

# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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September 30 - October 6, 1968

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# *Opera Mundi* **EUROPE**

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

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## THE WEEK IN THE COMMUNITY

September 30 - October 6, 1968

## THE COMMON MARKET

A New Deal for Europe.

The established French policy of blocking any effective moves designed to lead to an enlargement of the Community has now resulted in concrete efforts to mobilise other forms of cooperation between Community members and the candidate countries. The lead in launching these new moves has been taken by the Belgian Foreign Minister, M. Pierre Harmel, who explained his ideas to the press in Brussels on October 3. The basis of the proposals is the Western European Union, grouping the Six and Britain, which was formed mainly as a defence organisation in 1954. A move along these lines had been expected for some time, but the actual expression of its form had to wait for the French government's renewed blocking vote at the meeting of the Community's Foreign Ministers on September 27.

According to M. Harmel, the Rome Treaty, which established the Common Market, was a prolongation of the 1948 Brussels Treaty and of the 1954 Paris Treaty which formed the Western European Union. The scope of the latter should now actively include political, defence, monetary and technological questions and all the WEU's member states would be asked to take part. If however one or several states did not wish to do so, work on the various topics should nevertheless be pursued. In fact, the necessary institutional framework could also be extended, anticipating the day when European integration could be brought about.

The two treaties establishing the WEU were the first steps towards European cooperation. Article 8 of the 1954 Treaty established a Council of Ministers "for the purpose of strengthening peace and security, promoting unity and encouraging the progressive integration of Europe and closer cooperation between them and other European organisations". Thus the WEU was the first "European pillar". The second pillar was the Communities, an extension of the WEU "in which six out of seven states decided to put into practice, in the economic and energy sectors, the desire for unity and integration which they had expressed in Article 1 of the Brussels Treaty" ("Convinced of the close community of their interests and of the need to unite in order to promote the economic recovery of Europe the states will so organise and co-ordinate their economic activities as to produce the best results, by the elimination of conflict in their economic policies, the co-ordination of production and the development of commercial exchanges").

M. Harmel maintained that the construction of Europe had now come to a standstill. "Since December 19, 1967 we know that immediate negotiations with the candidate countries are impossible. Since the meeting of the Foreign Ministers on September 27,

it is clear that tremendous breadth of imagination would be needed to discover and establish "waiting relations" with the candidate countries, acceptable to the Six and to Britain". However Belgium had "neither the power to get Britain into the Community, nor the desire to have France leave it". The Treaties prevented the membership of a new state, when an existing member used its veto. "The Treaties must therefore be respected, and thus the right of France to say no to Britain must be admitted".

It was also necessary for the internal development of the Communities to be continued, yet there was an obvious link between their enlargement and their internal progress. M. Harmel stressed that internal progress, which everyone supported, could serve neither as an alibi or as a substitute for the views on Europe's future as expressed both within the Community and outside. The Belgian Foreign Minister then spoke on "preferential solidarities" within the EEC or the WEU. These could not be allowed, and both Communities should retain the principle whereby all had equal rights, "The text and spirit of the Treaties would be violated if there was formed either within the Common Market or the WEU a coalition against a member state; the same would apply if one or two states intended to impose their hegemony over the others". He was referring to the danger of forming a block against France as well as warning France and Germany against setting up what might appear to others as a Paris-Bonn axis.

The vexed question of majority voting within the Community itself was also raised by M. Harmel. He pointed out that five of the six member states had agreed on this over two years ago in Luxembourg. They were resolved to use every method to reach a fair compromise between differing views, for matters which required unanimity, but also for those where the Treaty required a majority vote. However the five had decided to apply this rule - majority voting - when all attempts at a reasonable conciliation have failed.

The proposals put forward by M. Harmel had been expected in Britain. Only a couple of days before at the Labour Party conference in Blackpool, Mr. Michael Stewart had said on the WEU "We ought to make full use of the opportunities which are there.... That is only the beginning of the story. The end I cannot go into at this stage". In fact the Paris meeting on October 8, of the WEU's Political Committee voted by a majority of 12 to 3 (two Gaullist and one Italian opposition deputy) to accept the new plan for European integration put forward by M. Harmel. Although this will be presented at the WEU Ministerial meeting in Rome on October 21, it will also be a topic at next week's Paris meeting of the WEU Assembly.

In more detail, the Belgian plan is as follows.

1) There must be increased political cooperation and especially co-ordination of the foreign policies followed by European states. This is foreseen under Article 8 of the WEU Treaty and "appears particularly suitable in present circumstances and conforms to the desire of public opinion". In M. Harmel's view this would include at least obligatory

consultation on a number of predetermined subjects, and should be backed by an institutional structure .

2) Defence was one of the main purposes of the WEU's creation, but this had taken on a special significance since France had in practice withdrawn from the military side of NATO. A special European group within the alliance could be created, which would strengthen cooperation between European states as well as forming a counter-balance to American influence. There should also be an effort to achieve at least "the co-ordination of European arms production and purchases".

3) Technological links with the candidate countries also offered considerable scope for study. Most of the aspects of the problems involved were already known, although care should be taken not to harm efforts which the Six might decide on for themselves under the Rome Treaty. M. Harmel also recalled the proposals made by the Belgian Science Minister M. Theo Lefevre at last week's Eldo conference, to set up some form of wider European technological co-operation to overcome the clash of views between Britain and France which looks like bringing everything to a halt.

4) Monetary matters were also a sector in which the division of Europe was harmful. The different currencies are linked by the facts of life. Taken as a whole European currencies could play a determining role in world monetary matters, but the institution which enable them to organise their present co-operative solidarity on an equitable basis and thus their world responsibility, is lacking.

Of these four areas, M. Harmel considers that the first two are outside the scope of the Common Market Treaties, whilst the others are to some extent covered. Without raising legal questions and with the sole aim of making Europe's presence more effective, there should be organised - in conjunction with the Communities - the different forms of cooperation which these sectors require.

Most observers consider that the Belgian Plan involves the formation of new institutions based on the WEU Treaty and separate from the existing Communities, supported by Italy, the Netherlands and Britain. The new organisation will be also the creature of the Brussels and Paris Treaties as is the Common Market itself, with which it is likely to have close links, but for the time being it is the existing Communities which will remain the focal point of efforts towards European integration. It remains to be seen whether France and West Germany, along with other candidate countries, will decide to join this new entity, although for the time being it may be limited to the WEU countries. M. Harmel said, "These new ideas should be explored by all the (WEU) seven, along with all the states of Western Europe who wish to unite and who promised to do so some 20 years ago". However if the seven of the WEU cannot agree, this does not mean that the project should be dropped, and M. Harmel stressed that when the Common Market was established without Britain, no one amongst the Six had the feeling that she had betrayed the European cause. "There can be

many perfectly valid reasons for which at any given moment a state is not prepared to take a step forward whereas others are. This cannot be allowed to act as a permanent brake, because in that case we should have to give up once and for all the attempt to promote European integration." This would seem to be a clear sign that the present Belgian government is willing to try and build Europe without France if necessary, even though the responsibility for not participating would lie largely with Paris, as no effort would be made deliberately to exclude her.

French sources have made a number of comments on the Harmel Plan. Firstly it is not thought certain that the links between the WEU and Common Market Treaties are as close as M. Harmel believes. Secondly it is asked whether life can be breathed into an organisation which has not achieved a great deal since it was formed. Thirdly, if France does not take part, Germany may also refuse to do so, and in this case the operation may not be very fruitful. Fourthly, the creation of a different organisation along these lines may strengthen the supporters of Franco-German "preferential solidarity", which M. Harmel has himself strongly criticised. Next it may be argued that the proposals are too "Atlantist" and that it may not be a suitable moment to try and recreate some form of European defence community.

Finally it suggested from the same sources that the Belgian suggestion may be a double-sided weapon which will result - if it is put into practice - in the Community's enlargement being put off for an undetermined period. The Harmel proposals, it is thought, could be deemed a "renewal" of the WEU, enlarged to include other countries, and thus diluted. Political and defence questions are already a concern of the WEU, whilst monetary matters could easily be included if the Council's meeting were to be extended to the Finance ministers. As for technological questions, these would only cover precise mutilateral matters such as ELDO, ESRO or CERN, in other words a similar approach to that of the Community. These French sources consider that the Harmel proposals might easily turn out to be of little significance and that in the final analysis, M. Harmel may have presented France with an escape hatch from its difficult situation with regard to the Community's enlargement.

The role of West Germany is still important, but it does appear that the countries who already back the new proposals are willing to go ahead without her if necessary. However since the latest Franco-German summit in Bonn, the pressure on Chancellor Kiesinger to change his attitude towards France and to be seen to take a tougher line in public and in private has been growing. The press reception to the summit was far from favourable and he will be answering a foreign policy debate in the Bundesstag on October 16, when he will have to make clear his attitude. Shortly after the talks he had been due to report to the Foreign Affairs Committee but this was cancelled at the last moment. 79% public opinion according to a recent poll would like an early entry by Britain, and a decision by the Benelux countries, Britain and Italy to implement the Harmel proposals would face Bonn with the need for a decision.

The problem of overcoming French proposition to an enlargement of the Community to include Britain continues. Once again the scene switches to the WEU, but now the prospects for concrete action seem improved. It should not be forgotten however that the applications for membership remain tabled before the Council and should be discussed again on November 4-5.

E . C . S . C .

Steelmen Demand Rationalisation of the Market

From our Brussels Correspondent

The steel industries of two EEC member countries have now lodged official complaints with the Commission concerning the malfunctioning of the Community's regulations on the publication of steel prices. In this, they would appear to be speaking for almost all steel producers in the Six, who feel that the confusion, not to say chaos, now reigning in the market, thinly veiled by a stringent complex of rules and regulations, and despite all the controls exercised, is the very negation of what was sought in the Treaty of Paris. Quite simply, the rules governing non-discrimination and price publication were conceived by the authors of the Treaty as a means of protecting coal and steel consumers in a sellers' market, and hence they have had no bearing in the buyers' market that has obtained for some years past. At the outset, the market was characterised by excess demand, and it was matter not so much of finding a market for the steel produced in the E.C.S.C. as of choosing formulae for spreading it around: thus the problem was to eradicate discrimination, especially that based on national loyalties, and to ensure the success of this principle by achieving maximum price transparency and uniformity of sales conditions. This approach no longer works, now that we have a situation where it is the buyer who is arbitrating between the producer and third countries.

This is why all are agreed that all pricing legislation included under Article 60 of the ECSC Treaty should be reconsidered - and this goes for the Commission's people as well as the steel producers. There is also a fair consensus that in any future merged treaty the legislation covering steel should need to be no different to that governing any other commodity. However, with integration of the Community dragging as it is at present it could be years before the Treaties are amalgamated, and indeed the machinery written into Article 95, for modifying the Treaty is patently so long-winded that there seems little to be gained by seeking any solution in that direction. As the need to introduce a pricing system more in keeping with existing conditions in the market is becoming more and more pressing, therefore, the only recourse now is to amend the decisions made by the High Authority in 1953-4 on the specific application of Article 60.

The Commission's consultants have already begun to examine the problem, and it looks as though reform will cover three aspects at the same time: the principle of non-discrimination, publication of barometer prices and the system of selling by alignment of prices on those offered by other Community producers or those outside the Community. As yet only the surface has been scratched, and the problem is not an easy one, as the exercise is at one and the same time to adapt the rules to fresh market conditions and also to observe these same rules. Nevertheless, certain concrete ideas have already started to emerge.

In the first place, there must be a far clearer definition of what is understood by discriminatory practices between buyers. Hitherto, with but a few exceptions, this meant quite simply the usage of prices and conditions of sale differing from those stated in the published barometer price list, price alignment itself being deemed an exception in the Treaty to the principle of non-discrimination. Thus the Commission has been compelled to ask itself all over again what is meant by non-discrimination, and it could not but come up with the answer that this implies the protection of consumers against selling practices that could damage their competitive standing. One section indeed held that discrimination should be described simply as the imposition on a buyer by a seller of price or delivery conditions placing him unjustly in a competitive position either more or less advantageous than that occupied by his rivals on the market. In other words, there would no longer be any need to publish those discounts offered legally to certain consumers whose competitive position is not on a par with others in the market, as these would not have any effect on the workings of competition generally.

This would undoubtedly reduce the incidence of price publication, but this cannot have any effect on market transparency when companies are not in fact applying published prices. It would be for the Commission to lay down criteria that, on the one hand, would enable companies gently to brace themselves against the fresh wind of competition that would result, and on the other make sure that none would overstep the bounds of good business practice nor show any discrimination between consumers facing similar conditions of competition.

This said, we must hasten to add that the Community's steel producers were unanimously of the opinion that no pricing regime can of itself keep the market ordered unless there goes with it some sort of regulation of production and a system of organising sales. During the coming months, the Community's steelmen will probably apply themselves most closely to the latter point, quite apart from the separate efforts that are being made in all member countries to streamline the decision-making machinery of the industry.

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#### ECSC raises \$ 24 million Italian loan

The European Coal and Steel Community is to raise the equivalent of \$24 million (£10 million) on the Italian capital market to help finance investment projects in the coal and steel industries of the Six.

A group of nine Italian banks, headed by the Banca Nazionale del Lavoro, will handle the issue which takes the form of 20-year bonds bearing interest of six per cent. The total sum involved is 15,000 million Lire, raised at 97.5 per cent.

The agreement, which was signed in Rome on October 4, by European Commission Vice-President Lionello Levi Sandri, Commission member Albert Coppe and representatives

of the banks concerned, brings the total loans raised by the ECSC on international capital markets since 1954 to the equivalent of \$ 828 million, which together with the ECSC's own resources and other funds totalling \$ 74 million, has been lent to industry.

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## MONETARY PROBLEMS

### Barre: Cautious Approach to Monetary Union

In the European Parliament on October 3, M. Raymond Barre, vice-president of the Brussels Commission, delivered a speech on monetary problems on both the international and intra-Community plane.

In the first place, he considered that the international monetary situation was by now far less disquieting than it had been at the beginning of this year, the outlook having brightened for two reasons in particular: the adoption by Britain and the U.S.A. of more rigorous measures in endeavouring to redress their balance of payments positions, and the Basle agreement on the sterling balances. This does not alter the fact that there is still a long way to go before all the difficulties are eliminated. In both Britain and the United States, vigilance must still be exerted, and both countries must for some time yet continue to exercise the internal policies that they have now put into effect, and it should be understood that the Basle agreement offers no more than a partial solution to the problems posed by the international status of the pound.

M. Barre was apparently fairly optimistic about the way the situation has developed in France since the May-June crisis. There were firm technical grounds for the expansionist policy as expressed in the proposed budget for 1969 and the new laws for bolstering investment. If price increases are contained and the growth in incomes rises next year at a normal rate, there is every reason to suppose that by the end of 1969 the French economy will have achieved a better balance.

The position of the Deutschmark was also dealt with by Barre, who maintained that Germany would not find herself facing any real revaluation challenge unless the day dawned when, under pressure from the need to maintain economic equilibrium, measures were required to dampen internal demand and to raise interest rates, which would affect imports of goods and services and exports of capital. There is no reason to suppose that such a position has been reached, nor that a policy of balanced expansion in the Federal Republic should be halted. Here, Barre observed that one man's meat is not necessarily another's poison, and that those countries in deficit who had rosy visions about the possible revaluation of the mark should be prepared for disillusionment, as such a revaluation would in no measure obviate the need for them to maintain their own efforts to restore equilibrium to their payments balances.

Proceeding to his assessment of current proposals for reforming the international monetary system - gold revaluation or Special Drawing Rights at the IMF - M. Barre said guardedly that facts would eventually speak for themselves, although it was fairly evident that he himself tends rather to favour the SDR system, granted always that it would be applied correctly, and that there would be no bid to replace gold, merely to supplement it in the monetary reserves. The crux of the problem remains the restoration of the British and U.S. balance of payments. Should either country fail in its efforts to do this, a new monetary crisis of such proportions would develop that the whole international monetary system could collapse. Should events take such a turn, the U.S.A. might feel compelled to suspend the convertibility of the dollar, but other countries would not be likely to allow themselves to be sucked into a "dollar zone", and such a melee would develop in trade, monetary and financial relations around the world that an increase in the official price of gold would very soon follow. If on the other hand present British and American efforts, backed by close international monetary cooperation, come to fruition, there is every hope that out of the past few years of crisis there will emerge a more harmonious and stable monetary system.

M. Barre now turned to monetary relations within the Community, stating that these must be studied closely and wrought realistically. There were various tempting ideas being circulated in the Community at the present time - a European currency, common reserves, and so on - but to pursue these as ends would be to jump the gun. Monetary union could only be the crowning achievement of economic union, or rather in the final analysis political union, and the Six have yet a long, long way to travel in this direction.

Progress must therefore be made, and M. Barre proceeded immediately to offer the Commission's ideas on the lines that member states should follow, in strengthening monetary cooperation between themselves. In the sphere of economic and financial policy, he recommended the following:

- 1) Improved ways and means of coordinating economic policies and amplifying the field of prior consultation between member states.
- 2) Better methods of comparing national medium-term planning, and examination of the compatibility of national programmes.
- 3) The mobilisation of a great deal more capital within the EEC.

As far as monetary policy as such is concerned, the Commission has in mind especially:

- 1) Extending the field of prior consultation on relating and harmonising the Six's monetary policies.
- 2) Examining the conditions under which daily fluctuations in member countries'

parity rates could be eliminated, especially to the end of improving developments in internal EEC financial relations.

3) Improving the machinery of mutual assistance as laid down in the Rome Treaty, bearing in mind developments and modifications that have taken place since 1957 in the monetary workings of member states and in international relations.

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## COMMISSION

### 1969 Budgets Submitted

Member states of the EEC have just been presented with the details of the budget for the Community's institutions for next year. Financial experts have already begun to examine the document, and it will be for a Council of Ministers meeting, due to take place before the end of October, to decide on the final figures.

The Commission is in fact seeking a \$ 96.8 million budget, as against \$ 87.7 million for the current year, and \$ 65.4 million for 1967, though of course this figure does not include contributions to the special funds: FEOGA and the Social Fund. The rise is quite an appreciable one, and is perhaps somewhat surprising in view of the last year's streamlining of the Commission's departments in Brussels. However, this same exercise means in the first place that no less than \$ 4 million has had to be earmarked for redundancy payments offered to Community civil servants as an incentive to resign from their positions in Brussels of their own volition, as part of the thinning-out process. In addition, there has been a major rise in two budgetary items: costs of meetings, conferences and courses, and "expenses for which no special provision has been made".

On the other hand, the European Parliament's proposed budget has risen only modestly: from \$ 8.2 million this year to \$ 8.5 million for 1969. That of the Council of Ministers rises from \$ 7.5 to 7.8 million, while for the European Court of Justice, the figure remains virtually constant, at \$ 1.9 million.

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## SOCIAL MATTERS

### Social Committee Asked for General Community Review

The EEC Commission has decided to consult the Economic and Social Committee on the general situation in the Community, Jean Rey having made the request verbally to this, the Community's "second chamber", during its first meeting after the summer recess. That this particular body should be asked to make such a review is of considerable interest,

as its function normally is to offer counsel on specific, technical matters. On this occasion, it has been asked to assess the past activities of the European Communities, appraise the present general situation and offer its suggestions as to how the economic union should be brought about. At the same time, it has been asked to air its feelings about the enlargement question. What will happen now is that it will have talks and consultations with various of the Commission's officials and then forward its report to the Commission by the end of next January.

This move follows from what was said in Jean Rey's July 1 speech, on the arrival of the customs union. He then announced that a "major review of the whole Community situation" was needed, and that in view of this, it was necessary first of all to consult the Economic and Social Committee (which comprises representatives from various social groups in the EEC: employers, unions, peasant farmers etc). Once this form of consultation is complete, the Commission will be in a better position next spring to embark upon its planned discussions with three important groups: representing farming, industry and youth in the Community. Only when these talks are completed will the Commission draft its five-year plan for the Community.

Unorthodox though it is, this manner of reference to the Social Committee in fact steps over no official lines of community protocol, and only illustrates the Commission's earnest intention of consulting with the "vital elements" of Community society before venturing into fundamental planning. At all events, of course, the Committee itself is delighted at the opportunity, finding itself cast in the role of a key consultative body, and thus intent on producing a highly competent and serious report.

M. Mathias Berns of Luxembourg, the Committee's new chairman, also expressed before the press his satisfaction at "seeing the Committee's terms of reference being extended towards responsibilities that place it fair and square in the debate on the major decisions that the Community is now facing". As for the present situation in the EEC, M. Berns believed that the balance-sheet for European affairs was "by and large, on the credit side". Appreciable progress has been made in a number of sectors. "But at the same time it is disquieting to see how deeply entrenched European pessimism has become. I recognise that there are tremendous difficulties, but why should we allow these to put us off our stroke? There is nothing new or even recent about these: they are inherent to the task that we have set ourselves, and to the peaceful and democratic means that we have chosen to use. It is but present circumstances that are crystallising the problems, stressing them, and in particular instances, charging them with emotion".

Continuing in minor key, M. Berns said "we may have cause to regret the existence of interests too narrow, but why should we not simply accept the fact? These interests do exist, and more to the point they are largely justifiable. Often as not they stem from ways of life that have always been cherished. To sweep them under the carpet or even attempt to do so would be a grave misconception of economic, social and political imperatives. One of our greatest missions is to integrate the whole body of these interests at Community level, be they

regional or national. It could be that in the months to come the Community will have to contend with problems that will call in question, perhaps not for the first time, decisions already made ... but we should never lose sight of the fact that the task we seek to achieve is prodigious, and that the problems with which it is fraught are equally so."

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## TRADE

### Commission asks Italy to drop Lead and Zinc Tariffs

The Commission has inaugurated proceedings against Italy on the grounds that it has infringed the Rome Treaty by maintaining certain customs duties on zinc and lead. By a decision of July 1966, modified and extended in August of last year, Italy had been granted the right to apply tariffs for these commodities which were higher than those normally allowed under the Treaty, running to the end of 1967. In December 1967 Italy asked for an extension of the special arrangements, but was turned down. Recalling that in 1966 agreement had been reached that the acceleration of tariff reduction would not extend to Italian zinc and lead and that complete abolition of the duties would not be achieved until the end of the transition period (1969), the Italians stuck their heels in and refused to move.

The Italians are basing their argument on the problems of regional policy, that is to say the need to protect the mines in Iglesias in Sardinia which as yet are not competitive. According to Rome some 1,000 jobs in these mines would be in danger here if the customs duties were lifted, and with this in mind they have kept on the tariffs even after July 1st, having not yet received any ruling from the Commission. In the Commission's opinion the maintenance of these customs duties is quite inapplicable to the problem in hand especially as regards Sardinia. It feels that some direct form of action would be more appropriate and would not create distortions due to the fact that the Italian manufacturing industries are forced to buy in zinc and lead at higher prices than their competitors in other countries. It also believes that the maintenance of the duties runs the risk of creating distortions in the lead and zinc scrap market, which would have the effect of attracting large amounts of scrap to Italy where the prices would be more rewarding, thereby depriving other member countries of valuable income.

Nor has there been unanimity in Italy itself. The Sardinian authorities have of course been for the retention of the duties but the manufacturers using the metals have protested vigorously, saying that it was absurd for them to pay higher prices for their raw materials just to enable them to keep some small mines, which only provide one sixth of total lead and zinc needs, in business.

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## AFRICAN ASSOCIATION

Nigeria - EEC Link: Application in Doubt

The effects of the Nigerian civil war have resulted in strong European criticism of the Federal Government in its treatment of Biafra. In particular a Belgian Socialist member of the European Parliament, M. Dehousse put a question to the Commission asking whether the Six could implement the Association Agreement with Nigeria given the Lagos government's attitude towards the Red Cross and the violation of the most humanitarian rules in its fight against Biafra. M. Dehousse wanted to know whether the application of the Treaty of Association should not be blocked, and he based his case on the demands for the suspension of the agreement with Greece following the violation of human rights and democracy by the military government.

The member of the Commission responsible for overseas development M. Henri Rochereau replied. He said he shared M. Dehousse's humanitarian sentiments and stated that only France and Luxembourg had not ratified the Treaty. As to the question of whether the Commission might intervene to have the implementation of the agreement suspended if all the ratifications took place he could not commit the Commission. This was an important political matter. He would however inform the Commission "of the precise question you have put to it".

Reports of M. Dehousse's question provoked a hostile response in Lagos, and a government communique said "The proposed association between Nigeria and the EEC is no longer needed by Nigeria. The present conflict has shown the strength and independence of the Nigerian economy, which might be threatened by neo-colonialist agreements, such as association with the EEC, now or in the future".

\* \* \*

Britain and Europe

Last week's Labour Party Conference saw the appointment of Mr. Michael Stewart the Foreign Secretary, Mr. George Brown - the strong pro-European deputy leader of the party along with Mr. Walter Padley, (Overseas Committee) to represent Labour on the Action Committee for a United States of Europe. This is headed by M. Jean Monnet and includes representatives of most Common Market parties and trade unions; in fact the Trade Union Congress is also to be represented. The Action Committee has a considerable prestige within the Common Market and the invitation for British members should help to rally support for faster European integration.

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## VIEWPOINT

## ASPECTS OF THE WORLD MONETARY SITUATION

By Dr. S. Scheps

Vice-President of the International Credit Bank, Geneva.

During its Rio de Janeiro meeting in 1967, the International Monetary Fund agreed in principle to the creation of Special Drawing Rights -SDRs. The aim was - and still is - to prepare for a shortage of international liquidity as and when Britain and the United States achieve balance of payments equilibrium. The discussions which have centred on this new international settlement instrument - due for activation in 1969 - have often been lively as there are so many different views on the creation of such monetary reserves, totally independent of gold production. After the Rio meeting, the IMF's experts started to try and define how the SDRs would work in practice, and the problem has been discussed at the Washington meeting. In the words of the IMF's 1968 Annual Report "For the first time, the size of monetary reserves and their rate of expansion will depend on agreements freely-entered into, and not solely on the movement of gold and currencies".

The SDR proposals contain the essence of the 1943 "Keynes Plan" or "Proposals for an International Clearing Union". The comments made by Lord Keynes at the time are still extremely topical". It is indispensable that the volume of international currencies should not be subject to irrational or problematical factors such as technical progress in the gold industry; nor should it be subject to major changes reflecting differing national policies on monetary reserves; it must be able to cope with the needs of world trade and be suitable for artificial increase or decrease in order to deal with possible inflationary or deflationary trends in the world..... The gold now being produced, and the gold reserves of countries other than the United States can still play a useful role by providing an automatic means of settlement for a part of the surpluses held by creditor countries. But it would be unreasonable to pressurise the United States to demonetise a stock of gold, which in the last analysis is the very basis of their international payments system. What the world may do with gold on a long-term basis is a different question. The aim of the Clearing Union is to lessen the determining role held by gold, without suppressing it. No better formula than these lines, written some 25 years ago, can describe the present day monetary situation in the Western world.

The developments since Rio have been so catastrophic that looking back the climate surrounding the negotiations in Rio could hardly have been more serene. Firstly there have been massive waves of speculation against gold as well as the large-scale conversion of dollars into gold - and not solely by France -; this was followed by the devaluation of the pound, the institution of a two-tier gold market, the rapid fall in French reserves and finally the granting of a \$ 2,000 million standby credit to Britain by the Bank for International Settlements - BIS.

We have already stressed on several occasions (see No 452 especially) that gold is not an ordinary form of merchandise, since its value is linked absolutely to the dollar and not vice-versa. This is the reason why since 1933 its price for all monetary transactions between the central banks has remained at the dollar/gold convertibility rate of \$ 35 per oz. The Gold Pool established in 1961 also helped to keep gold at this level, through its purchasing and selling arrangements. This system worked quite satisfactorily, whilst everyone was satisfied that the United States could pay off their debts in gold, and it will be the task of future historians to try and find what part speculation and the different nations played in bringing about this loss of confidence.

As a result of the events described earlier, the gold market was divided into two (see No 453). One involved the Central Bankers' transactions at \$ 35 per oz and the other, the so-called free market. It was the end for the Gold Pool and the governors of the Central Banks explained their decision as follows: the American Treasury would in future only deal with foreign monetary authorities for the sale and purchase of gold; since in future gold is only to be used to settle transactions between monetary authorities the central banks would cease to supply London or any other market; furthermore as existing gold reserves are sufficient, especially in the light of SDR activation, there would be no need to buy gold on the market. It was therefore agreed not to supply monetary authorities with gold to compensate for sales on the free market.

The decease of the Gold Pool effectively blocked speculation, although for a time South Africa suspended its gold sales in an attempt to make the American Government reconsider its position. However not long afterwards a compromise solution was worked out under which the Central Banks would refrain from making any purchases on the free market, whilst the IMF would be able to buy gold from producers at \$ 35 per oz. This is still a major problem and it does not look as if the recent meeting has provided a definitive solution. That there was a need to have a two-tier system however remains unquestioned, and in the final analysis the free market price will align itself on the official price.

The influential Paris paper, *Le Monde* carried an article on September 17 written by Jean Luc. According to M. Luc the decision to establish a two-tier gold market was an "improvisation", based on "an agreement bearing a strong similarity to a diktat". The author maintained that the international monetary system was completely worn out and that in his opinion the Gold Pool's decision, as well as all the other measures taken during the past twenty years to improve the system's functioning, were no more than attempts to plaster over the cracks. What we must ask ourselves is whether M. Luc has his feet firmly on the ground, especially since in his conclusion he calls for the dropping of the Gold Exchange Standard and the return to the Gold Standard, which Per Jacobson called "a dream as tenuous as it is alluring".

In reality the dollar has not become an international reserve currency through any international decision, but because most of the world's central banks have thought that

it would be wise to place not only their short-term dollar holdings in the United States, but also the better part of their reserves. This was the way in which the dollar became the mainstay of the Gold Exchange Standard, and supplied the whole world with currency in the form of direct investments, development aid, military aid etc. This was also the way in which the United States acquired its deficits, varying between \$ 1,000 m and \$ 3,500 m annually. As a result, measures taken to re-establish the balance of payments - as in Britain - cannot but reach beyond monetary affairs, and at the same time must be deemed a problem common to both creditor and debtor countries. On this point, the IMF's annual report considers that the signs of economic recovery in Western Europe should help to re-establish the American balance of payments equilibrium. Furthermore it should not be forgotten that the US external payments deficit represents a mere fraction of the country's gross product, and is therefore only of minor importance with regard to its economic potential.

The world was probably lucky to have had the rigid rules of the Gold Standard replaced by an institution like the IMF, the in-built flexibility of which allows constant adaptation of solutions to international financial problems. Even if the IMF, whose main task is to maintain currency stability, the expansion of world trade and the establishment of a multilateral payments system, has been unable to work miracles, it has, by acting together with the BIS and the Group of Ten, managed to achieve some worthwhile results. The Fund's Director-General, M. Pierre-Paul Schweitzer has defined his organisation as "a complex instrument with a complex task, because it must try to get each member country simultaneously to aim for several internal and external objectives".

As far as the pound is concerned, we have already said in this publication - and this was confirmed in an interview with the London merchant banker, Sir Siegmund Warburg in the "Sunday Times" - that from the long-term point of view, the British balance of payments situation is quite healthy since overseas investments are greater than external debts. But it is also clear that in the short-and medium term the same does not hold true, because of the burden of short-term debts. The time factor is the main problem for the pound and in any case long-term investments are difficult to activate in a hurry. The need therefore to reduce to a more reasonable difference the gap between reserves just exceeding £ 1,100 million and sterling balances totalling £5,600 million, has been becoming ever more urgent.

This has been achieved through the agreement recently made in Basle by the BIS and 12 Central Banks establishing a standby credit for Britain of some \$ 2,000 million so that part of the sterling balances can be consolidated. The pound is now sheltered from fluctuations in sterling balances held in London by countries in the sterling areas. Part of these holdings are now covered by a dollar guarantee and part are consolidated for 10 years on the BIS. This agreement is thus of the utmost importance both to the international monetary system as a whole, and to the pound. The IMF's annual meeting in Washington also became involved, through its examination of how Britain was to repay its debts to the

Fund. Nevertheless it seems certain that the pound, which today still has an important role in world trade, will once again become a key currency, provided that the revitalisation of the British economy continues, but in any case the pound's role is likely now to come down to a more modest level.

The sums made available by this stand-by will first of all be used to pay off credits previously drawn on other Central Banks by Britain. This means that the country's reserves will only increase to the extent that its balance of payments achieves a surplus. This said, the Basle agreement to which Switzerland is contributing 5 %, or \$ 100 m. cannot but have a favourable influence on world monetary developments. Britain will find itself strengthened in playing its role as a reserve currency country and the first positive signs of the pound's devaluation are to be welcomed, even if the trade balance is still a long way from making any large contribution to achieving balance of payments equilibrium.

After the May-June crisis, France has lost over a third of its monetary reserves and in order to stop capital leaving the country, exchange controls were reintroduced, although only for a short time, whilst it has used all its IMF drawing rights. However its gold and currency reserves are still sufficiently large for the country's economy to be adapted to meet international competition. Because of these factors, the franc is not threatened with devaluation for the time being. Its future depends largely on the ability of the country to cope with the social consequences of the crisis, to maintain the competitive level of the economy and confidence in the franc.

In this particular sphere it is obvious that France's attitude towards international monetary cooperation has a more than ordinary importance. In the same way as Britain and Italy, she has had to be helped by the other Central Banks. Despite this the attitude of the French monetary authorities remains ambiguous as is shown by the article in *Le Monde*. From this point of view a book recently published by Professor Robert Mosse of Grenoble is comforting: "It is not right to have world liquidity dependent on the availability of gold and the whims of private investors". Prof. Mosse discusses the various "facilities" adopted during the past years, from the "General Agreements to Borrow" to "Swap Agreements". These are obviously compromises made necessary by the complexities of economic reality. Prof. Mosse would like to see even closer international monetary cooperation: "The IMF must be gradually transformed into a Clearing Union with its own currency and right of monetary creation, and competent also to undertake multilateral compensatory action: . . . It cannot be hidden that the main obstacle to solving these problems is political".

It is a fact of life today that there is a need for monetary cooperation on a multilateral basis. There is a need for a form of "international currency" acceptable by most nations, so that area balances and bilateral clearings become superfluous (the Keynes Plan). Lord Keynes also wanted the formation of a World Payments Union and an international payments instrument, the "Bancor" - banking gold - the name indicating that it

would be complementary to gold and issued with deliberation. He was unable to get his views accepted at Bretton Woods, but for several years now there have been a host of similar proposals, so that even two years ago in Washington, Pierre-Paul Schweitzer was able to joke that his brief-case was bursting at the seams with paper gold.

Admittedly all the proposals for monetary reform contain a contradiction: the expansion of international methods of settlement cannot result in an international equilibrium unless each national economy grows at the same rate. But one thing is quite certain: there will be no world economic integration without world monetary integration. The creation of Special Drawing Rights, which requires the agreement of the world monetary leaders, is a step in this direction.

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## STUDIES &amp; TRENDS

Citroen-Fiat - the First European Car Company?

The Citroen-Fiat deal has been in the air for many years. As far back as 1962, there had been strong rumours that there would be some sort of deal between the two companies, and in a recent interview published in the French business magazine "Entreprise", M. Pierre Bercot, the president of Citroen, claims that the idea of some sort of a marriage between Citroen and another European car firm dates back ten years. Confirmation of the deal was made public at the end of September, but the whole affair remains concealed under a cloud of secrecy and false rumour, and it appears that, in the words of Sig. Giovanni Agnelli, president of Fiat, "nothing definite has been fixed." Announcement of the deal shortly before the opening of the Paris Motor Show evidently caught the French government off its guard and in the fear that something like the Machines Bull affair might recur (when the government stepped in to try and stem the taking of a minority shareholding in the company by the American General Electric only to find that G.E.C. had taken a majority shareholding), it has called on the two protagonists to hold their horses. Add to this the traditional secrecy that surrounds Citroen management policy and the enigmatic utterances on the matter by General de Gaulle, and one will have some idea of the confusion that surrounds the deal. The main details of the interested parties have now become fairly clear.

Michelin, the Clermont-Ferrand based tyre company, has a 56% (not 52% as often published) interest in the Parisian Citroen motor firm, whose output last year was some 500,000 vehicles, both private and commercial. Citroen's long production run policy (the ID and DS series has run 13 years and the 2 CV was conceived before the war) seems to have run the firm into difficulties. Europeans have in recent years been buying more and more medium-sized cars; in 1962 37% of all cars bought in Europe fell into this category, whereas in 1967 this had risen to 43%. This is precisely the field where Citroen's coverage is weak and is thus the reason for the company's exceptionally bad year in 1967. Moreover, Citroen's company policy does not admit of rushing off a new model to meet this present demand. A new model, probably with the NSU developed Wankel engine, is on the drawing board but it will be some years before it is in the show rooms, the association agreements with both NSU and Maserati being for the long term development of a revolutionary model.

Development of such revolutionary models is of course a very costly item. At present the French company maintains a research unit occupying some 2,000 people, which has become uneconomic for a company which only produces 500,000 vehicles per annum. In addition Citroen has never had a good name in the marketing sphere. Deliveries to the home market are very sluggish and no apologies are given for late delivery. The company spends very little on advertising and its arrogant approach to customers is designed to create a mystique around the product and to reinforce its reputation for exclusiveness and excellence. Why this philosophy should be perpetuated for one of the world's most primitive cars, the 2 CV, delivery of which was six months a few years ago, is beyond comprehension. Superficially, the philosophy seems to have worked quite well, but the policy of relying so

exclusively on the prestige car image in these times of cut-throat competition is no longer paying off and so the company has been forced to look for an ally. In spite of assertion by Bercot that the company is not in difficulties, in 1966 margins came under pressure and in the following year the company decided to waive its dividend after reporting halved profits and a 6.5% fall in sales. This year is likely to be much worse than last year, production having fallen off badly again during the first quarter and the company being hit badly by the May stoppages since the factories had been singled out by the unions for strike action as Bercot had had a policy of excluding national unions from his factories.

Ever since the formation of the Common Market in 1958 Fiat has been preaching the evils of American dominance in the European car market and has been seeking partners to stem the development of the Ford, General Motors, and Chrysler subsidiaries in Europe. Fiat's growth has been very rapid, expanding with the expanding Italian economy and providing thousands of cars annually to the Italian workers who have moved up the economic and social scale from their scooters and motor cycles. In 1960 the company produced 300,000 cars less than Renault, but in 1967 it built 500,000 more than the French Regie. With an output of 1,331,000 in 1967, the company is now the biggest in Europe and can put its rapid growth down to the fact that it dominates the Italian market. For years the company has been able to rely on 70-75% of this market and incursions by foreign companies (notably Ford) have been strongly resisted with help from the government, who in 1964 introduced stiff import levies in an attempt to restrict consumer demand. With the country's small mediaeval towns and narrow streets, the small car is a big seller and so Fiat with its 500, 600 and 850 cc models is in an ideal position to meet this demand, which accounts for 60% of the market.

The main factor which has provoked the company into intensifying its search for a European partner in recent months has been the formation of Alfa-Sud, the State-owned Alfa-Romeo's new southern plant in the depressed Naples area, a move which will increase the company's output from 100,000 pa to 450,000 pa. Fiat is of course far from happy at this inside job in reducing its almost captive home market, and has rightly concluded that to keep in the running and keep its output up, it must start to export more. Having however been spoilt with such a good home market the Fiat company has been somewhat lazy in the exporting field, the company preferring to set up manufacturing subsidiaries in other countries such as Spain, Turkey and the USSR, rather than expending a lot of energy in exporting to already very competitive markets (planned sales to the USA this year are only 25,000). With vehicle saturation looming up in Italy in 1972-73, Fiat must look much more to the export market and so must develop a good distribution and service network. Rather than foot the bill of doing this itself, not to mention the time it would take, it is obviously preferable if the company could take over a ready-made distribution network, such as that of Citroen. Citroen itself has not been a particularly export-conscious firm but has developed a very comprehensive distribution network in France and Belgium. This could now be used to sell Fiat models as well as the normal Citroen models, especially as Fiat's big-selling 124 and 125 have been found to have unquestionable international appeal.

Thus the deal will be beneficial to both parties; Citroen hopes to gain finance, first and foremost and then modern production, management and marketing know-how. It will gain greater access to the Italian market through the Fiat dealerships for those models which do not clash with the Italian manufacturer's models and the creation of a new giant combine, whose production would be 1,950,000 p.a. from the very outset, that is within striking distance of American Ford, would entail vast economies of scale. More and more components could be used in both the Fiat and Citroen models, whether they were made by the companies themselves or by subcontractors. In either case the greater output would mean lower unit cost, the smallest economic annual capacity now being deemed to be two million units in the face of increased competition both from America and the newly-formed British Leyland Motor Corporation. Fiat, apart from increasing its overall size and gaining extra outlets in France and Belgium and other European countries, will gain a prestige saloon which is also a two litre, thus filling a crucial gap in its range. By the possible inclusion of Citroen's recently acquired Berliet commercial vehicles firm as well as its already comprehensive line in vans, Fiat will boost the commercial side of its business where up to now it has concentrated on the heavier end of the scale. With a foot in two markets, the company will now be able to exploit the full advantages of Common Market membership, hitherto only enjoyed by the multi-national American subsidiaries. The integration of model ranges, distribution and manufacturing between Turin and Paris will provide valuable economies of production and so considerably enhance the competitiveness of both companies.

A word now about the alternative - the formation of one united motor company in France, uniting Renault, Peugeot and Citroen under one head and called Automobiles de France. The French government has not really made its view on the matter very clear, perhaps purposely so, as General de Gaulle finds himself somewhat torn between wanting to guard against the foreign domination of French industry and wanting to give practical expression to the Common Market ideal by the formation of a true Common Market company. In a conversation with M. Francois Michelin, Citroen's majority shareholder, at the Paris Salon, the French Head of State's utterances on the matter were as ambiguous as those of the Delphic oracle, but it seems all the same that French nationalism has won again and the formation of the first Common Market company may yet be to come. The General seems then to be in favour of a "national solution", uniting the three major French manufacturers, a plan which is also accepted by Regie Renault, which itself tried a few years ago to make links with the Italian giant. According to this plan Automobiles de France would be a holding company for the three motor companies, which would retain a large part of their autonomy and would keep their individual names, but Citroen would become a subsidiary of a financial grouping headed by Renault and Peugeot, which would take the big policy decisions of the group. On the purely financial scale, the deal would be simple; Citroen would be bought up by the other two by means of credits granted by the nationalised banks and assurance companies.

Such a deal would ensure that control would not go outside the national boundaries of France, for the General's major fear is that the regulation of such a large sector of employment and productivity in the country should be carried out by non-national interests.

But it also puts him in a difficult position. The formation of a national motor industry in France would mean that the international motor market would be polarised into national units, Automobiles de France in France, Fiat-Autobianci-Lancia in Italy, VW-Auto-Union and perhaps Mercedes-Benz in Germany and British-Leyland in Britain. This polarisation would mean the resurgence of economic nationalism, each country in Europe competing against the other in an intense struggle for national prestige. In addition the temptation would then be very strong to raise the tariff walls against the foreign competition and what would then become of the ideal of industrial cooperation within the confines of the Common Market?

Here is a case where the economic realities of the situation and the ideals of the European Community coincide. M.Bercot has said that Fiat is the best private business in Europe adapted to current market conditions, both in manufacturing and sales terms, and he finds in the firm the ideal partner. He is convinced that "only an agreement concluded within the framework of the European Common Market can provide a solution to the problem thus raised", and has taken a positive stand against a merger with Renault and Peugeot. If the Elysee steps in to prevent this deal it will be a blow both to the economic viability of Citroen and to the formation of real economic links between the member countries of the Community.

October 10, 1968

EUROFLASH - HEADLINES

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AUSTRALIA	NEW ZEALAND INSURANCE buys up AMEV stake in VICTORIA insurance BASF buys DOW out of 50-50 joint subsidiary with BADOCOL	O
BELGIUM	British KODE electronics forms sales and manufacturing company C.G.ELLISON sets up hydraulics and filters subsidiary VERSON/ALLSTEEL PRESS takes over production from DU TRANNOIT	G H J
BRITAIN	French ANCIENNE MUTUELLE takes over PENDLE INSURANCE A.W.HAINSWORTH textiles to cooperate with Italian MAGGIA French MORVY sells subsidiary to P&O's 'ANGLO-OVERSEAS' TRANSPORT	O T V
CANADA	CAPAG-ENTREPOSE joint subsidiary backs UNIVERSAL PIPELINE	K
FRANCE	OLIDA-CABY foods merger comes into effect AMERICAN CAN forms wrappings company; later link with B-S-N	M Q
GERMANY	DORNIER to represent SIMULATORS INC and possibly manufacture HYDROVANE COMPRESSOR forms sales and manufacturing company PONT-A-MOUSSON takes over JANSEN ARMA TUREN - valves etc GLANZSTOFF, PHRIX and SUDDEUTSCHE CHEMIEFASER pool sales	B I I T
IRAN	DAIMLER-BENZ to build engine and truck assembly plant	B
ITALY	GRANADA GROUP launches TELERENT venture in Milan American CELANESE subsidiary comes under SVENSKA CELLULOSA	E P
U.S.A.	AIR LIQUIDE's Canadian subsidiary takes over AMERICAN CRYOGENICS	D

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AEROSPACE
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\*\* The West German aerospace firm DORNIER GmbH, Friedrichshafen (see No 474) has acquired exclusive distribution rights covering the Common Market countries, Austria and Switzerland for electronic flight simulators made by the American firm SIMULATORS INC. The agreement may be extended to cover production at a later stage.

AUTOMOBILES
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\*\* The American manufacturers of diesel engines, CUMMINS ENGINE CO. INC., Columbus, Indiana (see No 428) has closed down its subsidiary in Essen, CUMMINS DIESEL MOTOREN GmbH. The company had already closed down the branches of its sales subsidiary, Cummins Diesel Sales Corp., Columbus (see No 407), in Milan and Paris in 1967. The sales company is only retaining two branches in the Common Market, those in Essen and Brussels.

\*\* The DAIMLER-BENZ AG, Stuttgart, Untertürkheim group (see No 472) is to extend its interests in Iran by building a manufacturing unit in Tabriz for diesel engines and commercial vehicles (10,000 units per annum). The new concern is a 30% affiliate and licensee of the German group which controls it in association with the local companies KHAWAR and INIM (Daimler-Benz's representative in Iran) as well as BANQUE IRANIENNE DE DEVELOPEMENT, Teheran.

The Stuttgart group, whose exports to Iran since 1950 exceed Dm 600 million also has a 36% stake in the Turkish heavy vehicles assembly line Otobus ve Motorlu Araclar Sanayi A.S., Istanbul.

BUILDING & CIVIL ENGINEERING
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\*\* Three Italian steel rigging companies have been involved in a merger. ITALEDIL-SOC. ITALIANA DI EDILIZIA INDUSTRIALIZZATA SpA, Milan (see No 412) has taken over COSTRUZIONI MODULARI SpA, Milan and INCED-INITIATIVE EDILIZIE INDUSTRIALI SpA, Rome.

Italedil was formed in 1967 with a capital of Lire 750 million by the Rome groups Istituto Romano di Bene Stabili SpA (49%), Finsider SpA (49%) and I.R.I. (2%) in order to boost the use of steel in buildings.

\*\* A merger within the French building materials trade will strengthen the position of CIE FRANCAISE D'AGREGAT & DE MATERIAUX - C.F.A.M. SA, Champigny-sur-Marne (see No 470) which was recently formed with a capital of F 100,000 by the Toronto group DENISON MINES LTD, (see No 416). The companies involved in this move are BRIQUETERIE DE NOISEAU Sarl, STE DE MATERIAUX & DE TRANSPORTS - S.M.T. SA (capital F 936,000) and TUILERIE & BRIQUETERIE DE LIVERDY SA (capital F 1.07 million) all based at Champigny.

## CHEMICALS

\*\* The Düsseldorf chemicals group HENKEL & CIE GmbH (see No 475) has renamed its sales subsidiary in Istanbul TURK-HENKEL SANAYI VE TICARET A.S.

The latter is handling the launching in Turkey of "Tursil" detergents, produced in Izmir under a "HENKEL" licence by TURYAG A.S., itself controlled by the German group (a sales association with the Istanbul bank YEPI VE KREDI BANKASI).

\*\* To strengthen the links between its founder companies, the CONTINENTAL LINOLEUM-UNION AG, Zurich (see No 437), is planning to gain majority control (100, 98 and 91.5% respectively) of the Dutch, NV NEDERLANDSE LINOLEUM-FABRIEK, Krommerie; the Swedish A/B LINOLEUM FORSHAGA, Gothenburg, and the Swiss LINOLEUM AG, Giusbiasco, Ticino linoleum companies.

The Zurich holding company a few months ago formed a joint "European" management consisting of Messrs. C.H. Kaars Sijpenstein, the Netherlands, S.E.L. Jungren, Sweden and R. Zoelly, Switzerland; it also controls (directly) a company in France Ste Industrielle Remoise du Linoleum-Sarlino, Rheims.

\*\* Dutch interests have backed the formation in Milan of the sales company SOLVITAL SpA (authorised capital Lire 9 million - 10% issued and held by Signor Umberto Cagny.)

The new company will import and sell starch products and derived chemical products. Its president is Signor G. Cipelleti, Cinisello Balsamo, which the board includes Messrs E.H. Engelkens, Haren and A.I. Van Gelderen, Veendam.

\*\* The Copenhagen chemicals concern NORSEMEN CHEMICALS A/S and its British associate, NORSEMEN CHEMICALS (MARINE) LTD, Maidenhead, Berks., have respectively backed and taken a token interest in the formation of a new company in Belgium, NORSEMEN COMMERCIAL NV, Antwerp. With a capital of Bf 250,000, this firm will be concerned with the chemical trade; its board will consist of its founders, Messrs. Bent Gjersøe, Rungsted Kyst, Denmark, Kenneth Ch. Dawson, Maidenhead, Berks., and Ambert Osterrieth, Wilrijk.

\*\* The chemicals and pharmaceuticals group SCHERING AG, Berlin and Bergkamen (see No 472) has gained complete control of the Munich adhesives manufacturer ISAR-CHEMIE GmbH (capital Dm 1.1 m.). Until now the shareholders in Isar-Chemie were Brenntag GmbH, Mülheim (wholly-owned subsidiary of Hugo Stinnes AG, Mülheim - see No 479) and Herren Otto Jordan, Hartmut Lagallu and Leoni Orth. There are a number of foreign subsidiaries including Isere-Chimie SA, Romans, Drome; Aerochemie-Sta Per La Propulsione a Reazione SpA, Rome (in association with Nitrochemie GmbH, Munich, which has recently passed under the control of Wasag Chemie AG, Essen - see No 477) Isar Chemie Wels GmbH, Wels, Austria and Isar-Chemie Portuguesa, Oporto, Portugal.

Opera Mundi - Europe No 482

\*\* As the result of an agreement made between the French group L'AIR LIQUIDE SA (see No 478) and the American group STANDARD OIL CO OF NEW JERSEY (see No 455) the former's Canadian subsidiary CANADIAN LIQUID AIR LTD (see No 417) will acquire from JERSEY ENTERPRISES INC (a Standard Oil investment company) a majority shareholding in its wholly-owned subsidiary AMERICAN CRYOGENICS INC, Atlanta, Georgia. This produces and sells (\$ 22m. p.a.) industrial gas and welding equipment in the south and west of the United States; it also has five large liquid oxygen and nitrogen plants and a network of 25 agencies.

Through its Canadian and New York subsidiary, American Air Liquide Inc, the French group has some thirty North American production including seven major ones in Canada. It also has a 33.3 % interest in Canadian Helium Ltd in association with British Oxygen and British American Oil. Other stakes include an indirect 100 % in Sherbrooke Oxygen & Welding Supplies Ltd; 98 % in U.S. Divers Co through LA Spirotechnique SA. Paris and 3 % in Air Reduction Co.

\*\* The Belgian company NODEL MARQUET & CIE SA Eupen, (cleansing products "Glanzer", "Vileda" and "Rexin") which is a subsidiary of the German group WERNER & MERTZ GmbH, (see No 470) has backed 50-50 with the German company CARL FREUDENBERG & CO KG, Weinheim (see No 456) the five-fold increase in capital of the French firm NMC VIDELA FRANCE SA, Fourmies, Nord to F 1 million.

\*\* The London adhesives firm, HOWARINE CALVERT LTD now has a sales subsidiary in West Germany, HOWARDINE LEIME & GRAPHISCHE BEDARFSARTIKEL, GmbH, Unna, Westfalia, with capital Dm 20,000 and Mr. Bertram Calvert, as managing director.

Since 1967 the founder company has had a wholly-owned subsidiary in Paris, Howarine Europe SA (see No 429).

\*\* The British sales firm J.M. STEEL & CO LTD, Richmond (chemical, plastic rubber and synthetic products - see No 476) which is in the process of being renamed BAYER CHEMICALS LTD has terminated its agreements with BRITISH CELANESE LTD, London (a member of the Courtaulds Ltd group - see No 475) in order to act solely on behalf of FARBENFABRIKEN BAYER AG, Leverkusen which now controls it through its recently formed British subsidiary Bayer (UK) Ltd, Richmond. It will undertake the distribution of cellulose film made by Wolff & Co AG, Walsrode acquired by the German group in January 1968 (see No 443).

\*\* The Rotterdam group INTERNATIONALE CREDIT & HANDELSVEREENIGING "ROTTERDAM" -INTERNATIO NV has taken a one-third interest in the Australian company ROBERT BRYCE CO (PTY) LTD, Melbourne (see No 477) which sells chemical products for agriculture and industry and galvanising agents.

The Dutch group intends to merge its new affiliate with its own Melbourne subsidiary H. HANNA & CO (PTY) LTD thus enabling it to raise its stake in Robert Bryce to 54 %. The latter, which controls Weldex (Pty) Ltd (production of electrodes under licence from Philips) will then have a turnover of around F1.85 million compared with F1 45 m. at present and employ some 275 persons.

\*\* The Dutch manufacturer of aromatic products and synthetic essences NV CHEMISCHE FABRIEK NAARDEN, Naarden (see No 478) has strengthened its Italian interests by forming a 95% subsidiary called NAARDEN ITALIA SpA (capital Lire 50 m.) with Mr. W.A. Dorp as president and under Mr. Nagtegaal. The new company, which covers both manufacturing and sales, is a 5% affiliate of the Groningen group NV CHEMISCHE FABRIEK E. LANDT (see No 473).

Chemische Fabriek Naarden recently gained control in Bologna of Leepen & Co SpA which is now called Naarden Leepen SpA. This makes flavouring and perfumery essences.

#### CONSUMER DURABLES

\*\* The London-based GRANADA GROUP LTD (see No 471) has formed in Milan a new company to sell and rent out radio and television sets called TELERENT ITALIANA SpA (capital Lire 1 m., president Mr W.R. Carr of London.).

Like the subsidiary in Belgium formed in June 1968, this new firm is under the direct control of the group's Luxembourg subsidiary, Telerent Europe SA (itself formed last June with a capital of Lux F 2 m.). Also in the same business and formed recently was the Paris subsidiary of the group, Telerent France SA, capital F 100,000, of which almost all is paid up by Eurofinance Sarl (see No 478).

#### ELECTRICAL ENGINEERING

\*\* LANDIS & GYR SpA, Como (capital Lire 50 m., 80% held by LG INTERNATIONAL AG) which was recently formed by the Swiss electrical engineering group LANDIS & GYR AG, Zug (see No 480) has opened a Milan administrative and sales office under Sig Giovanni Bernasconi.

The group has another subsidiary in Milan - Landis & Gyr Italiana SpA (factory in Salerno) which specialises in thermostat and control equipment.

#### ELECTRICAL ENGINEERING

\*\* The Amsterdam company NV TECHISCHE HANDELMIJ "NEDERLAND" (a member of The Hague engineering group BILLITON MIJ. NV - through MONTANORE NV, Amsterdam - see No 478) has acquired from HISPANO SUIZA (NEDERLAND) NV, Breda (see No 476) the manufacturing and sales rights for the Common Market countries, Britain and Denmark of its gas boilers. This will be the responsibility of NV DE OUDEN'S IJZERHANDEL ARISTO HAARDENFABRIEK, Hilversum. Hispano Suiza Nederland is controlled by the Zurich company Mecatex Holding SA.

Hispano Suiza Nederland had already sold its "Steelweld" interests (see No 422) to the American company Amac Industries Inc, Garden City, New York (formerly American Bosch Arma Corp - see No 476) which made them over to a subsidiary called Ambac NV, Breda. This had just been formed as American Bosch Arma Nederland NV at The Hague with a capital of F1 50,000.

\*\* Several members of the Dutch family VAN HELDEREN, Oosterhout, N.B. have backed the formation in Belgium of GERCEBE NV - G.C.B. Mur (capital Bf 1 million). The directors of the new company are three of its founders: Messrs Gerardus C.J., Cornelius P.J., and Bertus C.G. van Helderer, and it will manufacture electrical and heating equipment machinery and sanitary ware.

\*\* The INDOHEEM NV (see No 473) holding company of The Hague has backed, by taking a direct interest of just under 20 %, the formation of INDOLA ELECTRIC BELGIQUE SA, Anderlecht, Brussels, which makes and sells industrial and domestic electrical goods. With a capital of Bf 1.5 million and Messrs. A.H. Busquet and H. Kohu as directors, the new firm is controlled directly (60 and 20 % respectively) by two subsidiaries of the founder company, Indola Electric Nederland NV, The Hague and Fabrication Internationale Appareils Coiffeurs - F.I.A.C. SA, Anderlecht, Brussels.

### ELECTRONICS

\*\* At the same time as building up its sales network in Europe by forming a subsidiary in the Federal Republic, ERIE CONTINENTAL GmbH, Nuremberg (capital Dm. 20,000' - see No 434), the American electronic calculator concern, ERIE TECHNOLOGICAL PRODUCTS INC., Erie, Pennsylvania, has closed down its Belgian subsidiary in Brussels, ERIE CONTINENTAL SA; liquidation of the firm is in the hands of M. Allen E. Williams of St-Josse-ten-Noode.

The groups' other subsidiaries on the Continent are Erie Continental SpA, Milan and Erie Resistor Ltd, Great Yarmouth, Norfolk.

\*\* The San Francisco company BOOTHE COMPUTER CORP (data-processing systems and equipment) has drawn up a major European investment programme costing some \$ 50 million. This will involve a British manufacturing subsidiary (BOOTHE COMPUTER LTD - the formation of a Swiss holding company (BOOTHE COMPUTER AG, Zurich) and the establishment of offices in France, West Germany, Italy and Belgium.

The group was formed in July 1967 by Mr. D.P. Boothe and has no links with the IBM and aerospace leasing concern, Boothe Leasing Corp, a member of the Chicago transport group. It has however taken over control of Producteurs Service Co., Los Angeles, from Greyhound Leasing & Financial Corp, a member of the Chicago group.

\*\* NUCLEAR ENTERPRISES LTD, Edinburgh (see No 276), the principal group in the United Kingdom for nuclear scientific and electronic instruments, is preparing to set up a trading subsidiary in West Germany.

Located in Munich (with a subsidiary in Solingen) the new concern NUCLEAR ENTERPRISES GmbH will be directed by Messrs. Derek Forster and R.W. Pringle. The British company is represented in France by Nucleofrance SA, Argenteuil, and has two subsidiaries in the United States: Nuclear Enterprises Inc and Nuclear Equipment Corp.

\*\* The British company KODE LTD, West Drayton, Middlesex, has formed an almost wholly-owned subsidiary in Brussels, KODE EUROPE SA, a token shareholding being held by Kode Rentals Ltd, Financements Ltd, West Drayton, and Assurety Ltd, Hillingdon, Middlesex. With a capital of Bf 1 million and Messrs Colin Banks and Robert Rooke as president and managing director respectively, the new venture is to manufacture and trade in plant, equipment, mechanisms, electronic instruments, calculating machines etc both in Belgium and abroad.

ENGINEERING & METAL

\*\* The American company KENTUBE CO, Tulsa, Oklahoma, has granted to CARNOY-VANDENSTEEN NV, Ghent, the exclusive licence in Europe (Western and Eastern) for the manufacture of welded helical radiation tubes for petroleum distillation towers, heat economisers and gas nuclear power stations.

The Belgian company (with a payroll of some 300 persons) estimates its annual turnover at around Bf 25 million (mainly for the manufacture of tubes). It set up a trading subsidiary in September of 1967 under the name of -VERKOOP CARNOY NEGOCE NV, Gand, with a capital of Bf 10 million.

\*\* The Dutch heating equipment firm KIREMA NV, Kamerick, has set up a trading subsidiary in Belgium called KIREMA BELGIE NV, Daal, the control of which it shares with KIREMKO NV, Woerden. The new concern has a capital of Bf 0.5 million, MM Kwakkenbos, Haars and Breen as directors, and it will specialise in the manufacture of iron, steel and aluminium heating and cooking equipment.

\*\* The French company SA DES ATELIERS COUTISSON, Rouen (oil fuel burners and steam-generators, trade name "Francis" - see No 416) has helped to set up in Spain a new concern called CALEFACCION AUTOMATICA FRANCIA IBERICA SA, Madrid, which it shares equally with local interests.

With a capital of Ptas 1 million the latter will carry out the distribution on the Spanish market of the French company's equipment.

\*\* The Dutch group PHILIPS' GLOEILAMPENFABRIEKEN NV, Eindhoven (see No 475) has made a technical cooperation agreement with the new Swedish concern, UNITED STIRLING A/B, giving the latter rights to use its licence for a "Stirling" principle hot gas motor. United Stirling was formed by a local consortium led by HOCKUMS MEKANISKA VERKSTADS A/B, Malmö, and HUSQVARNA VAPENFABRIKS A/B, Huskvarna (see No 427).

The licence in question (see No 456) has already been released, to the following firms in particular: 1) M.A.N. - Maschinenfabrik Augsburg-Nürnberg AG, Augsburg (of the Haniel group) and also in West Germany M.W.M. - Motoren Werke Mannheim AG Vorm Benz Abt Stationärer Motorenbau (subsidiary of Knorr-Bremse KG, Munich); 2) the American General Motors Corp, Detroit, Michigan.

\*\* The British C.G. ELLISON LTD, Leeds, Yorkshire, has set up an almost wholly-owned subsidiary in Belgium - C.G. ELLISON EUROPE NV, Antwerp. The latter manufactures and distributes hydraulic equipment and accessories and notably industrial filters. It has a capital of Bf 1 million, its president is Mr. C.G. Ellison and its director M. R.W. Verspreuwen.

\*\* The Amsterdam holding company AHREND GROEP NV (see No 448) has formed an Indonesian subsidiary called P.T. AHREND INDONESIA with offices in Djakarta and Bandung. This will maintain and repair precision instruments and will be run by Messrs W.J. von Gent and W.C. Sellier.

Ahrend Groep's main production is office equipment and it was formed in December 1967 by three firms in this sector - Wed. J. Ahrend & Zoon's Holding NV, Amsterdam (66.6%), NV Oda v/h Van De Kamp (25%) and De Cirkel NV, Zwanenberg (8.4%).

\*\* The American heavy engineering group KOEHRING CO, Milwaukee, Wisconsin (see No 477) has decided to close down the Dutch factory making mobile cranes run by its wholly-owned (since 1966) subsidiary LORAIN NV, Appeldoorn. Formerly called Lorain-Holland Cranes NV, this arose out of a 45/55 association between the sales consortium Holland Cranes, Appeldoorn (see No 382) whose main members are Verschure & Co's Scheepswerf & Maschinenfabriek and NV Werf Gusto v/h Firma A.F. Smulders and the American company Thew Shovel Co, Lorain, Ohio, which was taken over by Koehring in 1964. It is now a division of the latter and is called Thew-Lorain Co.

\*\* The newly-founded French company STE EUROPEENNE DE DISTRIBUTION DE MATERIEL DE LABORATOIRE A L'EXPORTATION - EULABEX SA, Arcueil, Val-de-Marne (capital F 129,000) will organise on behalf of its founders a joint market research and sales service including the writing of manuals and will organise foreign distribution, related technical and commercial studies. It has been founded by nine precision instruments concerns - A. Jobin & G. Yvon SA, Arceuil, Ets Beaudouin SA, Adamel-Ateliers d'Appareils de Mesure & De Laboratoires SA, Ets Lequeux SA and Ste D'Exploitation Des Ets Vion SA, all in Paris; Ste Lhomargy SA, Draveil, Essonne, Ets Preciss SA, Arceuil, Ets Jeulin SA, Courbevoie, Hauts-de-Seine and Ateliers Herrmann-Moritz SA, Chassant, Eure & Loir.

\*\* The welding techniques developed by the Wiesbaden group LINDE AG (see No 471) will be promoted in Italy by the newly-formed Milan company LINDE SALDATA SpA, Milan. This has Herr Reinhard Bammler as president and the capital of Lire 5 million is a 99% interest of Herr Stephen Müller, Munich, with 1% held by HAUKE-PROPAN GmbH, Marktbreit, Ufr., wholly-owned subsidiary of Linde AG.

In April 1968 the West German group formed a similar company in Austria - Linde Schweisstechnik Lambach GmbH (capital Sch 100,000). Its specialised factories for this technique are in Frankfurt, Essen-Dellwig and Hanover-Herrenhausen.

\*\* The British group UNOCHROME INTERNATIONAL LTD, Birmingham has gained control of the Dutch electro-metallurgical firm INGENIEURSBUREAU LEMET CHROMIUM H. VAN DER HORST NV, Zwolle (chrome plating - see No 385). This move follows the acquisition of control in the United States (through Unochrome of Canada Ltd) of a sister-company of the Dutch firm VAN DER HORST CORP, Terrel, Texas, (production facilities at Olean, New York, Los Angeles, and Chicago and near Dallas, Texas). This will be merged in the near future with POWER PRODUCTS INC, San Francisco, California which will give the British group a 70 % majority interest in the new concern.

J. Van Der Horst will enlarge the European interests of its new parent company, with the provision of its numerous subsidiaries, affiliates, licensees and associates. These are Van Der Horst GmbH, Hamburg, Van Der Horst Porus Chrome Ltd, London, Van Der Horst of England Ltd, Birmingham, Van Der Horst Enterprises AG, Zug, which is responsible for licensing agreements outside Europe and North America, and E.M.A.N.I. - Ets De Materiel Naval & Industriel SA, France, as well as in Norway.

\*\* The American machine tool manufacturer UTD CORP, Athol, Massachusetts (see No 428) has sold its 93.7 % controlling interest in the West German firm R. STOCK & CO SPIRALBOHRER WERKZEUG- & MASCHINEFABRIK AG, Berlin, Marienfeld (metal processing and tools) to FRITZ WERNER VERWALTUNGS GmbH, Berlin (a member of the Deutsche Industrie-Anlagen GmbH, Berlin - see No 475). R. Stock has a capital of Dm 3.6 million and in 1967 had a turnover of some Dm 14 million. It employs 500 persons and controls a wholly-owned subsidiary - Hartex GmbH, Berlin. For its part, Fritz Werner acquired in April 1968 (see No 460) the 90 % control which another American firm Commercial Credit Co, Baltimore, Md., had of the printing machinery manufacturer Maschinenfabrik Johannisberg GmbH, Geisenheim.

\*\* The British company THE HYDROVANE COMPRESSOR CO LTD, Redditch, Worcs., (rotary compressors) has formed a West German manufacturing and sales subsidiary called HYDROVANE KOMPRESSOREN GmbH, Cologne (capital Dm 360,000) whose managers are Messrs John James, Alan Bramley and Herr Jürg Kronsbein.

The founder belongs to the London group THE CHLORIDE ELECTRICAL STORAGE CO LTD, and recently made a sales agreement with the West German firm Drumag GmbH, Säckingen (see No 475).

\*\* Through its holding company, STE FINANCIERE DE ROBINETTERIE SA, Paris (see No 419), CIE DE PONT-A-MOUSSON SA, Nancy (see No 480) has built up its coverage of West Germany by gaining control (51 %) of T. JANSEN GmbH ARMATUREN - MASCHINENFABRIK, Rohrbach, Saar (see No 380). Known in particular for its valves and industrial water piping systems, this company (capital Dm 6 m) turned over some Dm 12 millions in 1967 with its payroll of 450. In France it has a number of agencies in Paris, Lyons, Douai, Marseilles, Mulhouse, Nantes St-Marcel, Aude etc. as well as a 92 % subsidiary in Rethel, Aisne, Th. Jansen SA.

The company's main associates in West Germany are Halbergerhütte GmbH, Brebach, Saar (see No 457) and AG der Dillinger Hüttenwerke, Dillingen (see No 397), in which its interests are 60 and 27 % respectively.

\*\* The American firm VERNON ALLSTEEL PRESS CO, Chicago (see No. 458) has acquired the press manufacturing interests of the Belgian firm ATELIERS DUTRANNOIT Sprl, Marcinelle (see No 386) in order to make them over to its subsidiary VERNON EUROPA SA, Marcinelle. This was formed in April 1968 in association with the Brussels concern Ste Nationale d'Investissements - S.N.I. SA, Brussels in order to manufacture presses for the metal, plastics, ceramics and rubber industries.

\*\* The EXPORT CONSORTIUM EUROPÄISCHER AUSRÜSTER VON INDUSTRIEANLAGEN (ECEA) AG formed in Karlsruhe during September 1967 (see No 453) to supply "turnkey" industrial complexes to Eastern Europe and developing countries has formed an Austrian subsidiary: ECEA HANDELSVERTRETUNG GmbH, Vienna (capital Sch 100,000) whose managers are Herren Klaus Reichardt, Mannheim and Helmut Schott, Vienna. The founders' own capital of Dm 280,000 is controlled by eleven shareholders: Integral NV, Antwerp (a subsidiary of AG Für Industrieplanung, Essen); Dr. Brehm & Kehr AG, Zurich, Wiegand Apparatebau GmbH, Karlsruhe; Industrie-Ofenbau Fulmina Friedrich Preil oHG, Edingen; Alpine AG, Augsburg; E. Happel & Sohn, Weissenhorn; Nikolaus Sorg GmbH & Co KG, Pflochsbach; Universal Maschinefabrik Dr. Rudolf Schieber GmbH, Westhausen; Gebr. Becker, Reckum; Gustav Spangenberg Maschinefabrik GmbH, Mannheim, Höflinger & Karg, Waiblingen; Robert Hildebrand oHG, Oberboihingen; H. Strunck & Co KG Maschinenfabrik, Cologne and Wehrle Werk AG, Emmendingen.

\*\* The French hydraulic equipment and metal bending presses concern ETS A. COLLY SA, Villeurbanne, Rhone (plant from 30 to 1,000 tons) has opened sales offices in Milan under Sig Nino Barizone.

The parent company has F 1.35 million capital and M. Pierre Colly as managing director, and is linked in Spain by technical cooperation agreements with Hijo de Juan de la Hija SA, Cornellà de Llobregat, Barcelona.

\*\* DAVID GESSNER CO, Worcester, Massachusetts (textiles finishing machinery) has formed a subsidiary in Milan named MUZZI GESSNER SpA, with Lire 1 million capital and Mr. David M. Gessner as president.

The parent company is headed by Mr. John P. Franklin, and is linked in Britain with Wilson & Longbottom Ltd, Barnsley, Yorks.

\*\* NV NEDERLANDSCHE KABELFABRIEKEN, Delft (see No 408) plans to extend its foreign interests by taking an interest in Turkish cable-making concern KAVEL KABLO ELEKTRIK MALMESI A.S., Istanbul, which employs about 250 people.

The Delft firm controls also the West German Kabelwerke Reinshagen GmbH, Wuppertal (plant in Berlin and Neumarkt), which has Dm 20 million capital and two subsidiaries - Drakaplat GmbH, Berlin, and Ronsdorfer Ziegelwerke Hogarten & Co KG, Wuppertal. In South Africa its interests are Aberdare Cables Africa Ltd, Port Elizabeth, and Aycliffe Cables Ltd, while in the Netherlands its main subsidiaries or affiliates are: NV Hollandsche Draar- & Kabelfabrieken NV, Delft; Polva-Nederland, Enkhuizen (plastic tubes and sheet) and Veritex NV, Nieuw-Millingen (synthetic leather).

\*\* The German baking ovens concern DEBAG GmbH, Munich, has joined with ISAMBART SA, Paris (capital F 232,000) in forming a baking oven manufacturing and sales company in the French capital under the name of ISAMBART & CIE SA, 54.2% of the F 240,000 capital of which remains in the German firm's hands. The new concern has Herr Alois Linder of Munich as president, and it takes over the business of the first Isambart of the name, which was hitherto directed by M. Roger Masset.

\*\* GROUPEMENT ENTREPOSE CA.P.A.G. (G.R.E.C.) was recently formed in Paris to cover cooperation between CA. P.A.G. - HOLDING SA, Paris (formerly Entreprise Moderne de Canalisations Petrolieres, Aquifers, Gazieres - CA. P.A.G. SA - see No 345) and ENTREPOSE SA, Paris (a member of the Vallourec group - see No 457). Groupement Entrepose has now acquired an important shareholding in the Canadian company UNIVERSAL PIPE LINE WELDING LTD, Montreal.

CA. P.A.G. (capital F 22.5 m.) specialises in laying pipeline for gas, water, etc. Its main French interests are CA. P.A.G. - C.E. TRA SA, SAM- CA. P.A.G. SA, L'Européenne CA.P.A.G. SA and Modern Gaz & Electricite SA. Its foreign shareholdings are mainly CA.P.A.G. Italiana SpA, Trieste; Ned Onderneming Tot Het Gegeen Van Buizen - N.O.B.U. NV, Utrecht.

#### FINANCE

\*\* The largest Dutch investment trust ROTTERDAMSCH BELEGGINGS-CONSORTIUM NV - ROBECO, Rotterdam (see No 368) plans to take over a similar Rotterdam concern named VERENIGDE BEZIT VAN 1984 NV (see No 431) to which it will contribute in return shares from the "Robeco", "Utilico" and "Rolinco" trusts.

"Rolinco" as a fund, comprises mainly North American stock, selected for its interest on capital rather than dividends. It was set up in 1965 (see No 328) and is administered by Rolinco NV. The "Utilico" fund is managed by Utilico NV, formed in July 1966, and consists of shares in public utilities concerns.

\*\* The Milan and Genoa bank, CREDITO ITALIANO SpA (see No 419) has taken a minority shareholding, along with the pension fund UNION SUPERANNUATION FUND (a member of Unilever, London) in the Anglo-French bank BRITISH & CONTINENTAL BANKING CO (see No 354).

This is controlled by Union Financiere & Miniere SA, Paris (formerly Union des Mines - La Henin SA - see No 477). It is also affiliated to Omnium Francaise de Petroles SA (an investment company under the 93% control of C.F.P. - Cie Francaise des Petroles SA (see No 469) as well as to Hambros Bank Ltd, London (see No 437).

\*\* FORTUNE MANAGEMENT SERVICES SA (capital Bf 100,000) has just been formed in Brussels to maintain and utilise information services. The company will also carry out certain administrative services connected with share dealings and its president and chairman is M. Georges Phocas, Munich. It is a subsidiary of the Panamanian company Fortune Management Corp., Panama City.

\*\* VEUKA GESELLSCHAFT FUER VERMOEGENSVERWALTUNG & KEPITALVERKEHR GmbH & Co KG, Düsseldorf, which will operate chiefly in Rheinland-Westphalia has just been formed to promote and deal in various West German and American investment funds. Its founders are WESTFALENBANK AG, BOCHUM (see No 381), BANKHAUS POENSGEN, MARX & CO KG, Düsseldorf and BANKHAUS NEUVIANS REUSCHEL & CO KG, Munich (see No 475).

FOOD & DRINK

\*\* The Bremen coffee import and roasting concern, JOH JACOBS & CO KAFFEEGROSSROESTEREI & THE IMPORT (see No 450) has formed an investment company in Switzerland, TALOCA GmbH, Zug. This has Sf 100,000 capital and Herren Walther and Klaus Jacobs and Frau Hanna Ohmstedt as managers.

The German firm is linked by cooperation agreements with Douwe Egberts Koninklijke Tabaksfabriek & Koffiebranderijen-Theehandel NV, Utrecht, and achieves a turnover in excess of Dm 600 million. Since late in 1966 it has held shares in the Oberhöchstadt, Taunus sachet tea and infusions packing concern Ernst Grosch, Tee-Import (see No 390), which has a sales branch at Innsbruck in Austria.

\*\* ETS STRATH SA, the Jamioulx, Hainaut manufacturers and traders of food, dietary, pharmaceutical and beauty products (capital Bf 1 m) has opened a branch in France at Solve-le-Chateau, Nord.

\*\* BEVERAGE BOTTLING CENTRE (BOTTLING) NV, Zellink (capital Bf 5 m.) has just been formed in Belgium for all forms of customs clearance, as well as bottling and packing. It is backed by AFICO-ADMINISTRATION & FINANCE CORP, Luxembourg (69.2 % - part of the FABRI group - see No 461) and S.A. DES ENTREPOTS & MAGASINS-SADEM, Woluwe-St-Pierre, Brussels (29.8 % - see No 353).

The latter belongs to the sugar group, Raffinerie Tirlemontoise SA, Brussels (see No 467), which recently increased its capital to Bf 918.3 m after absorbing three affiliates: Sucrieries Dumoulin SA, Orp-le-Grand, Hainaut; Sucrierie de Brugelette SA, Brugelette, Hainaut and Sucrierie de Barry-Maulde SA, Barry-Maulde.

\*\* Continuing with its expansion in the Federal Republic, the New York group CORN PRODUCTS CO (see No 447) has taken a minority holding in the cheese-manufacturing concern ADLER KAESE-WERKE GEBRUEDER WIEDMANN KG, Wangen Allgäu, through its wholly-owned subsidiary DEUTSCHE MAIZENA WERKE GmbH, Hambourg.

ADLER, a family concern, has a subsidiary in Oberreute, Hochallgäu - GUT ADLERSREUTH, WILDSPEZIALITAETEN GmbH & Co KG. Deutsche Maizena Werke (capital Dm 100 million) took over the control of the child-food company Poms-Werke GmbH & Co KG, Cuxhaven at the beginning of the year (see No 444); it also controls C.H. Knorr GmbH Nahrungsmittelfabriken, Heilbronn (soup extracts and concentrates).

\*\* FIAT SpA's (Turin) finance company, in which it has a 25.04% holding, I.F.I. - ISTITUTO FINANZIARIO INDUSTRIALE SpA (capital at present being increased to Lire 36,000 m. - see No 481) has sold off its majority holding in GENEPESCA - CIA GENERALE ITALIANA DELLA GRANDE PESCA SpA, Rome to the Rotterdam UNILEVER group (see No 480).

Most of the latter's Italian interests have been administered by UNILIT SpA, Milan, up till now (see No 386 - capital Lire 4,600 million); these include the Milan companies, Van den Bergh SpA (which recently took over Savor, Milan and Althea, Parma) and Lever-Gibbs SpA. The new Rome subsidiary (capital Lire 1,000 m.) specialises in frozen marine foods and has factories at Leghorn and Gaeta; it also has a holding in Star-Kist Genepesca SpA, Rome (see No 375), in a 50-50 association with the American group, H.J. Heinz Co., Pittsburgh.

\*\* STE GENERALE DES EAUX MINERALES DE VITTEL SA, Vittel, Vosges (see No 461) has backed the formation in Brussels of a new company called VITTEL IMPORT Sprl (capital Bf 250,000). The three partners in the new concern are also directors of the Vittel company, MM. Henri Giradel, Marcel Lattraye and Andre Hoes; it will distribute the French company's mineral waters, lemonades, sparkling drinks, dietary and beauty products.

Vittel SA is affiliated to the food group, Georges Lesieur & Ses Fils SA, Paris (see No 430) with which it is linked by cooperation agreements. It recently signed an agreement with the West German mineral waters firm, Apollinaris Brunnen AG, Bad Neuenhard (a member of the D.U.B. - Dortmunder Union Brauerei AG, Dortmund). This covered the rationalisation of the respective bottling and distribution agreements in both France and West Germany.

\*\* The merger between the French preserved meats and canned food concerns, MAISON OLIDA SA, Neuilly, Hauts-de-Seine and JEAN CABY & CIE Sarl, St-Andre-les-Lille, Nord, which was decided upon some months ago has taken place. Olida, whose capital is being raised from F 40.8 million to F 56.3 million (for fresh assets valued at F 37.8 m.) has taken over Caby and the new group will be called STE OLIDA & CABY ASSOCIES SA. It will be amongst the top firms in this sector within the Common Market with an annual turnover exceeding F 700 million.

\*\* The Paris food group, GEORGES LESIEUR & SES FILS SA (see No 430) has increased its interests in the animal feeds sector by having its subsidiary, SODEVA SA, Valenciennes (formerly Ste des Aliments Sodeo Vato-Sodeva SA), take over LES ALIMENTS SODEL SA, Feurs, Loire (capital F 400,000) and STE J. ABONNENC & CIE, Die, Drome (capital F 800,000);

As a follow up to this operation Sodeva will increase its capital of F 5 to F 9.55 million and will change its name to Lesieur-Sodeva SA, with M. Paul Houdart as president. It will have its payroll doubled to 200 and its production capacity increased to 200,000 tons p.a., thanks to the new factories that are being made over to it in Die and Fleurs in addition to those in Valenciennes, Nord, Le Neubourg, Eure (under construction) and Diou, Allier (in the planning stage).

\*\* The Amsterdam tropical crops concern VERENIGDE H.V.A.MIJ NV has an initial 28 % in the company being formed in Surinam, LANDBOUWMIJ VICTORIA NV. This will run a new palm plantation covering some 3,000 acres at a cost of Surinam Fl 6.7 million. Other backers of the company are the Surinam government (28 %) and Nederlandse Participatie Mij. Voor Suriname NV, The Hague (see No 384) a subsidiary of the financial group, De Nationale Investeringsbank-Herstelbank NV (see No 476). In a further move, the third firm will make over its interests to H.V.A. and the Surinam government, whose shares will respectively increase to 51 % and 49 %.

H.V.A. has two Dutch subsidiaries, H.V.A.-Nederland NV (capital Fl 5 m) and H.V.A.-Internationaal NV (capital Fl 3 m). Through the latter it has numerous foreign interests: H.V.A. Ethiopia S.C., Addis Ababa (sugar refineries at Wonji and Shoa); H.V.A.-Methara S.C. a 51 % stake with the remainder held by the Ethiopian state); Deswaan Comercial & Industrial de Materias Primas, (sisal processing and sales) and Fibroco Industrial & Comercial de Fibras Ltda (60 %) both in Brazil.

\*\* The Italian spirits firm GRUPPO GRANDI MARCHE ASSOCIATE DI FERNANDO SCHIFEO & CO Sas, Aprilia, has closed down the sales subsidiary it formed in West Germany in February 1966. With Herr Peter Henssen as manager this was based at Neuss and had Dm 20,000 capital.

The Italian company is mainly known for its "Cynar" aperitif and is a licensee of the Amsterdam distillery group NV Amsterdamsche Likeurstokerij "T' Lootsje" De Erven Lucas Bols, Amsterdam (see No 478). In 1967 it formed a subsidiary called Filp SpA (capital Lire 100 m.) to supervise the establishment of a production unit at Pomezia costing some Lire 1000 million. It has distribution agreements for "Cynar" in Switzerland, Brazil and the Argentine.

\*\* The German alcoholic drinks and tonics concern, UNDERBERG GmbH, Rheinberg, Rhineland (see No 424) has extended its EEC sales network by forming Underberg France Sarl in Paris with F 50,000 capital and M. J. Giacomoni as manager.

Underberg is a family concern headed by Dr Carl Underberg, and already has several subsidiaries abroad, especially in Brussels, Milan, Zurich, Vienna and London. In the Netherlands it is represented by an independent concern, Tony Van Heeswijk NV, Roermond.

\*\* The West German brewery BRAUEREI SCHWARTZ-STOERCHEN AG, Spire (capital Dm 7 m.) - turnover Dm 41 m.) has taken over another brewery EICHBAUM-WERGER BRAUEREIEN AG, Worms (capital Dm 2 m. - 1966 turnover Dm 10 m.). Schwartz-Stoerchen is a 25 % affiliate of Deutsche Bank AG, Frankfurt (see No 476) and has a 25 % interest in Frankenthaler Brauhaus, Frankenthal, Pfalz. Eichbaum-Werger was until now a more than 25 % affiliate of Georg Hauck & Sohn, Frankfurt (see No 473).

\*\* CIE FRUITIERE SA, Marseilles (capital raised to F 1,075,000) has taken over a Paris firm in which it already had a 90 % stake: OCP SA (gross assets F 10.24 m). This specialises in wholesaling fruit, fresh and dried vegetables, whilst the Marseilles firm (formerly Cofruba SA) whose president is M. Claude Fabre is also involved in the import, transport and sale of vegetables and fruit.

\*\* BRASSERIE DE THIONVILLE-BASSE-YUTZ SA, Basse-Yutz, Moselle, has just taken over and merged with BRASSERIE SAINT-ELOI SA, Tours, thus raising its capital to F 5.5 million. It previously had a 50 % stake in the other brewery, whose capital stood at F 1.75 million.

The Thionville-Basse-Yutz brewery, which has doubled production capacity in recent years, has M. Francois Propper as president, who is also director general of the bank, ODIER BUNGENER COURVOISIER & CIE SA (see No 448).

#### INSURANCE

\*\* The French group ANCIENNE MUTUELLE - STE D'ASSURANCES A FORME MUTUELLE A COTISATION FIXE CONTRE LES ACCIDENTS & AUTRES RISQUES, Rouen (see No 398) is to extend its British operations in the "Life" sector, following the acquisition of a controlling stake in PENDLE INSURANCE CO.

The French group has numerous offices and subsidiaries outside France and in French-speaking areas of Canada. It was formed over 150 years ago and there are Common Market offices in Turin, Milan and Rotterdam. In the Netherlands it also controls Provinciale Verzekering NV, Rotterdam and Nationale Onderlinge Verzekering Mij, Leeuwarden.

\*\* The offer which the Amsterdam insurance group NV ALGEMENE MIJ TOT EXPLOITATIE VAN VERZEKERINGSMIJNEN - A.M.E.V. (see No 475) made a few weeks ago to gain control of the Melbourne assurance company THE VICTORIA INSURANCE CO LTD from its subsidiary AMEV OF AUSTRALIA (PTY) LTD, Melbourne resulted in its stake being increased from 7.3 to 17%. The Dutch firm has therefore decided to sell this interest to the main shareholder New Zealand Insurance Co (Pty) Ltd which already has a 25 % interest.

#### OIL, GAS & PETROCHEMICALS

\*\* The Italian state group E.N.I.-ENTE NAZIONALE IDROCARBURI SpA, Rome (see No 481) is continuing its expansion plans in France and West Germany. It has raised the capital of its Paris subsidiary (now based in Lyons) AGIP FRANCAISE SA (see No 467) to F 5 million. With Signor G. Bartoletta as president and headed by Signor M.V. Ciarletti this was formed a few months ago with a capital of F. 100,000, controlled 90/10 by two Milan subsidiaries, Agip SpA and Snam SpA.

The Munich subsidiary AGIP AG has raised its sales outlets to 500 by buying some 20 service-stations from the DEUSTCHE MARATHON PETROLEUM GmbH, Munich (see No 417). The latter is a subsidiary of the American group, Marathon Oil Co, Findlay, Ohio, which recently (see No 462) sold to the Pittsburgh group Gulf Oil Corp, the 970 outlets it controlled in Italy.

The leading Italian producer and distributor of liquefied petroleum gas (LPG), LIQUIGAS SpA, Milan, which is headed by Signor Philips H. Marfuggi (see No 370), has backed the formation of three management companies in Milan on the premises of its manufacturing subsidiary, INTERGAS SpA. Each has an authorised capital of Lire 500 million and they are called PETROGEO SpA, and RALLIO SpA (Signor L. Bianchi is president of both) and LIQUICHIMICA SUD SpA (president Signor R. Ursini).

In 1966, Intergas acquired from its parent-company 35 bottling facilities and a sales network of some 23,500 outlets. It is linked by a licensing agreement with Esso Standard Italiana SpA (a member of the Standard Oil Co of New Jersey) which has given Intergas exclusive Italian rights for its "Esso Gaz" (170,000 tons sold in 1967 - 17% of Italian LPG consumption) as well as for its "Esso Splendor" (kerosene) and "Esso Red" (heating oils). In conjunction with another subsidiary Nuova Raffineria Nilo SpA, the group has undertaken the construction of a 2.6 million ton refinery which will supply a petro-chemical complex at Sibari, Calabria. This in turn will make some 750,000 tons p.a. of products for chemical and plastics industries.

\*\* The Los Angeles group, OCCIDENTAL PETROLEUM CO (see No 476) has rationalised its Italian interests and thus strengthened its Milan subsidiary ITALSIGNAL SpA (see No 450). This was acquired a few months ago from another Los Angeles group, SIGNAL OIL & GAS CO. Mr. Roland F. Schwab has recently taken the running of the subsidiary (formed in Rome during 1963) from Mr. W.A.C. Russel, and it has now acquired two distribution companies, EMILIANA SpA and RICERCHE PETROLIFERE APENNINO SpA and as a result raised its capital to Lire 110 million.

#### PAPER & PACKAGING

\*\* The Swedish group SVENSKA CELLULOSA A/B, Sundsvall (see No 475) is to take an interest in S.I.A.C.E. SpA (see No 346) the 80 % Italian subsidiary of the New York group, CELANESE CORP (see No 479). S.I.A.C.E. (capital Lire 18,000 m) will now be managed by the Canadian company COLUMBIA CELLULOSE CO LTD, Vancouver in which the Swedish group recently gained a 41 % stake, whilst the shareholding of the American group dropped from 87.6 % to under 50 %.

S.I.A.C.E. is a 20 % affiliate of the Milan group Snia Viscosa (see No 457). Its executive board has Signor A. Magnani (a partner in Radio Hill Investment Corp) as president and includes Mr. Lloyd A. Hale, the director of Columbia Cellulose. The Italian concern makes card and packaging paper in its production facilities in Fiumefreddo, Piazza Armerina, Bagheria, Palermo - all in Sicily - and in Foggia; there are also offices in Rome.

\*\* The French firm PILOT SA, Sainte-Gemme-Feucherolles, Yvelines (capital F 1.24 m) which makes adhesive papers, labels and overprinting machinery has formed an Italian subsidiary to run its sales. Called PILOT ITALIA Srl, Bellingera di Peschiera Borromeo, Milan, it has a capital of Lire 900,000 and is run by M. Charles Fagot.

\*\* Further to the association agreement made a few months ago (see No 438) with its affiliate TUBOPLAST FRANCE SA, Paris (65% subsidiary of PRODUITS CHIMIQUES PECHINEY SAINT-GOBAIN SA, Neuilly-sur-Seine - see No 456), the New York group AMERICAN CAN CO has set up an 80% subsidiary in Paris under the name of MARATHON SA.

Tuboplast France has plant at Ste Menehould, Marne, and Vienne-le-Chateau, it holds the remainder of the F 100,000 capital of the new company, whose president is M. H. le Marois. In the North of France, where it is seeking control of a soft wrappings concern, the new firm will produce packaging for groceries and household products, in all but glass, aluminium and plastic tubes. In this sector, American Can has also a West German subsidiary, Dixie Marathon Verpackungen GmbH, Koblenz (see No 460), and one in Sweden, A/B Dixie, Lund.

### PHARMACEUTICALS

\*\* The cooperation agreement covering the scientific, industrial and commercial sectors signed between FARBWERKE HOECHST AG, Frankfurt (pharmaceutical sales Dm 1,000 million) and ROUSSEL-UCCLAF SA, Paris, will involve Hoechst taking a 42 to 43% in CIE FINANCIERE CHIMIE SA, Paris. This has a stake of over 52% in Roussel-Uclaf.

The West German group will cover the cost of the move - some F 41 million - by raising its capital by Dm 45 million to around Dm 200 million. The issue will also be used to take a 40% stake in VIANOVA KUNSTHARZ AG, Vienna (synthetic resins for the motor industry - see No 481) and the expansion of AMERICAN HOECHST CORP, New York (see No 335).

\*\* U.C.B. - UNION CHIMIQUE SA, Brussels (see No 474), a member of the Brussels SOLVAY & CIE SA group (see No 478), and linked with the Paris RHONE POULENC group (through the Brussels investment company Ste Generale de la Viscose) is negotiating the acquisition of a large holding, if not a controlling stake in the pharmaceuticals concern, LABORATOIRE FRAYSSE & CIE, Nanterre, Hauts-de-Seine, which specialises in ophthalmic preparations: Revitalose, Febralgine, Benactycine, Cepevit etc.

In Paris, U.C.B. controls the investment company Ste de Chimie & d'Entreprises SA (see No 343), one of the main responsibilities of which is the affiliated glass group B.S.N. - Boussois-Souchon-Neuvesel (see No 469).

\*\* The Dutch chemicals and pharmaceuticals concern, KONINKLIJKE ZOUT-ORGANON NV, Arnhem (see No 478) has opened a pharmaceuticals sales subsidiary in Munich, NOURYPHARMA GmbH (capital Dm 20,000) with M. Weiland Günter as managing director.

The Dutch group, whose principal specialist subsidiary in the Netherlands is Nourypharma NV, Oss (see No 318), already had a number of interests in West Germany: Norddeutsche Salinen GmbH (see No 333 - salt mines, Stade), Sikkens Lack Fabriken GmbH (see No 433 - paints and varnishes) Emmerich, Elektro Chemie Ibbenbüren GmbH (see No 333 - Chlorine and sodium chlorate), Ibbenbüren, Westfalia.

\*\* At the same time as the American pharmaceuticals company COOPER LABORATORIES INC, Harrison, New Jersey has chosen the Brussels firm LABORATORIES PIETTE Sprl as its exclusive Belgian agent, it has decided to open a branch on the latter's premises. This will be under the direction of M.Emile Piette, head of Laboratoires Piette. Since December 1967 the Amsterdam company has had a London branch under Mr. John R. Baker.

PLASTICS

\*\* The Australian manufacturers of "Styropor" expanded polystyrene and plastic mouldings, BADOCOL CHEMICALS PTY LTD, Altona, Victoria has passed under the absolute control of the German chemical group, B.A.S.F. -BADISCHE ANILIN -& SODA-FABRIK AG, Ludwigshafen (see No 480), which up till now had been associated 50-50 in the concern with the American group, DOW CHEMICAL CO., Midland, Michigan (see No 475). The Australian firm, whose sales have up to this time been organised by the local subsidiary of the company, BASF Australia Ltd, has now embarked upon manufacturing itself and since 1967 it has been producing some 5,000 tons p.a.

The German and American groups remain associated 50-50 in the Dow Badische Co of Williamsburg, Virginia, which produces plastic base materials, caprolactam, synthetic fibres etc.

PRINTING & PUBLISHING

\*\* DRUKKERIJ J. VAN BOEKHOVEN NV, Utrecht (see No 282) and another Dutch printing concern NV DRUKKERIJ BOSCH, Utrecht (see No 456) are to merge and form a single holding company named Van Boekhoven-Bosch NV, which will be directed by the heads of the two founder companies, Messrs J.W. Gerlings and E. Van der Berch van Heemstede. The new group will employ about 800 people and have a British subsidiary, Van Boekhoven Printers Ltd, London, plus a 25 % stake in the Dutch Meulenhoff International NV, in equal association with the Amsterdam concerns, Meulenhoff & Co NV, L.T.L. Drukkerijen NV and NV Trustmij Rokin, and control of NV Utrechtse Drukkerij Nout & Co, Utrecht.

\*\* V.N.U. - VERENIGDE NEDERLANDSE UITGEVERS BEDRIJVEN NV, Amsterdam, headed by the holding company, NV Verenigd Bezit Van Aandelen Ver Ned Uitgevers Bedrijven (see No 477) has taken over the Weert printing concern SMEETS DRUKKERIJEN NV, which has Fl 5 million capital and a 900 payroll. This move follows V.N.U.'s recent takeover (see No 456) of the Leyden company, Nederlandsche Rotogravure Mij NV.

Smeets has subsidiaries, affiliates or sales offices in Paris, Brussels, Frankfurt, London, Stockholm and New York, and lately a wholly-owned subsidiary in the Netherlands: Smeets-Safran NV, Weets, formerly a joint subsidiary with the American Safran Printing Co, Detroit, Michigan. Thus enlarged, V.N.U. will have a consolidated turnover approaching Fl 400 million a year.

TEXTILES
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\*\* A technical and marketing cooperation agreement which will result in the formation of a joint subsidiary has been reached by the Rotterdam group VERTO-NV VEREENIGDE TOUWFABRIEKEN (see No 459) and the Anglo-Dutch company FIRET NV, Veenendaal (formerly Hollantor NV) in the tufted fabrics sector.

This move forms part of Verto's diversification programme. It employs some 2,300 persons and makes natural and synthetic ropes, metal cables and wires and has already begun to make different types of carpets. The group is also to reshape its sales network by forming two new subsidiaries NV VERKOOPKANTOR VEREENIGDE TOUWFABRIEKEN and NV VERTOR-FLOOR responsible respectively for the sale of thermal products and floor-coverings.

Firet (Fl 20 m. turnover) employs some 230 persons and its shareholders are 1) Kon. Textiel Fabrieken Nijverdaal-Ten Cate NV, Almelo (see No 472) and Kon. Nederlandse Textiel-Unie NV, Enschede (see No 461); the British interests are represented by Staflex International Ltd, London (through its 76 % subsidiary Kon Veenendalsche Stoomspinnerij & Weverij NV, Veenendaal (see No 476) and Lantor Ltd, Bolton, Lancashire (see No 302). The last-mentioned is itself a joint subsidiary of West-Point-Pepperell Inc, West Point, Virginia (formerly West Point Mfg until it merged with Pepperell Mfg in 1965) and English Calico Ltd (English Sewing Cotton Ltd, Manchester - see No 456) itself affiliated to I.C.I. and Courtaulds.

\*\* S.A.D.'INDUSTRIE COTONNIERE, Mulhouse, Haut Rhin, the weavers, manufacturers and sellers of velvet are about to effect an amalgamation with SCHAEFFER MANUTENTION SA, Pfostatt (see No 478); the deal consists in the making over of the latter's velvet dyeing, preparation and cutting works in exchange for a minority shareholding in the former.

A subsidiary of Ets Schaeffer SA, the Pfostatt concern has already made over its bleaching factory at Vieux-Thann and various other sales and trading assets in the weaving and cloth sectors and to a new venture tailor made for the purpose, Schaeffer Impression SA, Vieux-Thann, Haut Rhin. This has a capital of F 9 million, and Schaeffer Manutention as majority shareholder whilst the associates in the venture are the two Mulhouse firms, Manufacture Alsacienne de Tissus Imprimes-Mati SA and Ste Nouvelle des Impressions d'Alsace-Somia SA and the Vieux-Thann firm, M. Dreyfus & Cie.

\*\* The Dutch firm ATELIERS VOOR REGEN- & SPORTKLEDING DE KIEVIT NV, Nymegen (sports- and rain-wear) is about to open a clothes factory in Ieper which will employ 100 persons (initially). Another Dutch textiles concern VAN AS CONFECTIEINDUSTRIE NV, Vinkeveen (particularly women's -wear - see No 403) already owns a clothes factory in Ieper, which it opened last August, having set up a subsidiary in the Federal Republic at the beginning of 1967 - VAN AS BEKLEIDUNGS GmbH, Düsseldorf.

\*\* A reciprocal cooperation agreement has been signed between the Italian wool and high fashion textiles concern LANIFICIO DI TORINO MAGGIA & CO SpA, Turin and the British textile group A.W.HAINSWORTH & SONS LTD, Farsley, Pudsey, Yorkshire. This will result in technical cooperation, an exchange of designs and the launching of a joint trade name "Maggia-Hainsworth"

\*\* STE NOUVELLE DES ETS. KRETZ SA, Paris, the French ladies' underwear concern, has formed an almost wholly-owned subsidiary in Belgium, STE DE VENTE & DE DISTRIBUTION D'ARTICLES DE MARQUE-SOVEDAM SA, Schaerbeek-Brussels. With a capital of Bf 5 million, this new company will manufacture and trade in knitteds, elastic materials and similar goods.

\*\* In order to better its financial position (the company having marked up a deficit for the last few years), KUNSTZIJDESPINNERIJ NYMA NV, Nymegen, the Dutch synthetic fibres concern, has sold off its 50% holding in the Esbjerg concern, ESBJERG TOVVAERKSFABRIK A/S, Denmark.

The Nymegen firm is affiliated (25%) to the Midland-Ross Corp. of Cleveland, Ohio (see No 474) with which it also has a technical agreement.

\*\* Negotiations are taking place between two Dutch firms with the aim of establishing close cooperation links: these are KLEDINGSINDUSTRIE H. SMITS NV, Almelo and BENDIEN'S CONFECTIEFABRIEKEN NV, Almelo (see No 256).

Smits (authorised capital Fl 5 m. - issued 1.5 m.) has around 1,000 persons on the payroll in its factories in Almelo (2), Enter and Nijverdal. Its Dutch subsidiaries include a finance company, NV Effecten Beleggingsmij and a property concern NV Almelo West; abroad it controls a Brussels subsidiary NV H. Smits & Co SA. Recently in a rationalisation it sold its "shirts" division to Spanjaard NV, Borne, a member of the Kon. Textielfabrieken Nijverdaal - Ten Cate NV, Almelo. Bendien's (1,700 on payroll) has two main subsidiaries ALgemene Beleggingsmij. Bendien NV and Handelsmij NV, both in Almelo.

\*\* A joint sales office for the principal German suppliers of staple fibres (GLANZSTOFF AG, Wuppertal, PHRIX WERKE AG, Hambourg and SUDDEUTSCHE CHEMI-FASER AG, Kelheim - see No 478) has now been formally set up in Frankfurt under the name of DEUTSCHE ZELLWOLLE GmbH. The managers of the new concern are Herren Willy Höffer, Hans Schiefer, Hermann Zwick, Norbert Wille and Siegfried Ilgner, and its capital is Dm 0.6 million.

\*\* DACCA NV, Tamise, Belgium (spinning, weaving and making-up in jute, linen and hemp) has formed a 95% subsidiary at Waalwijk in the Netherlands under the name of Jucotex NV, with the remaining shares held by Mr. F.J.C. van den Brand of Waalwijk.

The new company has Fl 100,000 authorised capital and Mr. J.M. Verbeke of St-Niklaas-Waas as director, and will trade in base materials and products for the textiles and leather industries, including plastics, with machines and equipment included in its lists.

\*\* CONFECTIE-FABRIEK GAZAN NV of The Hague (men and women's wear - see No 256) has taken over the control of a Dutch concern SMOORENBURG NV, Rotterdam. The latter specialises in menswear and has a payroll of 80, including those employed in its branches in Schiedam and Amsterdam.

The Hague company (about 600 employees) has fourteen branches in the Netherlands as well as a factory in Lier and two branches in Belgium.

\*\* Two Dutch bed-linen concerns, NV WOLLENDEKENFABRIEK "NEDERLAND", Geldrop, and DORMIFORM NV, Rotterdam, have decided to pool sales and administration, with a view eventually to a complete merger. The latter recently formed a sales subsidiary in Rotterdam named Van Cleef & Co NV, and with the new move it will transfer its business to Geldrop.

\*\* The Amsterdam company, jute and sisal sacks and fabrics concern, DE SWAAN BONNIST (NV DE SWAAN v/h GEBROEDERS BONNIST - 100 employees) has set up a wholly-owned subsidiary in Belgium, DE SWAAN-BONNIST NV, Maldegem. The latter will trade in finished articles and to a certain extent manufacture jute products; it has a capital of Bf 0.7 million and will be run by Herren T.J. Krijt and Peter and Geert de Swaan.

\*\* The links between the French textile groups SAINT-FRERES SA and COMPTOIR LINIER SA (see No 461) which in 1966 resulted in Saint-Freres acquiring an 8% interest in Comptoir Linier, have been further strengthened. The twining division of Saint-Freres, which represents 15% of its interests with a factory at St-Ouen, Somme, is being made over to Comptoir Linier.

The latter's name has been changed to Cie Industrielle de La Corderie - C.I.C.O.R. SA and with its capital increased to F 15 million, over 80% is now held by Saint-Freres.

\*\* UNITOR A/B, Oslo, has taken a 10% interest in association with N.T.L. BONDE, Nordstrand, Oslo to form a company in the Netherlands called UNITOR SHIPS SERVICE NA, Vlaardingen (capital Fl 50,00 - 20% issued.) This will trade in ship's accessories.

TRANSPORT
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\*\* The Swiss METALINVEST AG, Zug (formerly Luria AG), whose president is Mr Herbert L. Luria of New York, has closed down its Brussels subsidiary, LURIA INTERNATIONAL-BELGIUM SA (capital Sf 1.25 m.) after gaining outright control of it.

The Swiss company in 1962 backed (25%) the formation of an inland and sea shipping company, Cia Italiana Transoceanica di Navigazione SpA (capital Lire 100 m.) on an equal footing with the Italian companies Villa Sanitas SpA, Utrico-Ufficio Tecnico Rappresentanze Industriali & Commerciali, Terrestre Marittima Transporti Internazionale Imbarchi & Abarchi SpA, both of Genoa.

\*\* Dutch interests represented by Mr. Leendert Timmers, Maasland have backed the formation in Antwerp of CONTROLEBEDRIJF HENK VISSERS & TIMMERS PvbA (capital Bf 300,000). Under M. G.J. Enderburg, Rotterdam this will check the weight and quality of goods, organise their dispatch etc.

\*\* The Swiss inland waterway and transport concern SCHWEIZERISCHE REEDEREI AG, Basle (see No 467) has strengthened its Belgian interests by establishing - through its subsidiary PAN ALPINA WELTTRANSPORT AG, Basle - a Brussels subsidiary PANALPINA WORLD TRANSPORT (PANALPINA) SA (capital Bf 250,000). This will organise all forms of transport, charter, customs clearance, etc. The Swiss group already controls the Antwerp company, Alpina Transports & Affretements SA.

\*\* The Belgian shipping firm GENTSCHIE SCHEEPVAART MIJ NV, Woluwe-St-Lambert has rationalised its interests by closing down HYDRO-CONSTRUCT NV, Ghent. It recently took a 40 % stake in the formation of the Woluwe-St-Lambert property investment concern Huisinvest NV, which is based on its premises, in association with the Antwerp finance company Spaarkas Financia-Caisse d'Epargne Financia NV (20%). The last-mentioned concern is a member of the Canadian-Belgian group Ste Hypothecaire & de Gestion Financia SA, Antwerp.

\*\* Following a reciprocal representation agreement signed between the London transport concern ANGLO-OVERSEAS TRANSPORT CO LTD (a member of the P. & O. Peninsular & Oriental Steam Navigation Co Ltd group - see No 448) and MORY SA, Paris the latter has made over its British subsidiary MORY & CO (UK) LTD to Anglo-Overseas.

Mory is associated with the Paris oil group C.F.P.-Cie Francaise des Petroles SA (see No 481) within a joint subsidiary, SA des Petroles Mory -S.A.P.M., Paris, which trades in and stores all types of fuels. The British group is already linked through The General Steam Navigation Ltd, London with French interests headed by S.A.G.A.-SA de Gerance & d'Armement (a member of the Rothschild Freres SA group - see No 446) in Normandy Ferries Ltd, which operates a regular cross-channel service from Southampton to Le Havre.

\*\* UNION TRANSPORT CO. LTD., Chepstow, Monmouthshire (see No 400) has closed down its French subsidiary, WEST FRIESLAND EUROTRANSPORTS SARL, Gennevilliers, Hauts-de Seine, whose capital (F 250,000) was held directly by the company's Amsterdam subsidiary, DC International West Friesland NV (road transport).

The latter firm became a member of the group (through United Transports Overseas) in September 1966 (see No 378), when the American company, DC International Co. (of the Denver Chicago Trucking Co., Denver, Colorado) sold off its interest. Within the Community the British group has interests in Belgium, DC International West Friesland NV, Antwerp and in West Germany, West Friesland Euro-transport GmbH, Cologne.

VARIOUS
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\*\* The German concern CARL BREHMER & SOHN, Bremen (hair-pieces and hairdressing articles) has set up a commercial subsidiary in Basle, CARL BREHMER & SOHN AG, M. Kurt Brehmer is president of the new firm, which has a capital of Sf 50,000.

\*\* The manufacturer of smokers' requisites (notably silver and gold lighters) S.T. DUPONT SA, Paris (factory in Faverges, Haute Savoie) has formed a sales subsidiary in Fribourg, Switzerland - S.T. DUPONT SA, with a capital of Sf 0.1 million.

The founder company (capital F 4 million) recently opened a branch in Brussels (see No 467). Its other subsidiaries in Europe are S.T. DUPONT ITALIA Srl, in Milan (see No 388) and S.T. DUPONT LTD in London (see No 436).

\*\* DEXTUERA NV, Varsseveld, has been formed in the Netherlands with an authorised capital of Fl 0.5 million (20 % paid-up) for the sale on the German market of doors, kitchen units, building units, wood, plastic materials etc.

This new concern is the 95 % subsidiary of NV DEURENFABRIEK SVEDEX of Varsseveld (about 150 employees). The remaining 5 % is held by VARUS NV, also of Varsseveld.

\*\* The Danish cereal and vegetable seeds concern, D.D.S. INDUSTRI A/B, Copenhagen (see No 416) has formed an investment company in Luxembourg under the name D.D.S. INTERNATIONALE SA (capital Lux f 1 m.).

The parent company is headed by Messrs L. Arnth-Jeßsen and H. Bruniche-Olsen, is a member of the Copenhagen sugar group DE DANSK SUKKERFABRIKER A/S, and holds shares in the French Ets Tourneur Freres SA, Coulommiers, Seine-et-Marne.

\*\* Two German furniture concerns, BARTELS-WERKE GmbH, Langenberg üb Gütersloh, and LUEBKE KG TISCHE, STUEHLE & POLSTERMOEBEL, Rheda, Westfalen, have joined in forming INTERNATIONAL DESIGN GmbH at Bielefeld with Dm 20,000 capital to design and develop furniture.

Lübke employs over 500 people, and is owned by Herr Heinrich Lübke, whilst Bartels, with Dm 4 million capital belongs to the Zurich group ERNST GOEHNER AG (wood and plastic components for the building industry), whose other German subsidiary is Ibus-Werke GmbH, Lüneburg (see No 446).

\*\* The Dutch rubber products and footwear concern VAESSEN-SCHOEMAKER RUBBERMAID NV, Deventer (see No 470), 50-50 subsidiary of the American RUBBERMAID INC, Worcester, Ohio, and the Dutch VAESSEN-SCHOEMAKER HOLDING NV, Deventer, has formed an almost wholly-owned sales subsidiary in Antwerp, Vaessen-Schoemaker Rubbermaid Belgie NV (capital Bf 400,000), with a token holding retained by the Dutch group itself.

Vaessen-Schoemaker produces chemical additives for the food industry, and already has two Belgian subsidiaries: Vaessen-Schoemaker Belgie NV, Antwerp-Wilrijk, and Vaessen Kunstsdarmenindustrie-Antwerpen NV, Mortsel.

\*\* The French company CHAUSSURES UNIC-USINES FENESTRIER (C.U.U.F) SA, Romans, Drome (an affiliate of the Paris group Revillon Freres SA through Cie Internationale de Banque SA - see No 461) has formed an almost-wholly-owned Belgian subsidiary called S.A. DE DISTRIBUTION DES MAGASINS MONTCLAIR, Woluwe-St-Lambert (capital Bf 2.5 m). This will trade in shoes, socks, stockings, leather goods and accessories. Six other French firms have taken shareholdings: Chaussures Sirius SA, Romans, Drome (75 % controlled by Interco Inc, St. Louis, Missouri formerly International Shoe Co - see No 282); Sintic SA, Lyons; S.A. Les Logis des Chaussures Unic-Silunic, Romans; Montclair Sarl and H.E. Randall SA, Paris.

In November 1967, Chaussures Unic absorbed Ste Francaise des Chaussures Weston SA (capital F 110,000), Ste Spark Sarl (capital F 10,000) and Ste Commerciale des Usines Fenestrier Pour La Promotion & la Distribution des Chaussures Unic Sarl (capital F 10,000) all based in Paris.

\*\* In order to meet the growing demand in France, the Dutch furniture and carpentry, BRUYNZEEL DEURENFABRIEK NV, Zaandam (see No 474) is moving into its new door-making factory at Ussel, Correze. The factory, which has a floor space of 6,500 square meters is initially to put out 200 door units per day, but this figure will later be increased to some million per annum, most of which will be sold in the Midi.

The company's most recent move abroad has been the merger of its South African subsidiary, Bruynzeel South Africa Ltd with another firm in the sector, Plywoods Ltd to form Bruynzeel Plywood Ltd.

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Beverage Bottling Centre	L	Dutrannoit	J
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Boekhoven, Drukkerij	R	E.C.E.A. Export Consortium	J
Boothe Computer Corp	F	E.N.I.	O
Bosch, Drukkerij	R	Eichbaumwerger Brauereien	N
Brehmer, Carl	W	Ellison, C.G.	H
Briqueterie de Noiseau	B	Entrepose	K
British Celanese	D	Erie Continental	F
British & Continental Banking	K	Esbjerg Tovvaerksfabrik	T
Bruynzeel Deurenfabriek	X	Eulabex	H
Bryce, Robert	D		
		Fabri	L
C.F.A.M.	B	Fiat	M
CA. P.A.G.	K	Firet	S
Caby, Jean	M	Forshaga, Linoleum	C
Canadian Liquid Air	D	Fortune Management Services	K
Carnoy-Vandensteen	G	Frayse, Laboratoire	Q
Celanese Corp	P	Freudenberg, Carl	D
Chaussures Unic	X	Fruitiere, Cie	N
Chloride Electrical Storage	I		
Colly, A. Ets	J	Gazan, Confectie-Fabriek	U
Columbia Cellulose	P	Genepesca	M
Continental Linoleum - Union	C	Gentsche Scheepvaart	V
Opera Mundi - Europe No 482			

Gercebe	F	Lequeux	H
Gessner, David	J	Lesieur, Georges	M
Glanzstoff	T	Lhomargy	H
Granada Group	E	Linde	H
		Linier, Comptoir	U
H.V.A. Mij	N	Linoleum AG	C
Hainsworth, A.W. & Sons	T	Liquigas	P
Hanna, H. & Co	D	Liverdy, Tuilerie	B
Henkel & Cie	C	Lorain	H
Hermann-Moritz	H	Lübke KG Tische	W
Hispano Suiza	E	Luria International	U
Hoechst	Q		
Howarine Calvert	D	Maggia & Co, Lanificio di Torino	T
Husqvarna	G	Marx & Co	L
Hydro-Construct	V	Metalinvest	U
Hydrovane Compressor	I	Montanore	E
		Mory SA, Paris	V
I.F.I.	M		
Inced	B	N.M.C. Videla France	D
Indoheem	F	N.T.L. Bonda	U
Industrie Cotonniere	S	Naarden, Chemische Fabrik	E
Inim	B	"Nederland", Technische Handelsmij	E
Internatio	D	Nederlandsche Kabelfabrieken	J
Isambart	K	Nederlandse Linoleum-Fabrik	C
Isar-Chemie	C	Neuvians Reuschel, Bankhaus	L
Italedil	B	Nodel Marquet	D
Italsignal	P	Noiseau, Briqueterie	B
		Norsemen Chemicals	C
Jacobs & Co, John	L	Nowrypharma	Q
Jansen Armaturen	I	Nuclear Enterprises	F
Jersey Enterprises	D	Nyma, Kunstzijdespinnerij	T
Jeulin	H		
Jobin, A.	H	Occidental Petroleum	P
		Olida, Maison	M
Kavel Kabel Elektrik Malmesi	J	de Ouden's Ijzerhandel Aristo	E
Kentube	G		
Khawar	B	Pan Alpina	V
de Kievit, Regen- & Sportkleding	S	Pechiney-Saint-Gobain	Q
Kirema	G	Pendle Insurance	O
Kode Ltd.	G	Philips NV	G
Koehring	H	Phrix Werke	T
Kretz, Ste Nouvelle des Ets	T	Piette, Laboratoires	R
		Poensgen, Bankhaus	L
Landis & Gyr	E	Pont-a-Mousson	I

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Power Products  
Preciss

Rhone-Poulenc  
Robeco  
Roussel-Uclaf  
Rubbermaid

S.I.A.C.E.  
S.M.T.  
Sadem

Saint-Eloi, Brasserie  
Saint-Freres  
Schaeffer Manutention  
Schering  
Schifeo, Fernando  
Schwartz-Stoerchen  
Schweizerische Reederei  
Signal Oil & Gas  
Simulators Inc  
Smeets Drukkerijen  
Smits, H. Kledingsindustrie  
Smoorenburg  
Sodel, Aliments  
Sodeva  
Solvay  
Solvital  
Standard Oil, New Jersey  
Steel, J.N. & Co  
Stock Spiralbohrer  
Strath, Ets  
Suddeutsche Chemiefaser  
Svedex, Deurenfabriek  
Svenska Cullulosa  
de Swaan Bonnist

Taloca  
Telerent  
Thionville-Basse-Yutz  
Tuboplast France

U.C.B.  
U.T.D. Corp  
Underberg

I Union Superannuation Fund  
H Union Transport  
United Stirling  
Q Unitor  
K Universal Pipeline Welding  
Q Unochrome

W  
V.N.U.  
P Vaessen-Schoemaker  
B Vallourec  
L Van Der Horst  
O Van Helderer  
U Verenigde Bezit van 1894

S Verson Allsteel.Press  
C Verto NV  
N Veuka  
N Victoria Insurance  
V Vion  
P Vissers & Timmers  
B Vittel

R  
T Werner & Mertz  
U Werner, Fritz, Verwaltungs  
M Westfalenbank  
M Wiedmann, Adler-Kaese  
Q Wollendekenfabriek "Nederland"  
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D Zout-Organon

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