd, (formed in 1961).

Under the guidance of M. J. J. Rippen, the Dutch company is one of the leading European piano makers. For several years it was linked to the American group, Thomas Organ Co of Sepulveda - Los Angeles (see No 417) by reciprocal distribution agreements, until the American company set up its own sales subsidiary in the Netherlands, Thomas Organ Europa NV, Utrecht.

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